

# PREFACE

In the curricular structure introduced by this University for students of Post-Graduate degree programme, the opportunity to pursue Post-Graduate course in a subject is introduced by this University is equally available to all learners. Instead of being guided by any presumption about ability level, it would perhaps stand to reason if receptivity of a learner is judged in the course of the learning process. That would be entirely in keeping with the objectives of open education which does not believe in artificial differentiation. I am happy to note that university has been recently accredited by National Assessment and Accreditation Council of India (NAAC) with grade 'A'.

Keeping this in view, the study materials of the Post-Graduate level in different subjects are being prepared on the basis of a well laid-out syllabus. The course structure combines the best elements in the approved syllabi of Central and State Universities in respective subjects. It has been so designed as to be upgradable with the addition of new information as well as results of fresh thinking and analysis.

The accepted methodology of distance education has been followed in the preparation of these study materials. Co-operation in every form of experienced scholars is indispensable for a work of this kind. We, therefore, owe an enormous debt of gratitude to everyone whose tireless efforts went into the writing, editing, and devising of a proper layout of the materials. Practically speaking, their role amounts to an involvement in 'invisible teaching'. For, whoever makes use of these study materials would virtually derive the benefit of learning under their collective care without each being seen by the other.

The more a learner would seriously pursue these study materials, the easier it will be for him or her to reach out to larger horizons of a subject. Care has also been taken to make the language lucid and presentation attractive so that they may be rated as quality self-learning materials. If anything remains still obscure or difficult to follow, arrangements are there to come to terms with them through the counselling sessions regularly available at the network of study centres set up by the University.

Needless to add, a great deal of these efforts is still experimental—in fact, pioneering in certain areas. Naturally, there is every possibility of some lapse or deficiency here and there. However, these do admit of rectification and further improvement in due course. On the whole, therefore, these study materials are expected to evoke wider appreciation the more they receive serious attention of all concerned.

**Professor (Dr.) Subha Sankar Sarkar**  
Vice-Chancellor

**Netaji Subhas Open University**  
**Post-Graduate Degree Programme**  
**Subject : Commerce (M. Com)**  
**Course : Orgnizational Behaviour**  
**Code : PGCO-I**

**First Print : December, 2021**

**Netaji Subhas Open University**

**Post-Graduate Degree Programme**

**Subject : Commerce (M. Com)**

**Course : Organizational Behaviour**

**Code : PGC0-I**

**: Board of Studies :**

**: Members :**

**Dr. Anirban Ghosh**

*Professor of Commerce  
Netaji Subhas Open University  
Chairperson, BOS*

**Dr. S. N. Roy**

*Rtd. Professor  
Indian Institute of Social Welfare  
and Business Management*

**Dr. Swagata Sen**

*Professor of Commerce  
University of Calcutta*

**Dr. Uttam Kr. Dutta**

*Professor of Commerce  
Netaji Subhas Open University*

**Dr. Debasis Sur**

*Professor of Commerce  
University of Burdwan*

**Dr. Dhiren Konar**

*Rtd. Professor of Economics  
University of Kalyani*

**Shri Sudarshan Roy**

*Assistant Professor of Commerce  
Netaji Subhas Open University*

**: Course Writer :**

**Dr. Dipti Chakravorty**

*Professor of Commerce  
University of Calcutta*

**: Course Editor :**

**Dr. Uttam Kr. Dutta**

*Professor of Commerce  
Netaji Subhas Open University*

**: Format Editor :**

**Dr. Anirban Ghosh**

*Professor of Commerce  
Netaji Subhas Open University*

**Notification**

All rights reserved. No part of this Self-Learning Material (SLM) may be reproduced in any form without permission in writing from Netaji Subhas Open University.

**Kishore Sengupta**

Registrar





**Netaji Subhas  
Open University**

**Post Graduate : Commerce  
(M. Com)**

**Course : Organisational Behaviour**

**Code : PGCO-1**

**Module – 1**

<b>Unit - 1</b> □ Organisation Theory and Organisational Behaviour	9 – 31
<b>Unit - 2</b> □ Individual Behaviour in Organisation	32 – 55
<b>Unit - 3</b> □ Group Behaviour in Organisation	56 – 82
<b>Unit - 4</b> □ Group Decision Making and Communication	83 – 102

**Module – 2**

<b>Unit - 5</b> □ Motivation	105 – 120
<b>Unit - 6</b> □ Leadership	121 – 140
<b>Unit - 7</b> □ Organisational Culture and Stress Management	141 – 167
<b>Unit - 8</b> □ Organisational Development	168 – 194



# **Module - 1**





---

# **Unit - 1 □ Organisation Theory and Organisational Behaviour**

---

## **Structure**

- 1.1 Objectives**
- 1.2 Introduction**
- 1.3 Structure of Organisation**
  - 1.3.1 Factors Influencing Structure**
  - 1.3.2 Features of Good Organisation Structure**
- 1.4 Modern Theories of Organisation**
  - 1.4.1 Behavioural Approach**
  - 1.4.2 Mathematical/Quantitative Approach**
  - 1.4.3 Systems Approach**
  - 1.4.4 Contingency/Situational Approach**
- 1.5 Challenges of Managers**
  - 1.5.1 Recent Challenges of Managers**
- 1.6 Organisational Behaviour (OB)**
  - 1.6.1 Organisational Behaviour—Meaning**
  - 1.6.2 OB its Activities/Functions**
  - 1.6.3 Importance of OB**
- 1.7 Contributing Disciplines of OB**
- 1.8 OB in Global Context**
  - 1.8.1 Difficulty is knowing Culture**
  - 1.8.2 Study of Kluckhohn and Strodtbeck**
  - 1.8.3 Hofstede Framework**
  - 1.8.4 GLOBE Framework**
- 1.9 Summary**
- 1.10 Questions**

---

## 1.1 Objectives

---

Objectives of this unit are to give idea on—

- Some conceptual issues about organisation
- Organisational structure
- Modern theories of organisation
- Challenges that managers are facing now
- Meaning and importance of organisational Behaviour (OB)
- Disciplines that contribute towards development of OB
- The Global interpretation of OB

---

## 1.2 Introduction

---

Human being can never stand alone. Human civilisation has taken the modern shape out of mainly the group activity of human beings. Different ancient civilisations, construction of huge pyramids are the glaring examples of such group activity. Organisations are nothing but the systematic and scientific forms of such group lives of human race. When people come together to help each other in a systematic way, it becomes an organisation. According to Barnard, organisation is a consciously created activities of two or more persons, who are able to communicate with each other and are willing to contribute to a common purpose. So, the components of organisation are very clear.

- Two or more persons
- Common purpose
- Conscious activities
- Communication, and
- Joint contribution

Family, community and society—all are in one way the forms of organisations. Our natural urge to live in associations, not in isolation, has given birth to all the aforesaid groups. As the days are progressing, the organisations are increasingly dominating almost all the aspects of human activity. Our quality of life depends on

how the organisations work. So the efforts are also everywhere so that organisations can work well. Different structures of organisations have been developed in the mean time. Outlines have been drawn up as to their process of functioning. Functioning of organisations is not just an art today, this is considered now-a-days as a science. Hence, some principles have also been deduced to provide foundations to organisational processes, which are commonly known as organisation theory. In the following sections, we will discuss on such structure and theory of organisations.

---

## 1.3 Structure of Organisation

---

Organisation structure is not visible, so it is abstract. Still, it is real and affects every component of organisation. Very simply, organisation structure is a pattern in which different components of organisations are interrelated. It is the relationship among people and policies in the organisations. The chain of command among different organs refers to the structure of organisations.

The basic structure of organisations is pyramidal, top being narrower and bottom broader. Then, it differs depending on its objective, size, system and process of operations.

Broadly, the structure can be of two types—

- (a) Mechanistic structure, and
- (b) Organic structure.

Mechanistic structure is a rigid and highly formal structure, which is not easily changeable, and hence is not suitable to ever changing dynamic world.

Organic structure, on the other hand, is flexible and informal. It can be re-designed easily to cope with the changed situation. However, neither completely mechanistic nor fully organic structure does exist in modern world. Rather, a mix structure is seen in almost all cases, the inclination of which to either mechanistic or organic form depends usually on following factors.

### 1.3.1 Factors Influencing Structure

**Strategy :** Any structure is built up to achieve some objective and to help materialise overall strategy. But as this strategy varies from organisation to organisation, the structure also varies. A.D. chandel in 1960's conducted a study on strategy-structure relationship. A few recent researches also confirm this relationship. Strategies broadly can be following types—

- Innovation strategy
- Cost-minimization strategy, and
- Imitation strategy

Innovation needs organic structure. For cost minimization, mechanistic structure is appropriate. In case of imitation strategy, however, a mixture of both mechanistic and organic structures is needed.

**Size :** Size influences structure. More employees you hire, more will the scope for specialisation requiring horizontal differentiation. Vertical differentiation will also be needed to co-ordinate different departments. Formalisation will be required to control everything. Thus, size is on notable contributor to structure.

**Technology :** Technology is a major determinant of an organisation's structure. Specific structures are associated with specific type of technology and the effectiveness of organisations is related to the "fit" between this technology and structure. Firms use broadly the following three types of technology—

- (a) Unit Production Technology
- (b) Mass Production Technology, and
- (c) Process Production Technology

According to Jahn Woodward (1965, London), for the first and third organic structure is the best-suited structure, and for the second we need the mechanistic structure.

Charles Perrow (1967, USA) divided technology into two types-routine and non-routine. Routine technology matches with mechanistic, and non-routine with organic structure. Today's information technology, on the other hand, will match with modern virtual organisations.

**Environment :** Nature has neatly packaged people into skins, animals into hides and trees into barks. But organisations are never in that way "packged". Rather, they are open to the ups and downs of the environment. So, what will be structure of an organisation, mostly depends on the environment it comes across. Environment may be **placid**, that is, relatively unchanging. It may be **disturbed**, that means, more complex. It may also be **turbulent**, which is the most dynamic and has the highest degree of uncertainty. Mechanistic structure can work within placid environment. But in turbulent environment, organic structure is a must, whereas for disturbed environment, a mixture of aforesaid two structures can be more suitable.

### 1.3.2 Features of Good Organisation Structure

Like the engineer who designs a building or a fly-over, an organiser while designing organisation structure, must also apply some principles to meet the objectives of organisation. Otherwise, organisational efficiency can never be achieved. The factors that are to be considered in this respect are known as the features of a good organisation structure. Those are narrated below.

**Clear lines of Authority and Responsibility :** What anyone can do, is his/her authority. What anyone is to do, is his/her responsibility. Both of them must be very much clear, not confusing. A proper chain of Command from the top to bottom of the organisation structure only can provide this clarity, lack of which is a failure on the part of organisation structure.

**Delegation of Authority :** You may have the authority to do many things. But if you alone do everything, you will not do justice to more important things. Cost effectiveness will also be affected by doing the work that can be got done by low-paid lower level managers/workers. So, do yourself the more important jobs, and delegate others to lower levels. A good structure will provide scope for that.

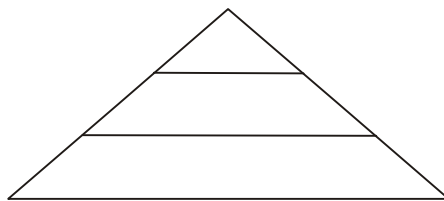
**Ultimate Responsibility :** By delegation, authority flows from superiors to subordinates. Accordingly, subordinates will do their duties and remain accountable to the superiors. But ultimately the superiors are to take the responsibility for the tasks to be performed by subordinates as well. This is known as the concept of “ultimate responsibility”. So, it is said that one can delegate authority, but not the responsibility.

**Span of Control :** The number of subordinates to whom one superior will delegate authority to do some duties, is known as his/her span of control/management. In other words, span of control means the numbers of workers that a manager can control or manage properly. You can manage few people, but you are managing five. Then, it will be under-utilisation of your capacity and it is not cost-effective as well. You can manage five people, but you are managing ten. Then, you will be overburdened, and supervision will be ineffective. So, span must have a standard size. The size, however, depends on the following factors—

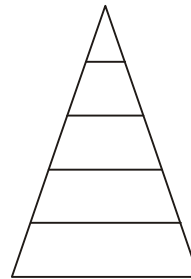
- (a) Efficiency of superior
- (b) Quality of subordinates
- (c) Nature of work—routine or complicated
- (d) Communication Techniques—modern or traditional

- (e) Degree of centralisation
- (f) Staff assistance—superior gets or not
- (g) Clarity of objective, etc.

**Levels of Management :** More the number of levels in the structure, more time it will take to communicate from top to bottom. More the levels an information passes through, higher is the possibility that it will be distorted. More the number of levels, more managers will be required and overhead expenses will be huge. So, the



**Fig. 1**



**Fig. 2**

levels should be kept minimum. The structure should be flat and look like figure 1, not tall like figure 2. In figure 2, levels are more. In each level, there must be one manager, one office, some assistants and equipments. So, the cost is higher in second case.

Of course, span of management has a relation with the levels of management. When span is larger, levels will be less, because one manager there will manage maximum number of subordinates.

**Division of work/Departmentation :** Works need breaking up into parts. This helps having benefits of specialisation. Long back, Adam Smith advocated this concept of division of work and the resultant specialisation. By this, fixation of responsibility and appraisal of individual work became easy and effective. After the dividing the work for the aforesaid purpose, similar tasks again are to be grouped together to facilitate supervision and co-ordination. This is known as 'departmentation'. This grouping of activities can be done, based on any or more of the followings.

- (a) **Functions :** Leading to Functional Departmentation like production, marketing, finance etc.
- (b) **Product :** Leading to Product Departmentation like car Division, Truck Division, Bus Division etc.

- (c) **Geography** : Division like Kolkata Division, Southern Division etc.
- (d) **Customers** : Division like wholesale—retail or Male, Female, children.
- (e) **Process** : Leading to departmentation like Spinning, Dyeing and Weaving.
- (f) **Time** : For example—Day shift, Night shift.

---

## 1.4 Modern Theories of Organisation

---

The classical theory of organisation had three pillars, e.g. Division of Labour, Departmentation and Co-ordination. Human beings were considered as inert instruments. Neo-classical theory stressed on flat structure, decentralisation and informal organisation. Whereas the modern theory, developed in early 1960s, feels that organisation is an open system and cannot have a rule of thumb principle. Approaches under modern theory of organisation are narrated below.

### 1.4.1 Behavioural Approach

The approach draws heavily from psychology and sociology to learn the influence of individual and group behaviour respectively on organisation. Emphasis is placed here on motivation and good human relations. Hawthorne study of Elton Mayo revealed the need of human relations for greater productivity. Thereafter, Maslow, Herzberg, McGregor and many other psychologists and sociologists contributed a lot towards the development of this approach.

Based on this approach, we have understood now the need and importance of human resource management and organisational behaviour. Before it, men were considered as the adage to the machines. Man can sometimes works below their capacity, if they are not satisfied. For desired outcome, workers willingness must be aroused. This approach believes on this premise.

### 1.4.2 Mathematical/Quantitative Approach

This school treats management as a logical entity, the action of which can be analysed logically in terms of quantitative symbols or mathematical relationship. The main characteristics of this approach are as follows.

- (i) Organisation is a problem-solving mechanism that works with the help of some scientific techniques.
- (ii) The variables, both dependent and independent, can be quantified and related in the form of equations.

- (iii) The findings can also be expressed in quantitative symbols, pinpointing the areas of problems.
- (iv) Operations research, simulation, model developments, econometrics are the basic methodologies of this approach.

The contributors of this approach are Newman, Hitch, Russell Ackoff etc. They want to quantify the behaviour of workers as well. But this is always not possible. Inanimate things follow the law of nature. But human beings are most complicated ones. This approach may not work on this.

### **1.4.3 Systems Approach**

A system is defined as an assembly of a number of things connected and inter dependent. So, a system can never work in isolation. It is to vary if the inter-related things vary. According to this approach, an organisation is a system. So the characteristics of a system an organisation does also possess. The important features of a system can be stated as below.

- (i) A system is the sub-system of a bigger system. For example, West Bengal is sub-system of India.
- (ii) A system has again a number of sub-systems, as the system of West Bengal has a number of districts.
- (iii) System is related with and dependent on sub-systems.
- (iv) Sub-systems are also inter-related.
- (v) A system is not only the aggregate of its sub-systems, it is more than that.
- (vi) Without analysing the larger system and the sub-systems, the behaviour of no system can be known.

When we consider organisation as a system, then organisation will be of following nature.

- (i) It is dynamic.
- (ii) It is multi-disciplinary and multi-dimensional.
- (iii) It will have multi-variables.
- (iv) It is probabilistic and adaptive.
- (v) It is open in all ends, not a closed system.

### **1.4.4 Contingency/Situational Approach**

Contingency approach has emerged out of the system approach. Because, when



a sub-system behaves in response to another system or sub-system, we say that the response of the sub-systems is contingent on environment, i.e. on system. However, the basic idea of contingency approach is that there cannot be a specific solution for all kinds of organisations or no method can suit all situations. It varies from organisation to organisation, from situation to situation. Firstly, this approach accepts the system approach about interdependent and organic nature of organisation. It accepts also the open and adaptive character of system approach. Thereafter, it adds, always the same nature of a system may not lead to the similar type of sub-system or vice-versa. One plus one may sometime become two, but sometimes it may become eleven. According to this approach, the characteristics of organisation can be as follows.

- (i) Its function is entirely situational.
- (ii) No organisational design is suitable for all situations
- (iii) No organisation can take absolute decisions
- (iv) All organisational actions are relative to different social, legal, political and economic factors.

---

## **1.5 Challenges of Managers**

---

If you ask one manager to describe his/her most frequent and most trouble some problem, the manager most often will describe “people problems”. They will talk about poor managing skill of boss, lack of motivation in sub-ordinates, conflict among co-workers, resistance of employees, so on and so for. That means problem always is with people.

Human beings are problematic, again human resource is the most important among all resources, e.g., physical, financial and human. Because, only the human resource can—

- (i) activate other resources
- (ii) sustain competitive advantages, and
- (iii) create value.

So, managing human resource is the biggest challenge of the manager. Among three types of skills, i.e., technical skill, conceptual skill and human skill, the human skill of manager therefore, is considered as the most important one. Managers of top-

level needs mostly the conceptual skill, lower level manager needs technical skill more. But the managers of all three levels, i.e., top, middle, and lower, need equality the human skill for their performance.

Human skill is very important. But for this, the pre-condition is to understand the human being. No two human beings are identical. The same human being behaves differently at different times. So, to understand them is not so easy. It is not easy, but at the same time it is not impossible. Because no human behaviour is without any purpose or cause. When a little baby cries, that is also to draw attention of others. If that cause can be found out and the cause-and-effect relationship is formed, human behaviour can be predictable. A scientific body of knowledge has been developed for the purpose. This is organisational behaviour (OB). OB helps managers in solving people problems. So, challenges of managers are in one way the challenges to OB.

### 1.5.1 Recent Challenges of Managers

Of late, the socio-economic environment has been radically changed. Thus, the problems as to people has become more acute, and the people's response (behaviour) to those problems have been much more complicated and unpredictable. The challenges as such are briefly discussed below.

**1. Globalisation :** Due to globalisation there has been free flow of labour and capital from one country to another. National companies have been transformed into multinational companies (MNCs). As a result of this a manager today—

- (i) is to accept off and on the foreign assignments
- (ii) is to deal with boss, peers and subordinates who may belong to some other countries.

All these make understanding the human being more complicated. To know the people of one's own family is too difficult. So, the difficulty of understanding the people of different countries, culture, creed, colour and caste—can be easily imagined.

**2. Workforce Diversity :** Due to globalisation, workforce today is consisted of the people of different countries, leading to **culture diversity**. Beyond that, the present-day workforce experiences.

- (a) Age Diversity
- (b) Gender Diversity
- (c) Caste Diversity etc.

Retirement age in private sector is no longer in vogue. So, eighty-year old workers can be there. Newly recruited workers can be, again, eighteen years old. Likings, dislikings, productivity, needs of these workers of huge age gap can never be the same. Due to this age diversity managers thus face the problems.

Earlier, number of female workers was too minimum. That is again in some selected professions like teaching, reception etc. But now in developed countries 45% workers are female. In the developing countries like ours also females are now equally competing with males, leading to gender diversity. Needs likings of males and females are not same. So again the managers are now in a problem.

Alike, caste diversity is also increasing due to reservation policy of governments. Earlier, so-called upper caste people used to hold the managerial positions. Now, SC/ST, OBC etc are getting those positions creating diversity.

**3. Temporariness :** Everything today is temporary. Earlier, rate of companies winding up was 1%, now it is 10%. Earlier, a product could remain in the market for 50 years. Now, no product has market beating capacity for more than five years. All the workers earlier were full time workers. Today maximum are part-time, casual workers. So, a manager cannot spend maximum time with one worker. Then, how will he/she understand the worker? Work-design is also temporary.

Today workers work with pen and paper. Tomorrow they may be asked to work with cartidge and computer. So, today's skilled worker can be unskilled tomorrow. Thus, unpredictability increases throwing challenges to the managers or OB.

**4. Change and Innovation :** Since everything is temporary, one must not stick to old things, old product or design. Continuously one is to change, if it is to survive. Change again, cannot be done in isolation. Innovation is the pre-condition to that. Until you get something new by innovation or creativity, how you can replace the old. Innovation is broadly of three types.

- (a) Incremental : Just you are new feature to the old product, e.g., change in package.
- (b) Substantial : Maximum change e.g., change in packing and quality of product.
- (c) Transformational : Replace the old product by completely a new product.

To change means to accept new environment which is always unknown and so, uncertain. Managers thus are in problems.

**5. Increasing Customer's Service :** Service sector now is the most important

sector. More than 60% workers or managers are working there. In service sector, you are to deal directly with customers, unlike workers who work in factories, i.e. with machines. Customer's behaviour is more unpredictable than machines and customers' problems refer to people problem. Managers were so long worried with one kind of people, i.e., workers. Now, if customers are added to that, we can easily change how problematic will be the lives of managers.

**6. Technology :** Technology today is everywhere. Man created it to help him in enhancing his capacity. But, now it is throwing man, its creator, out of the scene. Due to introduction of technology, workers are losing jobs. So, they are always afraid and tensed as any moment they may be given golden handshake. So, their job satisfaction is low and to motivate them is a challenge.

Moreover, along with white colour and blue colour, employees, we have come by the golden colour employees (knowledge workers) also. The need, demand, culture of this new type of workers are largely different from those of others, posing thus problems to managers.

**7. Ethical Dilemma :** Ethics, values are always controversial. But never earlier we were in such a dilemma on ethical issues. If you do not give bribe to hospital staff, your relatives will not get admission and may die. What should you do then? If you blow whistle, dignity of your company may be affected. If you don't, corruption may continue. If you evaluate properly your subordinate's performance, he/she may be demoted or dismissed. If not, you are compromising with your duty. Due to these role conflicts, managers/workers now are always tensed/stressed. Their productivity is less. Sometimes, they suffer from burn out. Resolution of this stress is a headache to modern managers.

**8. Life-work Imbalance :** 30 to 40 years back, there was a clear demarcating line between our personal life and working time. But day by day, this is gradually disappearing. We do not exactly know today which time is completely our own. Livelihood is encroaching every sphere of our life. The reasons thereto are as follows.

- (a) Managers now are the managers of MNCs. So, in his/her night time also some of his/her workers may be in work in other parts of the globe. Thus, he/she will never have a free sleeping time. He/she may be always on phone call thereby, and personal time is curtailed.
- (b) Due to technological development, net connectivity, when one worker is spending vacation, his/her may get him/her connected, assign duty

and sitting on a sea beach the worker is required to complete the assignment. Personal life is encroached there by.

- (c) Working hours today have also been increased, leaving minimum time for personal enjoyment.
- (d) Due to dual career families now-a-days, house hold responsibilities are grossly neglected. If at home, you are failure, working life will also be affected. Everything thereby is becoming imbalanced. Managers are getting much trouble in addressing the stress of workers created out of that.

---

## **1.6 Organisational Behaviour (OB)**

---

Organisational behaviour as a new discipline has emerged to assist the managers in understanding workers behaviour that is being complicated day by day due to radical socio-economic changes. Human nature always is to give judgement about others. Always we try to understand why people do what they do. But in most cases, we do it by intuition or get feelings. So, our judgements about others become incorrect. OB rather has come up with a scientific approach to replace that intuition or to supplement that, so that understanding the behaviour of people becomes accurate. How it proceeds to that end, is discussed one by one in following sections.

### **1.6.1 Organisational Behaviour—Meaning**

Organisational behaviour means behaviour within the four walls of organisation. So, as a discipline, it studies the actions and attitude of the human beings at their work place.

At the workplace, not only individual human beings but hundred of their groups and millions of relationships exist. The relationship as such actually the organisation of different nature. So, in any organisation broadly there are three components—

- (a) Individulas
- (b) Groups, and
- (c) Structures

And, behaviour within the organisation means the interface and interactions of these three. So, S. P. Robbins defined OB as follows.

“OB is a discipline that investigates the impact that individuals, groups and

structures have in the organisations for the purpose of applying the knowledge for enhancing the organisational efficiency.”

So, What are under consideration are firstly, the behaviour within the organisations and secondly, the organisational efficiency. That means, all types of behaviour are not the subject of OB. Rather the subject of OB is only the work-related behaviour. Broadly, the work-related behaviours are—

- (a) Productivity i.e., degree of worker’s efficiency.
- (b) Absentacism i.e., how many days workers are absent.
- (c) Worker’s turnover i.e., rate of employee resignation.
- (d) Job Satisfaction i.e., extent of positive feeling to job.
- (e) Organisational citizenship i.e., favourable behaviour.
- (f) Deviant workplace Behaviour i.e., Unfavourable behaviour.

So finally OB means the study of Individuals, groups and structure to know their impact on the aforesaid six outcomes. The study as such includes the following.

### **1.6.2 OB-its Activities/Functions**

OB is a social science. Like every science, it also wants to establish a cause and effect relationship among related variables. Behaviour here is the effect. So its first function is to find out the cause behind each behaviour. Then it tries to see the degree of association between the cause and effect, that is to what extent the same cause leads to similar behaviour. The causes here, in other words, are independent variables and outcomes are dependent variables. To build up an equation of relationship between the two is the primary activity of OB. Outcomes on dependent variables actually are the work related behaviours as mentioned in section 1.6.1 and, the variables on which they depend are—

- (i) What types individuals are there in the organisation.
- (ii) How strong is the group relationship, and
- (iii) What structure or style of management is there in the organisation ?

Different characteristics of individuals are—age, gender, religion, physique, intelligence, values, personality, perception and attitude and all these have their impact on productivity like work-related behaviours.

Group dynamics depend on the issues like conflict, negotiation, power, politics, communications, group decisions, group norms, cohesiveness and so on. On these dynamics depend the productivity, job satisfaction or absenteeism of workers.

Structure of organisation refers to degree of centralisation, Line and staff Matrix, flexibility of structure, extent of participation in decision making, human resource policies, organisational culture etc.

OB, as a subject, deals with all the facets of these three independent variables, i.e., individuals groups and structures. Then it establishes relationship of them with productivity-like different dependent variables.

However, the pure sciences like physics/chemistry can universally state that  $x$  always leads to  $y$ . For social sciences like OB this is not possible. Here, we need the function of one contingent variable,  $z$ . And, our equation normally stands as—

“ $x$  leads to  $y$  subject to the condition of  $z$ .”

So, the functions of social sciences are more difficult, more complicated than those of pure sciences. Pure sciences deal with inanimate things like sun, moon etc. Everyday the sun rises in the east. If you throw something upward, it will surely come down to earth. Thus, their behaviour is predictable. But human beings are unpredictable, making the activity of OB difficult to a large extent.

### 1.6.3 Importance of OB

OB is of very recent origin still, it performs a very important role in understanding the human beings and analysing the societal dynamics. Human resource is the most important of all resources. So, human resource management has got now the maximum prominence. But human resource management (HRM) is handicapped in absence of OB. OB helps HRM in following ways.

- (i) OB explains human behaviour by asking why people do what they do. If a number of workers resign, OB attempts to know “why” they resign. A number of causes can be there. But what is the exact cause? By explanation we know that fire causes smoke. Hydrogen and oxygen cause water, Similarly OB tries to know what is the cause leading to a specific behaviour.
- (ii) OB predicts human behaviour by using the knowledge from explanation. By explanation we know that fire causes smoke. So, from a distance when we see some smoke we can rightly predict that there is fire. Accurate prediction of human behaviour is crucial to any kind of managerial decision or action. Before modernisation or computerisation, managers must predict the reaction of workers. If he/she predicts that even if there is reaction, it will be mild and manageable, he/she can proceed to modernisation. But if he/she predicts acute agitation or revolt against this move, he/she should not proceed.

- (iii) OB also **controls/manages** human behaviour. That means it can change human behaviour according to the need of the organisation. By explanation, it comes to know the reason behind workers unfavourable reactions. Then, by adopting remedial measures it prevents the recurrence of such unfavourable reactions. Knowing the environment that creates positive actions, it builds up the same environment enabling the repetition of positive behaviour. Workers themselves may not know that their behaviour is being controlled. Because OB does it very tactfully whereby favourable behaviour of workers are repeated and unfavourable ones are prevented. With the help of these three roles, OB in fact performs the most important part of managerial functions. HRM also is inactive in absence of such help of OB.

---

## 1.7 Contributing Disciplines of OB

---

OB is still in its childhood. Still, it is to perform a very complicated role. So, it cannot but take help of one and all, and has built up itself as a multi-disciplinary subject. The disciplines from which it has borrowed the concepts to enrich itself are known as the contributing disciplines. Contributing disciplines along with their contributions towards the development of OB as a separate field of study are narrated below.

**Psychology :** Psychology is an age-old social science that deals with the mental state of all human beings and even the animals. OB deals with only the work-related behaviour. But the focus of psychology is on every walk of human beings as well as animals. Different dimensions of individual behaviour have been borrowed by OB from psychology. These dimensions are—

- (i) Value system
- (ii) Personality
- (iii) Attitude
- (iv) Perception
- (v) Learning Process
- (vi) Job satisfaction
- (vii) Job stress etc.



**Sociology** : While psychology helps OB in relation to individual behaviour, sociology helps it in understanding group behaviour. Sociology deals with society. Group is a sub-set of society. So, social dynamics equally hold good in group activity. The issues on group behaviour for which OB has borrowed concepts from sociology are—

- (i) Group formation
- (ii) Group Properties
- (iii) Group Decision-making
- (iv) Communication
- (v) Conflict and its resolution
- (vi) Power and Politics etc.

**Anthropology** : Anthropology is the science of human race. It deals with the evolution of human civilisation and its culture. From civilisation to civilisation the behaviour of human beings varies because the culture of each civilisation is different. So, to know the followings, the OB has to depend on anthropology.

- (i) Organisational culture and its impact
- (ii) Organisational development
- (iii) Organisational change
- (iv) Organisational values vs personal values.

**Social Psychology** : This discipline is the blending of sociology and psychology. So, it's natural that it will help both individual and group behaviour. In fact group is consisted of individuals. Still, group behaviour is different from individual behaviour. How this change or difference takes place in the area of social psychology. For knowing individual and group behaviour, it is very important. Thus, social psychology helps us in understanding—

- (i) change from individualism to collectivism
- (ii) the upholding of individuality amidst group pressure.
- (iii) reconciliation of individual aspiration with group goal.

Initially, OB was built up with the contributions from aforesaid social sciences. But as the days are passing, organisations and their components are confronting with newer and newer problems. As a result of that, OB is now depending on some other disciplines also. These disciplines are mentioned below.

- (a) **Economics** for tackling the critical issues like job evaluation, wage determination, time study, motion study etc.
- (b) **Political Science** for combating the emerging politicking and power play at workplace.
- (c) **Medical Science** for resolving the issues like workers depression, job stress, counselling. etc.
- (d) **Semantics** for enabling the organisations to have an effective communication network as this network is considered to be the nervous system of all organisations, and the success or failure of group decision making mostly depends on it. One of the reasons of conflict is also poor communication. So, semantics, the science of communication is truly of much of OB.

---

## 1.8 OB in Global Context

---

We live today in global village. Supersonic jets, world wide web, MNCs, easy flow of labour and capital from one country to another—all have given us scope of and necessity for continuous interactions with people of other countries of the globe. But the fact is—the way of response to same stimulus may not be the same in all countries. Response varies depending on the culture of a place. Americans, for examples, unlike europeans, always suffer from parochialism. They always believe that their customs, values, even the language are superior to all others. So, we can imagine how they would response to a call from other countries like Mexico, India, Brazil etc. Some of the differences from country to country we may cite below.

- (a) Americans like theme park, but French do not like it.
- (b) While speaking together, people of Peru like to come closer to each other, whereas US the people keep backing up.
- (c) Managers in USA always have separate luxurious private chambers, but Japanese executives do not have that.
- (d) American students from childhood are taught to be individualistic whereas Japanese from childhood learn to be the teamplayers.
- (e) In America, ends justify the means, whereas in India means justify the ends.

### 1.8.1 Difficulty is knowing Culture

Culture of different nations varies, so varies the behaviour. But assessing culture

of different countries is not at all an easy task. You may know the accounting system, economic condition on political system of different countries, as in written form all of them are available. But books on culture are not in that way available for all countries. People of a nation can also not describe you about the culture of that nation. Because, culture to us is just like the water to fishes. As the fishes live in water, we live within the culture. Fishes do not know what is water. We also do not know what our culture is. Culture of one nation can be known by regorous research only. But due to difficulty in such kind of research, only a few studies are there as yet on varying culture of different nations. Two significant studies among them we narrate in following sections.

### 1.8.2 Study of Kluckhohn and Strodtback

These two researchers by their study has developed a framework in understanding the culture of different countries. This framework has identified six basic cultural dimintions on which differences are prominent from country to country.

**Relationship to Environment :** Researchers have found broadly three types of relationship to environment in different nations. They are—

- (a) Subjugation
- (b) Domination, and
- (c) Harmony

In some nations, people feel that they are subjugated, i.e., completely under control of nature or under “god’s will”. So, they themselves have no power to go beyond that whereas, some other countries beleive that they are the architect of their own fate. They can do everything and “dominate”. Some are again in-between these two extremes. They are in harmony with nature. Middle-east nations are subjugated and western dominated.

Dominating societies fix target and try their best to achieve that. Subjugated societies feel “What will be, will be” and leave everything to fate.

**Time Orientation :** Societies differ in placing value on time. Western cultures are present oriented and have short-time orientation. Japanese, whereas, look to future and so give long-time to prove one’s effeciency. Some cultures, like Italians, again, emphasize of past, tradition and preserving convention.

**Activity Orientation :** Orientation as to activity is also of three types. They are—

- (a) Doing or Action

- (b) Being or Living
- (c) Controlling or Restraining.

Doing people work hard and expect reward like salary raise or promotion. People of North America are of this type. Mexican on the other hand, are “being” people who work at slower pace and prefer enjoying the moment.

French people are controlling-oriented who can restrain their desires either for reward or for enjoyment and work logically or rationally.

**Nature of People :** Third-world countries view people as “good”, so regulations to control them are less stringent there.

Soviet Union thinks that people are generally “evil”. So, stick policy is headed to make them work.

North Americans are somewhere in between. They treat people as good, but still stay on guard.

**Focus of Responsibility :** Researchers have classified culture as follows according to the focus of responsibility of the people.

- (a) Individualistic
- (b) Group-oriented, and
- (c) Hierarchical

Individualistic people, mostly the Americans, think themselves responsible to self only.

People of Israel/Malaysia are but group-oriented who share chores and rewards with other people.

The British and French are not so self-focused. They are not concerned again about all people of the society. But they focus on the people who belong to their own hierarchy, level, class or caste.

**Conception of Space :** Some cultures, like Japanese culture, is very open, i.e., they prefer conducting business in public. Americans again prefer private space. So executives there do not work in the same room with their subordinates. They need private chambers, as secrecy is given there the weightage. Some societies have again the mixed orientation, who create and maintain therefore the “limited privacy”.

### 1.8.3 Hofstede Framework

The framework built up by G. Hofstede is much more comprehensive because

the researcher here surveyed as many as 1,16,000 employees of sixty different countries. All employees worked however in same MNC, IBM. If workers from different companies were chosen, their difference in behaviour partly could be due to different working conditions. So, intentionally the researcher selected the employees of same MNC, so that all the differences in behaviour can be attributed to cultural differences.

By his study, Hofstede found that workers vary in four dimensions of national cultures. Under each dimension, societies have divided here into two groups, unlike three in Kluckhohn-Strodtback framework.

**Individualism Vs Collectivism :** People of the world are either individualistic or collectivist. People of rich countries like USA, UK are individualistics who look after their own interests, personal achievements. People of poor countries like Pakistan, Taiwan are mostly collectivists who like always to co-operate others and expect also the co-operation from others.

**Power Distance :** In every society some people are more powerful and some are less powerful. But the question here is how the societies treat these differences. Societies that do not give importance to the position, title or rank of people and socially everyone can have the relationships, are less power distance societies. But where there are separate canteens for executives and for workers, people of positions do not enter into social relationships with people without positions, the societies are known as the high power-distance countries. India, Venezuela are high and Denmark, Austria are low in power distance.

**Uncertainty Avoidance :** People of some countries work comfortably with risks, i.e., they do not try to avoid uncertainty. In routine or stereotyped jobs rather they do not find any interest. People of Singapore, Hong Kong fall into this category.

People of Greece, Portugal, on the other hand, feel nervous, stressed, depressed if risky or uncertain jobs are given to them. They prefer to be employees, never the entrepreneur. Their target is usually low, job mobility is also low. No risk means no gain. Thus, their gain is not so high.

**Masculinity Vs Femininity :** People of some societies, even the females, possess mostly the masculine characteristics. That is, they are aggressive, assertive and dominant who run after mainly the quantity of achievement. In some other societies even the males possess the feminine characteristics like caring for others, quality of life, preference to relationships and so on. Such masculinity prevails in the countries like Japan and the femininity in Netherlands and Nordic countries.

Later, a few more dimensions have been identified and added to his framework by Hofstede, they are—

- (i) Short-term VS long-term orientation
- (ii) Qualitative VS Quantitative Approach, and
- (iii) Indulgence VS restraint.

In long-term oriented countries plans are usually long-term and performance evaluation is also done on long-term basis unlike the countries with short-term orientation. Quality is emphasized in some cultures, quantity is some other countries.

Indulgent countries tolerate enjoyment of life, fulfillment of human desires. Resistant countries, on the other hand, form norms restricting gratification of human desires and enjoyment.

#### **1.8.4 GLOBE Framework**

In 1993, a research programme named Global leadership and Organisational Behaviour Effectiveness (GLOBE) began to identify the cross-cultural differences. Using data from 825 organisations in 62 countries it identified nine dimensions on which national cultures differ. However, most of them resemble the Hofstede dimensions. Additional two, that GLOBE added are—

- (a) Humane orientation, and
- (b) Performance orientation.

Humane orientation reflects the degree to which people of the society are generous and kind to others. Performance orientation measures the extent to which the society encourages the performance improvement and excellence.

---

### **1.9 Summary**

---

From the above discussion, we could understand the conceptual issues of organization, organizational structure, modern theories of organization, challenges faced by the managers. In addition, we could also understand meaning and importance of organizational behaviour, disciplines that contribute towards development of organizational behaviour and the global interpretation of operational behaviour.

---

## 1.10 Questions

---

### A. Objective Type :

1. Name two characteristics of organisation.
2. What are the types of organisation structure ?
3. State the relationship between span of control and levels of structure.
4. Give an example of Functional Departmentation.
5. Which of the resources is the important ?
6. Name two work-related behaviour.
7. Name the contributing discipline that contributed the concept of personality to OB.
8. In how many groups the countries were divided under each dimension of Kluckhohn-Strodtbeck framework ?

### B. Short answer Type :

9. What are the skills that a manager should possess ?
10. How does size influence structure of organisations ?
11. Define the concept of ultimate responsibility.
12. What are the main characteristics of system approach ?
13. How does globalisation pose problems to modern managers ?
14. What you mean by “gender diversity” in workforce ?
15. According to Hofstede, narrate the culture of power distance.

### C. Long answer Type :

16. Give a brief discussion on the factors that influence the structure of organisation.
17. State how systems approach and contingency approach are related to each other.
18. What are the recent challenges to OB ?
19. Briefly discuss the disciplines that have contributed to the development of OB.
20. Discuss varying national cultures as identified by Hofstede.

---

## **Unit - 2 □ Individual Behaviour in Organisation**

---

### **Structure**

#### **2.1 Objectives**

#### **2.2 Individual Behaviour–Definition**

#### **2.3 Learning Process**

##### **2.3.1 Learning Theories**

##### **2.3.2 Reinforcement—Why and How ?**

##### **2.3.3 Reinforcement Schedules**

#### **2.4 Personality : Meaning**

##### **2.4.1 Personality Measurements**

##### **2.4.2 Determinants of Personality**

##### **2.4.3 Personality Development**

##### **2.4.4 Personality Theories**

##### **2.4.5 Myers & Briggs Type Indicators**

##### **2.4.6 The Big Five Personality Model**

##### **2.4.7 Other Relevant Personality Traits**

##### **2.4.8 Personality Job Match**

#### **2.5 Perception**

##### **2.5.1 Importance of Perception**

##### **2.5.2 Perception-Influencing Factors**

##### **2.5.3 Making Judgement about other Persons**

##### **2.5.4 Short-cut Judgements about Others**

#### **2.6 Attitude**

##### **2.6.1 Cognitive Dissonance Theory**

##### **2.6.2 Attitude Development**



## **2.7 Job Satisfaction**

### **2.7.1 Factors Influencing job Satisfaction**

### **2.7.2 Impact of Job Dissatisfaction**

## **2.8 Summary**

## **2.9 Questions**

---

## **2.1 Objectives**

---

Objectives of this unit are to highlight the impact of learned characteristics like—

- Personality
- Perception
- Attitude, and
- Learning Process

---

## **2.2 Individual Behaviour–Definition**

---

Individual behaviour depends on a large number of factors—Inherited and Learned. Individual behaviour is the combination of his/her responses to external and internal stimuli.

Individual behaviour is a system by which an individual senses the events, interpretes the same and responds to them.

So, behaviour means response. Every moment we face a number of persons, objects and events. How we react to them, how we respond to their actions—is our behaviour.

Behaviour varies from individual to individual. Facing same stimuli, two individuals respond always differently. This is because we possess two varying characteristics. Those are—

- (a) Inherited characteristics that we inherit from our parents, and
- (b) Learned characteristics that we learn from environment.

Our physique, intelligence, age, gender, religion—all are inherited characteristics, and they have their influence on our behaviour as well. But as these factors are unchangeable, managers have nothing to do on workers inherited characteristics of personal factors.

Learned or environmental factors can be changed according to the need of the organisations by creating desired environment. So, to a student of OB, the would-be manager, the learned characteristics are more important. These learned characteristics or environmental factors are discussed below, along with the process by which we learn.

---

## 2.3 Learning Process

---

Last month Mr. X behaved cordially with Mr. Y. But this month Mr. X is avoiding Mr. Y. Surely, Mr. X has learnt something about Mr. Y. So, is the change in behaviour. So, learning means change in behaviour. Learning itself is invisible. From outside we cannot know whether one person is learned or not. Learning rather is reflected in behaviour. If there is change in your behaviour, surely you have learnt something, good or bad. But if the change is just temporary, it is not out of learning. Sudden shock may make you depressed for a while, and again you come round. This is not learning. Besides, learning must be as a result of some experience, not out of maturity. A child can walk out of maturity. This is also not learning.

So, learning is a relatively permanent change in behaviour that occurs out of experience. And, the critical test of learning is “change in behaviour.”

### 2.3.1 Learning Theories

A number of theories have been developed by the experts to explain the learning process. None can fully cover the whole learning process of an individual. Having some idea about all the theories, the process of learning may be adequately known.

**Classical Conditioning :** The most well-known theory of learning is classical conditioning theory as was developed by I. Pavlov with the help of a dog and its salivation. Dog was kept in a cage. As first step of experiment, the researcher rang a bell. This ringing of bell is not a stimulus to salivation. So the dog did not salivate. In second step, Pavlov placed some meat outside the cage. Seeing the meat, the dog salivated as meat is a natural stimulus for dog's salivation. In third step, Pavlov linked two actions together. He rang the bell and simultaneously placed the meat, and the dog salivated. This third step was repeated throughout the day at a fixed interval. As fourth step at the end of the day, he again only rang the bell. Then also the dog salivated, though no meat was placed together.

Bell was not natural stimulus. But at the end it became the stimulus to salivation the dog also learnt to salivate listening to the bell. Meat here is natural stimulus, bell earlier was no stimulus, later it became “Conditioned stimulus”. And salivation by bell is known as “conditioned response”, the response that you have learnt.

In work set-up or in our daily life also, the same may happen. A wrong statement, if stated repeatedly to you, you may assume it to be correct. As slowly and on trial and error method, it is learnt, the process is known also as “shaping”. It takes time, but once you learn by this method, you will never forget, as happens in case of riding by-cycle.

**Operant Conditioning :** B. F. Skinner was the advocate of this theory who believed that behaviour is a function of its consequence. This theory is mostly in operation, and the managers by manipulating the consequence try to control worker’s behaviour. If the workers feel that the consequence or effect of one kind of behaviour is good, e.g. he may get the promotion; he will always try to repeat the behaviour. So, one’s expectation about the outcome or effect actually is the cause of your behaviour in future. In classical conditions, one will change his/her behaviour unknowingly. In operant conditioning, an individual changes/repeats his/her behaviour out of some inference or expectation that may be correct or not. This is known as Land of Effect also.

**Cognitive Learning :** Classical conditioning refers to involuntary change in behaviour. You yourself do not know that you are taught something. Effect of operant conditioning is also not known in that way, It is based on expectation, that may or may not happen. Here, learning is considered as the outcome based on known facts being organised in an objective and goal-oriented manner. Cognition is the act of knowing something. So, knowing completely the concerned items of information, you change your behaviour here. Training is an example of cognitive learning that we undergo willfully and with an intention. Tolman was the advocate of this theory.

**Social Learning :** Learning always does not take place in training centres, classrooms or laboratories. From society also we are continuously learning. Social learning means the learning that takes place by observing or imitating some one of the society. We follow our parents, teachers, leaders, social workers, movie stars and give shape to our behaviour accordingly. This is social learning. We accept someone as our model and following his/her behaviour, we change our hair style, food habits, life style etc. As we take help of a model here, this is known as learning by modeling also. To social learning effective, the required conditions are—

- (a) Attention : Model must draw your attention.
- (b) Retention : You must remember him/her or keep his/her behaviour in mind.
- (c) Reproduction : You must have the capacity to behave like him/her.
- (d) Re-inforcement : You must get positive feedback to what you have learnt.

### 2.3.2 Reinforcement—Why and How ?

On whatever way, you learn, if this is not re-inforced, you may forget it. So, learning must be motivated and nurtured, sometimes to strengthen the desired behaviour, sometimes to prevent the undesirable one. That you will get reward or punishment if you behave this way or that way, one must remind you the same. Otherwise, you may forget to repeat the favourable behaviour or refrain from the undesirable behaviour. This process is known as re-inforcement, and it is a very important step in one's learning process.

Reinforcement is usually done in following four ways.

- (a) Positive reinforcement
- (b) Negative reinforcement
- (c) Punishment, and
- (d) Extinction

**Positive reinforcement** aims at repetition of desired behaviour by providing the learners with something that he/she likes. He/she may need primary reinforcers like food, water or other biological things. He/she may need status, praise, recognition (secondary reinforcers). If one is given, what he/she needs, he/she will be motivated to repeat the desired behaviour.

**Negative reinforcement** also wants to elicit desired behaviour, but the process here is different. Here, the things that the learner dislikes are withdrawn. Suppose, one was transferred earlier to a remote place, and he disliked that place of work. Now he is brought back to Kolkata office. This is an example of negative reinforcement, and by it the learner will be inspired to repeat desired behaviour.

**Punishment** means providing something unpleasant to the learner. Here, the objective is to prevent one's undesirable behaviour. Once he had done it, so he is

given now something that he dislikes. So, before repeating it, he will think twice. Demotion, punishment transfer are the examples.

**Extinction** This is also one kind of punishment. Instead of providing something unpleasant, here something pleasant is withdrawn. You were so long given a perquisite, for examples free use of a car. But now this benefit is withdrawn to give you a lesson for your undesirable behaviour. If you learn correctly, you will not repeat it.

### 2.3.3 Reinforcement Schedules

Reinforcement, positive or must be scheduled properly. Scheduling means timing of reinforcement. If huge time gap is there after one reinforcement, the learner may forget it, again continuously it is done, it may be too costly. So, different researchers have suggested different schedules of reinforcement. They are as follows.

- (a) Continuous reinforcement, that is done without break.
- (b) Partial or intermittent reinforcement, where gaps are given between two reinforcements.

Continuous reinforcement is not generally used at work place. Partial reinforcement rather is used in different forms like—

- (a) Fixed Interval schedule, where between two reinforcements time interval is fixed, suppose, six months.
- (b) Variable interval schedule, where time gap will vary.

Variable interval, again, is provided following two methods, e.g.,

- (a) Fixed Ratio schedule, and
- (b) Variable Ratio schedule

Reinforcement is done each time when sales fall by 10%. This is Fixed Ratio Schedule. In the second case, no fixed ratio is maintained. So, workers do not know exactly when or how reinforcement is being done. As a result of that it is said that the variable Ratio schedule is the most effective and most powerful way of reinforcement scheduling.

---

## **2.4 Personality : Meaning**

---

Every person has some uniqueness. So he/she is different from other. This uniqueness in persons is their personality. Why do we adjust with our environment in different ways ? This is because of the unique organisation of our psychological system. This unique organisation of our psychological system is known as personality. Personality is formed not by a single quality of individual. Rather, it is the sum total of qualities that differentiate one from another. It is the aggregate of ways in which we react to and interact with other.

### **2.4.1 Personality Measurements**

While recruiting or hiring an employee, the personality test is a must. In written test, some questions are set. Reply to the questions indicates the personality of the applicant. So, self-report is here is the basis by which one's personality is measured. Again, interviewers while asking question to the applicants observe the systems, manners, smartness, wit, openness etc and combining all of them, they rate the personality. Thus, the personality measurement is done in these two ways—

- (i) Self-report, and
- (ii) Observers' rating

### **2.4.2 Determinants of Personality**

This issue is still a very debatable issue. Because, experts and researchers are divided on whether personality is determined by our heredity or by the environment of our surroundings. Personality usually is discussed under learned characteristics or environmental factors. But what surprises us is, research tends to support the importance of heredity over environment.

The heredity approach argues that the ultimate explanation of individual's personality is the molecular structure of the genes, located in the chromosomes, and these we inherit from our parents. To prove it, the researchers of this line conducted research on thousands of identical twins from different countries. That the personality is mostly hereditary is the outcome of these studies. Extreme example to this conclusion is one set of twins who were separated for 39 years and raised 45 miles apart. Surprisingly it was found that, though there was no communication in them for so many years, they both—

- (i) used to drive the cars of same model and colour

- (ii) chain-smoked the cigarettes of same brand
- (iii) owned dogs with the same name, and
- (iv) regularly vacationed in sea-beach.

This is not to suggest that the personality never changes. Over time and in different cultures, personality does change. So, perhaps we talk about personality development. Had the personality been determined only at conception, all efforts toward personality development would have failed. But this does not happen. So, environment has also an impact as determinants of personality. Actually, whatever is revealed in the study of twins, genetics accounts for not more than 50% of the similarities, and the balance is explained, partly by family, partly by society and partly by occupational environment.

### 2.4.3 Personality Development

Personality develops from its infant to grown up stage. Psychologists broadly accept this view. Most important few studies are explained below if brief.

**Study of S. Freud :** Freud was a pioneering theorist on personality development (PD). He stated that there are four universal stages of psychological development that are decisive in the formation of personality.

- (a) **The Oral Stage :** This stage remains in first year of life. Mouth here is the significant body zone through which the baby tries to satisfy its biological drives.
- (b) **The Anal Stage :** During second to third year of life focus shifts from mouth to anal region. So, toilet training given to the child by parents is too important during period, as it may have its influence on adulthood.
- (c) **The Phallic Stage :** At about four or five years of age, focus shifts to sex organs. Being unable to understand it properly, the child sometimes suffer from severe anxiety that may affect normal personality development.
- (d) **The Latency Period :** This period occurred between six to eight years of age, when the child loses interest in sex temporarily and gets interest in external world.
- (e) **The Genital Stage :** This stage occurs between adolescence and adulthood. Interest towards opposite sex comes in. The youth begins to love others rather than self. Learning about this stage is very vital, as major part of our personality develops at this stage.

Freud has given thus on valuable insight into the theories on personality development. But his high reliance on sex and use of terms like ‘anal’ rather than ‘impulsive’, ‘genital’, rather than, ‘mature’ have been strongly criticised.

**Study of E. Erikson :** Erikson gave a new dimension to PD. According to him, PD is not only a psycho-sexual development, rather the person and society has equal roles in PD. He stated that in each stage of our life we suffer from a unique set of dilemma, and solution to that we get from the environment of that time. Specific stages of life and related dilemma, as stated by Erikson are given below.

First year	→	Trust Vs Mistrust
2 – 3 years	→	Autonomy Vs Doubt
3 – 5 years	→	Initiative Vs Guilt
6 – 8 years	→	Superiority Vs Inferiority
Adolescence	→	Identity Vs Role conflict
Adulthood	→	Intimacy Vs Isolation
Middle Age	→	Activity Vs Absorption
Late Adulthood	→	Integrity Vs Despair

**Theory of C. Argyris :** Argyris beleived that PD cannot have distinct or separate stages as stated by earlier two experts. Rather, it progresses along a continuum from immaturity to maturity. More you are in the side of maturity, more you are a man with personality. Based on this study, Argyris identifies the features of both immaturity and maturity. To which of them, one is prone determines his/her personality. The characteristics as such are given below.

<b>Immaturity</b>		<b>Maturity</b>
Passivity	→	Activity
Dependence	→	Independence
Limited behaviour	→	Diverse behaviour
Shallow interest	→	Deep interest
Subordinate position	→	Superordinate position
Low self awareness	→	High-self awareness



#### 2.4.4 Personality Theories

The prominent theories on personality can be grouped as under.

- (a) Type theory
- (b) Trait theory
- (c) Psychoanalytic theory
- (d) Social learning theory, and
- (e) Humanistic theory

**Type theory** groups the people into some categories, and believes that personality of people belonging to each category is same. Sometime grouping is done physically and sometimes psychologically.

According to physical classification, fat persons are sociable, relaxed and even-tempered and thin ones are restrained and fond of solitude.

According to psychological grouping, on the other hand, extroverts are sociable and introverts like solitude.

**Trait Theory** classifies people not into types but as per the traits or attributes of people. Trait that is exposed more often is more associated with personality. Psychologists who work with trait theory are concerned with—

- (i) determining the traits that provide a meaningful description of the man, and
- (ii) finding some way to measure it.

The enduring or consistent trait is called the personality trait that appears frequently in a variety of situations.

**Psychoanalytic theory** has its origin in the theory of S. Freud which is composed of broadly three elements, e.g.,

- (i) id, i.e. raw and animalistic component following pleasure principle.
- (ii) ego that follows reality principle
- (iii) super ego that strives for perfection

Here, mind is compared with iceberg, maximum of which is under water. Small portion of mind possesses in the same way the consciousness and the large part of it is unconscious, a store house of impulses. Movement from unconscious to conscious segment is the development of personality (from id to superego).

**Social Learning Theory** accepts the influence of society or environment on the development of personality. When you learn something i.e. develop yourself by observing others in the society, it is known as social learning or vicarious learning. Social learning theorists deny the influence unconscious component, reversely they focus on cognitive activities that evoke, maintain and modify men.

**The Humanistic approach** emphasizes on man's potential for self-direction and freedom of choice. Man here, however, is not solely a biological but a social construct. That means, this theory combines psychoanalytic theory and the social learning theory.

Roger's Self Theory and Maslow's Self actualisation Theory are the theories under this approach. Roger believed that one's personality depends on how he/she perceives self and the world around. Maslow again believed that man himself/herself is self-actualiser, and the drive towards it is inherent in human being. So, he/she is responsible for his/her existence and becoming always something different.

#### **2.4.5 Myers & Briggs Type Indicators**

Based on Type Theory, two researchers, Myers and Briggs, jointly developed personality assessment indicators with the help of a questionnaire containing 100 questions. Analysing the responses, the researchers identified eight personality traits and combined some of them together to give some personality types. Firstly they classified the traits as below.

**Extraverted Vs Introverted (E Vs I) :** Former being out-going and assertive, while latter very quiet and shy.

**Sensing Vs Intuitive (S Vs N) :** Former having power of observation and latter looking at "big pictures".

**Thinking Vs Feeling (T Vs F) :** First type works with head (brain) and the second with heart.

**Judging Vs Perceiving (J Vs P) :** First type prefer giving judgement about others but the second gives his/her opinion.

Having combined the above traits, the researchers developed 16 personality types for example—

INTJ (introvert, Intuitive, Thinking and Judging) types who are according to researchers, visionaries.

ESTJ types who can be good organisers.

ENTP types are innovative and can be an entrepreneur.

Eight traits as above are Myers-Briggs Type Indicators (MBTI) as they indicate personality types.

#### 2.4.6 The Big Five Personality Models

Some modern researchers have identified five personality traits and they call them Big Five Personality Traits as, according to them, they encompass most of the significant variation in human personality. These are as follows.

**Extraversion** refers to the extent of assertiveness and sociability among human beings.

**Agreeableness** means the propensity to agree with others.

**Conscientiousness** is a measure of reliability and dependability.

**Emotional Stability** denotes the ability to avoid and withstand stress and makes people calm and secure.

**Openness to Experience** helps people listen to others' opinion, makes them curious, creative and flexible.

These five dimensions of personality traits are closely related to the work-related behaviours of the workers. Extraversion makes people the good leaders having both assertiveness and sociability. Agreeable people are liked by all. So, interpersonal relationships can be very good if they are more in number. Conscientious people are highly productive and their absenteeism and turnover rate are low, as everything they do rationally. Emotionally stable people are highly satisfied people. As they can restrain their emotions they are rational as well. Open people on the other hand can cope better with change and also act as change-agents. Change being the rule of the day, open people make sense.

#### 2.4.7 Other Relevant Personality Traits

Some other traits have come up at present which are considered by most of the business heads very relevant in the context of workplace behaviour. These are summarised below.

**Core Self-evaluation** : Some people evaluate themselves positively; i.e. they believe "we are the architect of our own fate." They are confident about themselves and so their locus of control is internal.

As the same time, there are people who have negative valuations about themselves and believe “we are the puppets in the hands of God.” These people are said to have external locus of control who usually do not fix target, and even if it is fixed they do not have any urge to achieve it, as they are the believer of “what will be, will be.”

**Self-Monitoring** people can adjust with every situation. They can change themselves, as the lizards do, suit the changed situations. They are good politicians having striking difference between public person and private self. They are successful but not in that way satisfied.

**Machiavellianism** : The philosophy of Machiavelly, a most practical US philosopher, is known as such, and the followers of him are known as much people. They are so practical that ethics, morality are meaningless to them. If any one is to achieve something, he/she can do it by hook or by crook. They believe in “ends justify means.” So, one must not be judgemental about whether this is good or bad. Mach people therefore manipulate more and succeed more. In the long run, however, they are supposed to be the failures.

**Narcisism** : Narcisus was a Greek mythological character and after his name this “ism” has come. Narcisum believed that he was the superior to all. So, he could not like or love other one. He stood before the mirror and looked off and on his own image. Ultimately he built a statue of himself and fell in love with that.

The people who are over-confident about themselves and treat other as inferiors are known as narcisus people. The boss of this kind of people, however, give them very low score in their performance evaluation.

**A and B Type** : A type people always run after time. They eat quickly, walk quickly and also work very fast. They start at the same time a number of jobs and can complete none of them satisfactorily. Quantity may be achieved by them, but never the quality. They always suffer from stress also.

B type people are always “happy-go-lucky.” They play, but not to win but to make fun. They enjoy their leisure time, never suffer from urgency of time. So, their stress level is very low.

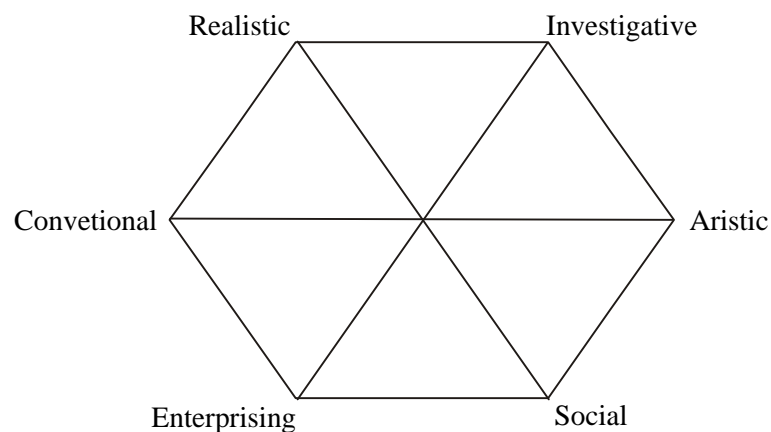
#### **2.4.8 Personality Job Match**

Why do we want to know personality or other characteristics of human beings ? Our objective is to know their impact on human behaviour, particularly on work-related behaviour like productivity. In fact, productivity can be upto the mark if one’s

personality fits the job requirements. All personality traits are not suitable to each type of jobs. John Holland, working on this issue, identified the following personality traits along with the jobs to which they are suitable.

<b>Personality traits</b>	<b>Suitable jobs</b>
(a) <b>Realistic</b> : Simple Aggressive, Manually skilled	Farming, Garrage mechainc, welding
(b) <b>Conventional</b> : Routine worker, Conforming, Traditional	Accounting, Finance, Corporate managment
(c) <b>Investigative</b> : Thinker, Organiser, Curious, Analytical	Biology, Mathematics Market Research
(d) <b>Enterprising</b> : Dominating, Assertive, Politicking	Law, Public relation, Enterprehenurship
(e) <b>Social</b> : Polite, Cordial Helping, Dependable	Social work, Teaching, Conseling
(f) <b>Artistic</b> : Emotional, Creative, Imaginative	Art, Music, Painting, Interior decoration

Then, he stated that productivity can be high if job can be matched with personality in the above-shown way. If this is not matched, the workers may also be dis-satisfied and their absenteeism and turn over rates will be high. However, with the help of a hexagon Holland tried to show the personality traits that are closer to each other and the traits which are diagonally opposite. When the traits are closer, job suitable to one trait may also match the adjacent tratis, but never this is true in



**Fig. 3**

case of diagonally placed traits. As is shown in Figure 3, the realistic people can somehow do the jobs earmarked for conventional or investigative people, as these traits are closer in the hexagon. But realistic people can never be social, conventional can never be artistic, as they are diagonally positioned.

---

## 2.5 Perception

---

We see or hear the something through our sensory organs eyes or ears, but we interpret them differently “For many a reason, none of us can see the reality. We see something, give it a meaning and call it the reality. The process of interpreting the world as such is called perception.

Perception is different from sensation. Sensation means what we do with our sensory organs like eyes, ears, nose, tongue and skin. But perception means sensation plus its interpretation. When a fly sits the skin, a baby will feel it as one adult will do. But the baby will understand that it is a fly and the adult will understand it and use his hand to remove it. The second case is perception. Sensation is same for all individuals, but the perception varies, as the latter depends on our understanding and the understanding again, depends on our learning and related many other things.

### 2.5.1 Importance of Perception

Perception varies from person to person. That means it is not universal. Perception in most cases is not the reality. In spite of that perception exerts significant influence in our decision making. Mr. A may be actually a good person. But if you perceive him as bad, your behaviour to that person will never be cordial. If one manager perceives his/her workers as lazy or deviant, he/she will impose stringent rules to control them, even if actually they are not of that type. We have the general perception that government employees are not dutiful. Mr. Z, a government employee, is truly a dutiful person. Still, our behaviour with him may be suspicious.

### 2.5.2 Perception-Influencing Factors

Why does perception vary? The answer to this question lies in the factors influencing perception. Perception has three components—

- (a) Perceiver
- (b) Perceived or Target, and
- (c) Situation

We all know two perceivers can never be identical. The perceived also varies in its features. Change in situation always makes the difference. So, these three factors are singly or jointly responsible for varying perception. Different characteristics of these three factors that make us perceive the same thing differently are outlined below.

**(a) Characteristics of Perceiver**

**Learning :** To an illiterate person, number 8 is just a mark. To a person who has learnt only the English number, it is eight. Again, to a person who knows only the Bengali number, it is four. So, learning makes difference.

**Attitude :** There is a glass, half of which is filled with water. If you possess negative attitude. You will see the empty portion. Whereas the person having positive attitude will see the portion filled with water.

**Needs :** If you are thirsty, the sand of desert may appear before you as water. A hungry man will get the smell of different food items from the roadside restaurants while going to Sealdah Station. But the person who is to avail the train, will listen the whistle of the trains.

**Interest :** In the same page of the newspaper, your father seek the information as to share price, whereas your mother will search for the price of the gold.

**Personality :** If you are A type, you will dislike the people who enjoy in leisure time. If you are B type, you will rather like them.

**Experience :** Mothers are afraid of snake as they have experience about its nature. Babies, on the other hand, may try to play with snake, as to them it is just like a doll.

**(b) Characteristics of Perceived**

**Novelty :** If you see something novel, for example, an elephant on city-street, it will attract your vision more in comparison to buses or cars.

**Size :** A six-feet tall basket ball player will attract your vision and others you will ignore.

**Contrast :** Among a number of white balls, there is only one black ball, it will attract your vision.

**Movement :** Moving advertisement through flashing light is used by the advertiser because it draws our attention.

**Background :** Black letters in white background are more easily visible than the same in yellow background.

**Position :** You can see easily the people who are in front of the procession, and others you may not notice in that way.

**Similarity :** In a large gathering, only ten persons were wearing the similar dress, and all others were in different dresses. Those ten persons will be prominent to you amidst that large gathering.

- (c) **Situational Characteristics :** Perception varies from perceiver to perceiver and also from perceived to perceived. But even if both perceiver and the perceived are same, the perception may vary due to situational differences. You did not know earlier Mr. X, when you first met Mr. X, he was with Mr. Y whom you know as a good man. Then, you will perceive that Mr. X is also a good man. But if the situation was different, i.e. suppose when you first met Mr. X, he was with Mr. Z and Mr. Z is not at all a good man. Then, your perception about Mr. X would have been completely opposite. Everyday you, the perceiver, see the rising sun, the perceived, through the window of your bed room. But one day you, the same perceiver, see the same rising sun from Tiger Hill at Darjeeling. Surely, your perception about the rising sun at two situations will be different.

### 2.5.3 Making Judgement about other Persons

So long we give some examples of perception about inanimate things. More complicated is the perception or giving judgement about others. This is known as person perception and it is more difficult than the perception about impersonal things. Different studies are there on person perception. But the most relevant and significant study is as follows.

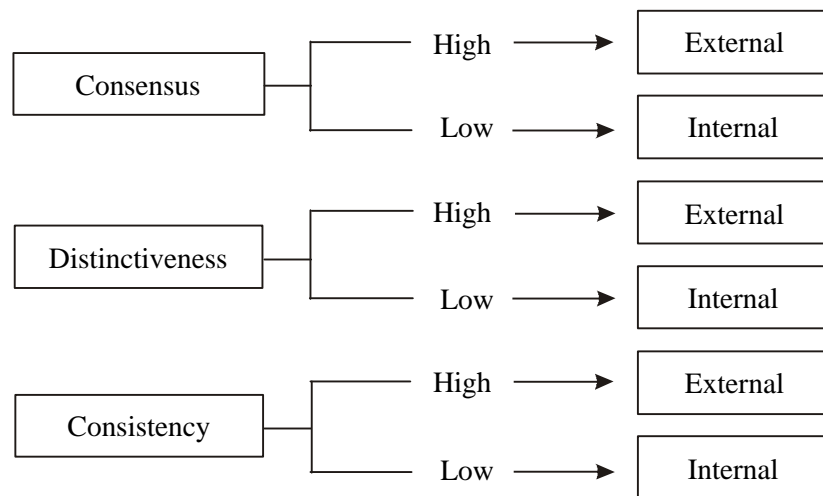
**Attribution Theory :** Heider and Kelly are the known contributors to this theory that has explained in detail the complexity of person perception. While perceiving one person, i.e., giving judgement about that person, not only the external state, but also his internal state we need consider. First step is to question why he does that he does. Then, the perceiver himself will seek the answer. Usually, the perceiver wants to know whether the behaviour of the target is internally caused or externally caused. If it is internally caused then the perceived or the target is responsible for the behaviour concerned. But if it is externally caused that the perceived is not responsible personally, rather the situation has forced him/her to behave in this way. While fixing up the cause—internal or external, the perceiver depends on broadly following three factors.



**1. Concensus :** The behaviour of the target gets concensus when some other persons also behave in the same way. If not only Mr. X today is late, but other workers who follow the same route to come to office, are also late; then the perceiver may think that there was perhaps the traffic jam or train was late and hence, so many workers are late. That means target’s behaviour in coming late is externally caused and the target is not personally responsible.

**2. Distinctiveness :** If the present behaviour of the target is distinct, i.e., clearly different from his/her other behaviours, then the behaviour is not internally caused, and so the concerned person is not also responsible for this. One student is very regular in class, attentive to lectures, well behaved also. Still, if his/her present behaviour, i.e., performance in class test is poor, it is no doubt different from other behaviour, so it is externally caused.

**3. Consistency :** When the target exhibits same behaviour consistently over time, then surely he/she is personally responsible for this. For example. Mr. X is late today, and during last three months, sixty days he was late. Then, it is internally caused and the target is responsible.



**Fig. 4**

Figure 4 summarises the above discussion and depicts at a glance when one’s behaviour is externally caused and when internally.

**2.5.4 Short-cut Judgements about Others**

To give judgement about others is not an easy task. Huge information needs to

be collected before giving such judgements. But in most cases, the perceiver either does not get time or is not willing to collect so much information. So, he/she adopts some short-cut techniques while judging others. Quick decisions may be taken thereby, but in most cases they are not correct. The methods that are used usually for this purpose are narrated below.

**Halo/Horn Effect :** Sometimes the perceiver gives judgement about the perceived considering just one quality or one disqualification of the perceived. Such process is known respectively as halo or horn effect.

Example : **Halo Effect :** The lady is too charming, and so she is selected without considering her quality.

**Horn Effect :** The candidate is poorly dressed, so he is not selected though his quality may be superb.

**Stereotyping :** When someone is judged considering not his/her attributes but by considering the attributes of group he/she belongs to, is known as stereotyping. Only a few muslims may be the terrorists. But if we conclude that all muslims are terrorists, and so we reject one muslim candidate, then we are stereotyping.

**Projection :** When we impose our own attributes on the person we judge, the process is known as projection. An honest man views other persons as honest. A guilty mind is always suspicious and thinks others guilty, and accordingly give judgement about others.

**Selective Perception :** Our perception in most cases is selective. We select those qualities or disqualifications of a man that we want to see in him. So, the same person is good to one perceiver, and bad to other. Because the former selects only the virtues of the perceived but latter selects the vices.

**Contrast Effect :** You are a mediocre student. If you are tested along with a group of very good students, then you may be labelled as very bad. But if, you the same, are tested with a group of very bad candidates, you may be graded as “very good”. Thus, your actual calibre is never revealed.

---

## 2.6 Attitude

---

What we want to do is our attitude, and what we actually do is our behaviour. So, behaviour and attitude are very closely related. This relationship is known as Attitude—Behaviour relationship or A-B relationship.

Attitude means one's mental make-up or mental pre-disposition or mental readiness that influences his or her response to some events, objects or persons.

### 2.6.1 Cognitive Dissonance Theory

That A-B relationship is direct and very close has been shown in different studies. But the most important study in this respect is the study of Leon Festinger who is the advocate of Cognitive Dissonance Theory. 'Cognitive' means knowledge based and "Dissonance" means discomfort or dissatisfaction.

This theory of Festinger asserts that Attitude and Behaviour always are co-related. If, for any reason, behaviour is not consistent with attitude, everyone feels dissonance, i.e., discomfort. Again, no one can carry discomfort in mind for long time. Once he/she feels discomfort, he/she tries to reduce it. In an attempt to reduce discomfort, every one hence tries to make attitude and behaviour consistent either by changing attitude or by changing behaviour. As they are made consistent in this way, the dissonance is reduced.

So the theory attempts to show that attitude and behaviour can never remain unrelated for long time. If somehow it becomes so, the perceiver very soon will make them related by changing attitude or by changing behaviour. However, every rule has some exceptions. Here also Festinger identified the following exceptions or **moderating variables** to his theory.

**Moderating Variables** as such are as follows :

**(a) Unimportance :** If the attitude and behaviour are in respect of some unimportant issues, then dissonance is not so acute. So, no person wants to reduce that dissonance and attitude and behaviour may remain inconsistent. Example : Parents always advice the children to brush the teeth after every meal (attitude), but they themselves do not do the same (behaviour).

**(b) Uncontrollability :** If your behaviour is not controllable by you, i.e., if you are compelled to behave in a way that you do not want, then attitude and behaviour may be different. Even if you feel dissonance, you will not try to reduce it. Because you know that you have no influence on your own behaviour.

**(c) Reward :** If one gets sufficient reward to behave in a way, then he/she may do it even it is not liked by him/her. The discomfort that is created by this inconsistency is redressed by the reward he/she gets. As the dissonance is balanced by reward, there is no question of changing either the attitude or the behaviour. So, they two may remain inconsistent.

### 2.6.2 Attitude Development

Attitude is developed out of experience or prior knowledge on the subject. If it is developed sans experience, it will surely when the holder will be exposed to experience. If still the attitude is not changed, the behaviour may fail to be in line of the attitude. Thus, A-B relationship will be affected. Attitude therefore is usually developed and should be developed having followed the CAB Model.

**CAB Model :** Three letters of CAB stand for three steps or stages of attitude development. They are as follows.

**Cognition (C) :** Cognition means knowledge of something. For example, Mr. X has come to know that his wages are low.

**Affective (A) :** The above knowledge affects the feeling of Mr. X and he becomes angry or disappointed on his low salary.

**Behaviour (B) :** So, in the third stage, he will want to leave the job and seek a better job. This is attitude and it is developed in this way having followed a three-step CAB Model.

---

## 2.7 Job Satisfaction

---

Job satisfaction means positive feeling to job. This job satisfaction is the only work-related attitude, and like other attitudes, it has also the relationship with work-related behaviours e.g., productivity, absenteeism and workers' turnover. Some experts have identified other two work-related attitudes like job involvement and organisational commitment. But these two are just the extensions of job satisfaction. More satisfaction means involvement to job and more one's involvement at workplace means organisational commitment.

### 2.7.1 Factors Influencing job Satisfaction

Factors that are responsible for job satisfaction or dissatisfaction are—

- Job itself
- Supervision/Supervisor
- Management Style (centralisation or decentralisation)
- Working condition
- Promotional opportunities
- Performance evaluation technique
- Pay and remuneration etc.

Of these different factors, promotion and pay are considered as most significant factors in different empirical studies. Conversely, it is again said that job is the real satisfier. Stimulating and interesting job can satisfy the workers for long term. Money, on the other hand, can satisfy only those workers whose wages are very low or who belong to the lowest level of Maslow's Need Hierachy. In a comparative study between the richest persons listed in Forbes 500 and the poorest cowboys of East Africa, it was noticed that poor cowboys are more satisfied than the richest ones.

### 2.7.2 Impact of Job Dissatisfaction

Job satisfaction is an attitude. Productivity—absenteeism—turnover are the behaviours. So, If workers are dis-satisfied, it will necessarily affect the productivity etc. The impact of such dissatisfaction may be narrated as below.

**Productivity-Job dissatisfaction :** The relationship between the two are inverse. Productivity decreases when dissatisfaction increases.

**Absenteeism-Job dissatisfaction :** Job dissatisfaction leads to higher absentecism. Thus, their relationship is direct. Higher absenteeism in turn heads to lower productivity.

**Employee turnover-Job dissatisfaction :** Here also the relationship is direct and positive. Higher the dissatisfaction, higher is possibility of resignation, i.e., turnover. Higher turnover requires again higher and continuous recruitment. Cost of recruitment means cost of production. Higher cost of production means lower productivity, as productivity means production divided by cost.

Theoreticians, however, have built up a model to explain the possible behaviour or responses of workers when they are dissatisfied. Sometimes, their responses are

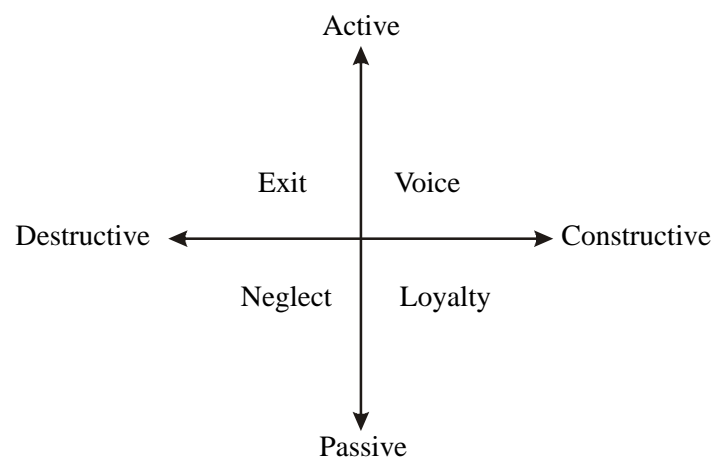


Fig. 5

active, sometimes passive. Sometimes they respond constructively, sometimes destructively. The following figure explain such different responses of dissatisfied workers. Usual four responses as shown in the figure are—

Exit — Leaving the organisation.

Voice — Raising voice against the causes of dissatisfaction.

Loyalty — Hoping still for the best and waiting for better days

Neglect —Silently doing harm to the organisation by coming late, remaining absent or making mistakes.

Of these four, first two are above the horizontal line and other two are below that. First two are active responses and rest two are passive.

First and fourth again are destructive responses, both of them being at the left hand side of the vertical line. Second and third, lying at the right-hand side are, again, constructive, as these responses may help the management to take some positive steps.

---

## 2.8 Summary

---

From the above discussion, we could understand the fundamentals of individual behaviour where impact of learned characterises like personality, perception, attitude, learning process, etc. have been discussed in detail.

---

## 2.9 Questions

---

### A. Objective Type :

1. Name two inherited characteristics of individuals.
2. What is the critical test of learning ?
3. In how many ways reinforcement is done ?
4. Who is the pioneer of personality development ?
5. What does MBTI stand for ?
6. Name two characteristics of perceiver that influence perception.
7. Name of moderating variable to cognitive Dissonance Theory.

**B. Short answer Type :**

8. What does 'voice' mean in the context of job satisfaction ?
9. State the factors that influence job satisfaction.
10. What do you mean "halo" effect ?
11. How does situation affect perception ?
12. Distinguish between A and B type persons.
13. Explain ENTP type of person.
14. What do you mean by negative reinforcement ?

**C. Long answer Type :**

15. How is learning reinforced ? Give a brief note on reinforcement schedule.
16. Explain the impact of Big Five Personality traits on work-related behaviour.
17. What do you mean by personality job match ? How did John Holland explain it ?
18. State the usual techniques of speed-reading the other persons.
19. Discuss the theory in relation to attributing causes to one's behaviour.
20. What is the impact of job dissatisfaction ?

---

## **Unit - 3 □ Group Behaviour in Organisation**

---

### **Structure**

- 3.1 Objectives**
- 3.2 Concept of Group**
- 3.3 Definition of Group**
- 3.4 Classification of Group**
  - 3.4.1 Why do people join informal groups ?**
- 3.5 Group Formation / Group Development**
- 3.6 Foundation / Properties of Group Behaviour**
  - 3.6.1 Size of the Group**
  - 3.6.2 Role of Group Members**
  - 3.6.3 Status**
  - 3.6.4 Norms**
  - 3.6.5 Conformity/Group think**
  - 3.6.6 Cohesiveness of the Group**
- 3.7 Group Dynamics**
  - 3.7.1 Creativity**
  - 3.7.2 Power and Politics**
  - 3.7.3 Conflict**
  - 3.7.4 Negotiation**
- 3.8 Summary**
- 3.9 Questions**



---

### 3.1 Objectives

---

After studying this unit you will be able to :

- know the concept and foundation of group behaviour
- identify the group dynamical
- form an idea about its creativity
- assess the role of powerplay and politicking in organisations
- understand the conflict process and the ways for its resolution

---

### 3.2 Concept of Group

---

Concept of group is as old as the human civilisation itself. When the human beings used to live in forest and caves, they were to go out for collection of fruits and hunting of animals. But when they did so, they did it in group. Otherwise ferocious animals could easily kill them. Forming groups, those human beings, our predecessors, were capable to overpower the dangerous animals. Since then, more we are becoming civilised day by day, more we are depending on the power of groups.

Concept of group has come up out of the necessity for co-operation. Benefit of division of work and the belief that two brains are better than one brain are the key drivers to the concept of group. At present, need of group is everywhere. In some activities, group activity is indispensable (for examples, football game, or chestra etc), in other cases individuals singly can do the whole job, but this is neither desirable, nor economically viable. Adam Smith proved long ago that instead of doing the whole job alone, if the job is divided into several tasks and each task is allotted to separate person, productivity will go up substantially.

---

### 3.3 Definition of Group

---

Group is a collection of people who are interdependent and interacting, and who have a common goal to achieve. Group therefore is different from crowd. A gathering at railway station, bus stop is a crowd, as people there are not interdependent and they do not have a common goal to reach.

### 3.4 Classification of Group

Figure 6 depicts clearly how group is classified. Firstly, group can be divided into formal and informal groups. Formal groups are organisationally structured that have some specific jobs to perform. Informal groups are spontaneously developed out of some social needs. It is obligatory on the part of the workers to join the formal group, whereas joining an informal group is voluntary. Informal groups, are known as “grapevines” and sometimes create obstacles to smooth sailing of organisations. But there are also example when informal groups help a lot to the performance of formal groups.

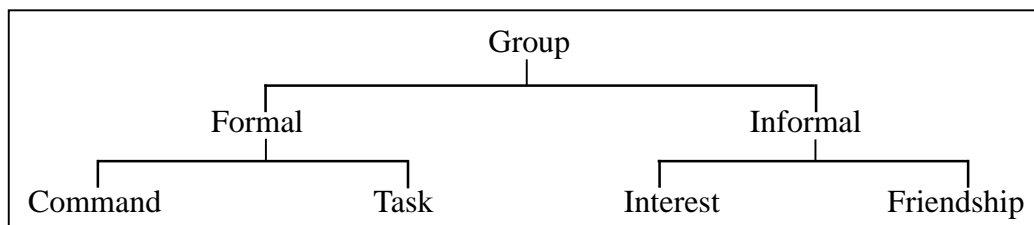


Fig. 6

**Command group** is a formal group where some members give command and others are to obey that command. Working group between boss and subordinates is command group. Its structure is usually vertical having a chain of command.

**Task group** is also a formal group that is to accomplish jointly an assigned task. Group among departmental managers is task group and so it is horizontal.

**Interest group** is an informal group that is formed by members with some motive or interest. Workers form trade unions to fight against management. Students form group to get concessions of tuition fees.

**Friendship group** is another informal group where the people of same characteristics come together. Birds of same feather flock together. In the same way, the people with similar likings, dislikings, hobbies form group for social interaction or the fulfilment of psychological needs. Opposite poles also pull each other. Thus, friendship is also possible between two different types of people.

#### 3.4.1 Why do people join informal groups ?

In case of formal groups, one has no option. One must join the group. But in case of informal group it is optional. Still people join such groups for usually the following purposes.

- (a) **Security** : If you are alone, you are insecure. So people join groups and then he needs not stand alone.
- (b) **Status** : Joining the groups like LIONS club, people want to look important in the eyes of others.
- (c) **Self-esteem** : To be important in one's own eye is more difficult. Joining the groups like Ramkrishna Mission, we may enhance our self-worth and get a meaning of our lives.
- (d) **Affiliation** : Everyone is to have a friend circle. Interaction with friends is needed to meet mental appetite. We need always a shoulder to cry on, hence we need group.
- (e) **Power** : United we stand, divided we fall. Unity is strength. What goal you alone cannot achieve, in a group you try. Your goal achievement will be easier. So, to win over we need groups.

---

### 3.5 Group Formation / Group Development

---

Groups are formed at different places. Members of different groups are also of different culture, creed and colour. So, the formation of groups can never have a universal pattern. Rather, it will vary from situation to situation. In spite of that in most cases usually we notice the following stages of group development.

**Forming** : In this stage, members are not yet ready to join the group. They try to taste the water in this stage. They try to know each other and to assess whether it will be justified to come into a group with these people. Once, they take decision that “yes, we will come together, more together”, the forming stage is over.

**Storming** : Once it is decided that a group will be formed, a number of question/self-doubts may start surfacing. Questions are—who will be leader ? What will be the norms ? To what extent the personal goal is to be sacrificed for the sake of the group ? Answers to these question will resolve the storm that so long was disturbing the members.

**Norming** : Here, we reach normally. Norms for running the group are decided upon. The leader is selected. Everyone is ready to follow the norms and perform group activity.

**Performing** : Now, the group start working for which it is formed. A harmonious relationship and a chain of command prevails in the group. Synergy is achieved in the performance wherein the group activity is greater than the sum total of individual activities.

**Adjourning** : In case of temporary groups, the group is dis-banded when the goal is reached. Wrapping up activities are seen this stage. Even if the group is a permanent one, some kind of re-structuring may be felt necessary. Old relationship are broken and new ones are formed, starting again cycle from the forming stage.

---

## 3.6 Foundation / Properties of Group Behaviour

---

Group activity has the synergic effect. That means, group activity is greater than the sum total of the individual activities. But this is possible if and only if the required properties of group are present or the foundation of group behaviour is properly built. The properties as such one discussed in the following sections.

### 3.6.1 Size of the Group

The size of the group must be proper. That is, there must be a limit on the number of members in a group. In decision-making group, the number may be ten to twelve. But in performance group this must not be more then five to six. If the size is too large, the individual contribution to the group cannot be overseen or measured properly. Then, the members may get the chance of suppressing their capacities. As a result, instead of being greater, the group performance may be less than the sum total of individual activities. Such a situation is known as **social loafing**. Since Ringelman, a psychologist, identified this effect by his experiment, such situation is known as **Ringelman Effect** as well.

Ringelman at first asked one person to pull a rope and he measured that the total force exerted by the person was 63 kgs. Then, he asked three persons to pull the rope together and surprisingly this time the average force came down to 53 kgs. When he asked eight persons to jointly pull the rope, the average force came down to as below as 31 kgs. So, larger the group lower is the performance, mainly due to the social loafing.

### 3.6.2 Role of Group Members

Each and every person has one or more roles to play. So, Shakespeare once told

that the world is a stage and we all there are actors. Thus, the group members also play some roles, and their way playing such roles the group efficiency depends. Group members have two types of roles, e.g.,

**Formal Role :** that role is assigned to members (chairman, secretary etc.)

**Informal Role :** not assigned by group, still influence group activity.

Roles again are divided as follows :

1. **Task-oriented Role :** Initiator, opinion givers, enterprisers
2. **Relation-oriented Role :** Harmonisers, Compromisers, Encouragers
3. **Self-oriented Role :** Blockers, Dominators, Avoiders

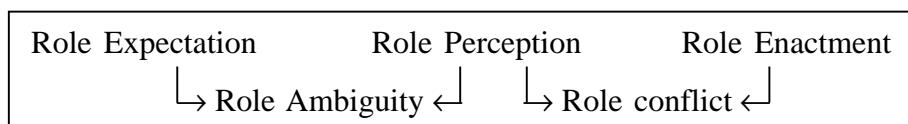
Task oriented role usually is formal and other two are informal. Whatever role is assigned or played by the members, that should be clear both to assignor and assignee. But in most cases this is not so. As a result, we notice usually a gap between role expectation and role perception.

**Role expectation** means what is expected by other persons about one’s role.

**Role perception** means we ourselves think about our role.

If the role is clearly understood by all concerned, then the aforesaid two will be the same. Otherwise, the situation i.e. the gap can be termed as **Role Ambiguity**.

My own role preception, again, may not be congruent with role enactment, i.e. actually what I do. Thus, my thinking and doing are different. In such a case, we suffer from what is known as role conflict.



**Fig. 7**

### 3.6.3 Status

Status is the position, grading, title, ranking given to or enjoyed by members. This is determined considering the age, qualification, gender, social position, wealth possession of the members. This status is important in every group because it determines the chain of command and ensures thereby the group performance.

However, status and role are co-related. A man with rank must be given the

higher role. Otherwise, **status equity** will be affected, the performance will not also be upto the mark. W. Whyte, conducting an experiment on the performance of a restaurant noticed that work there was initiated by waiter, a low status employee, and the cook or chef, a relatively high status employee, was to prepare items of food as the waiter instructed. Hence, there was off and on the problem between cook and waiter. For smooth functioning, he suggested for a hook that was to kept has cook and the waiter just would keep the orders there serially. Then, the cook, as if, would initiate the work, status equity will be followed and ultimately the performance will be better.

### 3.6.4 Norms

Norms are standard behaviour or code of conduct that is accepted and shared by the member of the group. Norms are fixed up so that control of members becomes easy and the members themselves know what they ought and ought not to do.

Every group may have different norms and in the same group the norms may be different for different situations. On official meet, the norms may be to exchange hand shakes while at dinner party of the same group, hugging each other may be the usual norms.

Dress code in an example of norms. For resource allocation also there can be some norms is every group. But the most significant norms perhaps are the performance norms, where the group dictates the members as to what will be there actual performance at different situations.

The performance norms of the workers have a tremendous impact on organisational productivity. This was identified first is the **Hawthorne Study of Elton Mayo**. The study was an eight-year (1924–32) long study at Hawthorne Electrical Plant to identify the reason behind production reduction year after year. Elton Mayo and his team conducted a number of experiments to identify the reasons, and finally came to the conclusion that the performance norms of workers were responsible for low production. As found out by Elton Mayo, the production norms in the plant were—

1. Don't be rate buster, i.e. don't produce too much.
2. Don't be chiseler, i.e. don't produce too less.
3. Don't be sqicator, i.e. don't betray the workers by leaking this information to the management.

As a result of this, the production in the plant could never reach the target. Mayo suggested that the Human Relations Approach to management can be a solution of the problem.

### 3.6.5 Conformity/Group think

The Hawthorne Study made it clear how conforming the workers were to the performance norms dictated by their group. Different incentives were provided by Elton Mayo, still they did not produce upto their full capacity. This conformity arises either out of close attachment to the group or out of fear of harassment or punishment that one was to face if he/she did not comply the norms.

Such a situation where individual member of the group refrains from giving his/her own opinion and abides by the opinion of majority of the group, is known as group think, the group is needed to have diversified opinion from different members. But this objective is largely affected by this group think.

Solomon Asch, a researcher, conducted a very interesting experiment to prove this group think. He asked his ten assistants to take part in the experiments. He took nine of them into confidence and made them clear before them what he actually wanted to do. But one of them was completely in dark and Asch did not disclose anything to him. Then he took two cards, one card having three lines on it, and the other containing only one line (Fig. 8). Then, he asked one by one the first nine

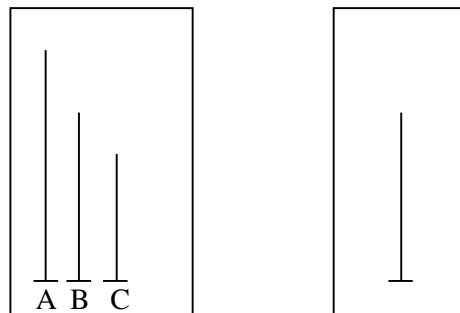


Fig. 8

assistants, “which line of the first card is equal to the line of the second card ?” Everyone of those nine persons answered that ‘C’ of the first card was equal to the line of the second card. The last person, who was quite in dark of everything, was surprised, because clearly it was seen that ‘B’ was equal to the line of second card. Actually, Asch told his nine assistants to give such wrong answers. Now, when the

same question was asked to the tenth assistant, he hesitated for sometime, but finally went by the opinion of other nine assistants, though he could clearly see that 'C' was not the right answer. This is group think where one's own opinion is suppressed in favour of the group decisions.

### 3.6.6 Cohesiveness of the Group

Cohesiveness means degree of attachment among the group members. It is the extent to which the members of the group are attracted to each other. This cohesiveness is essential, otherwise group performance can never be upto the mark.

● **Factors influencing Cohesiveness** : Cohesiveness of a group depends on the following factors.

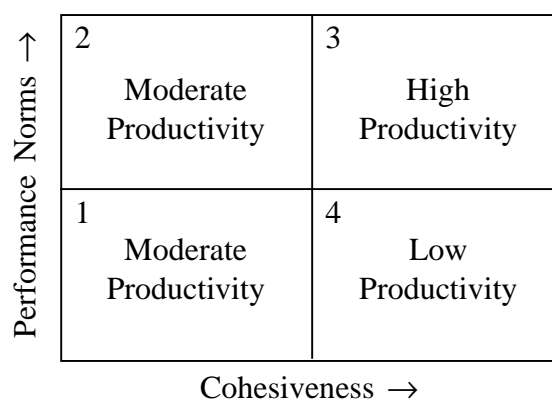
- (a) **Goal Alignment** : More the personal goals of the members are aligned with each other and more the personal goals are consistent with common goal of the group, more the group is cohesive.
- (b) **Time spent together** : If the members can spend maximum time with each other, the group will be cohesive.
- (c) **Size of the group** : If the size is large, firstly some sub-groups may crop up within the group affecting the group cohesiveness; secondly members will then have little chance to spend time together or interact with each other, making the group thus less cohesive.
- (d) **Difficulty in entry** : The group where the entry is very difficult, once entered members try to build and maintain good relations with each other. Because once one member is in bad book and is to leave the group it will not be easy to enter again into the group.
- (f) **Success of group** : We all want to continue the membership and so good relationship in the group, if the group is successful. So, success brings cohesiveness of the group.
- (f) **External threat** : When we face some threat from outside, we forget all our internal conflicts and jointly try to fight against that. Thereby, at least for the time being, all conflicts are resolved and the group becomes cohesive.

● **Cohesiveness and Productivity** : Generally we believe that cohesive group is productive group. If the relationship among group members is good, group performance will have the synergic effect. Thus, the group productivity will be greater than the sum-total of the individual productivity. But always this good effect



of cohesiveness may not be available. In fact, there is one moderating variable here, that should be considered along with cohesiveness while assessing its impact on productivity.

That variable is performance norms. In Hawthorne Study, we have seen how performance norms of “Don’t produce too much”, affected the productivity. The group there was very cohesive. So, inspite of proposed incentives for higher productivity, the workers complied the group norms of average production. So, when performance norms are low, cohesiveness may have negative impact.



**Fig. 9**

Figure 9 has shown it clearly that high productivity is possible when not only cohesiveness but performance norms must also be high [Quadrant 3]. High cohesiveness may have low productivity if performance norms is low [Quadrant 4]. Where cohesiveness is low, performance norms will be complied by average number of employees not by all. So, performance norms may be high or low, but the productivity will be moderate.

---

### 3.7 Group Dynamics

---

A group is consisted of a number of people. Hundreds of relationships are again there among those people of a group. Group performance depends on continuous interface and interaction within those relationship. This interface or interaction within the group is known as group dynamics that sometimes add to organisational efficiency, again sometimes go against it. When relationship is good but stagnant, the organisation will have just the status quo. When that is good and vibrant, open to experience, the organisation will be creative and innovative. Harsh relationship will

lead to conflict with necessity for negotiation. When some went to manipulate others, gain at the cost of others, powerplay or politicking prevails. Such different dynamics are discussed below.

### 3.7.1 Creativity

The essence of creativity is originality novelty. The process that gives us something novel is creativity. A novel or original idea means the idea that had never occurred before. Creativity always is an essential ingredient for business growth. Without creativity one can survive for sometime, but not for long. Particularly in this age of dynamics everyday we are to change. Amidst the harsh competition of modern time, even a reputed brand of a renowned company cannot beat the market for more than four to five years. So, if one is to survive in the market continuously it is to change its product, process of production, target market etc. But the change can never be in vacuum. Change must follow creativity. Otherwise, the organisations will be stale, stagnant and deadly before it actually extinguished from the market.

● **Organisational Role** : Every organisation should create an environment in which creativity is enhanced. The “labour of love” aspect is very important here. If such a culture can be induced in an organisation, creativity can be motivated. The factors that induce creativity are as follows.

- Creative People
- Organisational Support
- Organisational Culture
- Divergent Thinking
- Freedom to employees
- Openness to fresh ideas
- Sufficient Resources
- Long-term Planning

Creative people have some characteristics. While recruiting human resources, the organisation must see whether the people possess the following traits or not.

- Apathy to immediate gain
- A great amount of energy
- Irritation to status quo

- Perseverance
- Liking day dream
- High intelligence
- Creative mind

Organisations can support creativity—

- (i) by setting aside certain percentage of money for research
- (ii) by setting the goal that a certain percentage of revenue must come from new product
- (iii) by encouraging the employees to take risks
- (iv) by allowing them to make mistakes
- (v) by making job intrinsically motivating

Organisational culture must have openness, friendly supervision, team building trend, participative decision making and an atmosphere of trust.

Diversity can be ensured if the workforce is staffed with people from diverse age, gender, ethnic and cultural groups.

Employees must be free to think unusual. They must be allowed to recommend fresh ideas. Required resources are to be provided to them. Short-term orientation is to be avoided, be it as to planning, performance evaluation or profit of the firm.

**Creativity Process :** It is very difficult to describe how and when people may come out with creative ideas. In fact, the creative people themselves do not know when exactly and by which process they can develop something unfamiliar. Still, the researchers have identified a model to describe the creativity process. The same sequence may not hold good in all cases. Some of the steps may not all arise in some situations. Nevertheless, usually the following steps in creativity process is noticed.

- (a) **Preparation :** Scientists work in laboratory sometimes for many years before they get a creative idea. Tentative solutions become available at first. Then, experiments are conducted on them. Some are passed, some rejected after the experiments. This is preparation for creativity that involves hard work and concentrated attention to the problem.
- (b) **Incubation :** Concentrated attention is a part of preparation, whereby

tentative solutions may come up. Whereas in case of incubation the conscious attention is turned away from the problems. It becomes something like "sleeping over" the problem and not thinking about it. Now idea here is the result of completely the "unconscious mind", and the idea here is truly novel. Conscious mind always moves around the familiar things. So, even if some new ideas come up therefrom that will be just an extension or refinement of old idea, which technically is known as "incremental creativity". Transformational innovation, i.e. completely new something, is possible only during incubation period which just flashes in mind like lightning. Scientists leave their familiar jobs and go for finding, reading, gardening or taking a nap so that this incubation is facilitated.

- (c) **Persistence** : We all know the story of Robert Bruce. Incubation is one way of creativity no doubt, but very rarely we come across such situation. So, persistent effort is perhaps the more viable way where the method adopted is "trial and error". Go on adding more and more information, observe the problem from different angles. A unique solution will surely be available. This persistence means total involvement in the issue and also the courage to accept repeated failures. Most of the creative ideas are the out comes of such persistence.
- (d) **Insight** : It is a kind of "eureka" state, the state of becoming aware of a unique idea. This flash of does not follow any particular schedule. It may come up anytime of the day or night. It can also be lost quickly if not documented then and there. For this, many researchers carry small voice recorders to capture the ideas before they are lost. Diarise, sketch pads are also kept for the purpose.
- (e) **Verification** : Idea is abstract. Until it is seen that the idea has an use in practical field, the idea is not viable or feasible. Idea in scientific term is a hypothesis. To varify means to test the usefulness of the idea. Is the hypothesis cannot be proved, idea is not converted into product or the product is not put to market.

The proless so far discussed is the process mainly for individual creativity. For group creativity also, more or less the same process is followed. Following two techniques, in addition, may be useful for group creativity.

1. **Brainstorming** : Here five to ten members of the group sit together in a classroom setting. The chairman clarify the problem and the members are

asked to “free wheel” as many options as possible. “Think unusual” is the theme of brainstorming whereby unique idea may come up out of the group discussion.

2. **Synectics** : This is a process of developing variety of alternatives by way of opposition or cross-arguments to one’s opinion. Synectics depends mainly on two mechanisms—(i) making the familiar things strange and (ii) making the strange things familiar. When one claims that his opinion is a strange one, others will try to establish that it is an old one and vice versa. Ultimately a unique vision comes out, cultivating rigorously its flip as well as the flop side.

### 3.7.2 Power and Politics

These two terms, power and politics are considered as the dirtiest words. We all know the proverb about power. Power corrupts, absolute power corrupts absolutely. So, we cannot tolerate powerful persons and the persons who work to gain power, do it secretly. Politics is nothing but a powerplay. As such, politics also get hatred from common persons.

However, as students of OB, we should not look to the words with the same eye. Nothing in this world is unmixed blessing or curse. Everything has its flip side as well as the flop side. So, how we use it is most important. If you use excessive dose of even a life saving drug, it may be fatal to us. The speed of flood water is dangerous for crop or human life. But if hydroelectricity is produced therefrom, that may save both crop and human life. In the same way, we must know how to use power and politics. Then, desired result may also come therefrom.

**Definition of Power** : Power is the capacity of influence the behaviour of others. When one can make other person do something that otherwise he/she will not do, or refrain some persons from doing something that otherwise he/she will do, then the power is exercised.

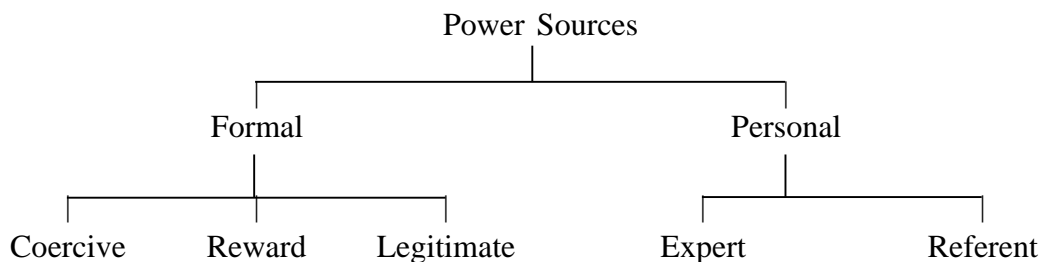
**Dependency Postulate of Power** : One person can exert power on others, if those other persons are dependent on the first party for some reason. So, dependency and power are inter-related. If no longer you are dependent on your parents for finance, they will not be so powerful to you. Power depends on dependency again dependency depends the following factors.

**Importance** : If Mr. A can control the supply of something that is important to you, then A is powerful to you, as you are dependent on Mr. A. Suppose Mr. A can control the supply of meat but you are vegetarian, so meat is not important to you. In that case, you are not dependent on A and A cannot be able to exert power on you.

**Scarcity** : Something is important to you, and Mr. A can control it. But that thing is not scarce, so from other sources also, you may get that thing. Then, you will not be dependent on Mr. A and A will not be powerful to you.

**Non-substitutability** : Suppose, the thing that is important to you is scarce and only Mr. A control its supply. But that goods has some substitutes. That means, even if you do not get the goods under consideration, you may manage with the substitute goods. Then also, you will not be dependent on Mr. A and hence, Mr. A will not be powerful to you.

**Bases/Sources of Power** : Figure 10 depicts different sources or bases of power. **Formal power** means the official power or the power of the position, power of chair. If chair is taken away, you are powerless. This power of position or formal power is also known as authority. Sometimes we try to draw a difference between power and authority. Here, power is a broader term and authority is just one of the bases of power. **Personal power** on the other hand, power embedded in the person concerned. Personal characteristics give birth to this type of power. One may or may not have the chair or position, still he/she may be personally powerful.



**Fig. 10**

**Coercive Power** is an official power which means the power of giving punishment or making others afraid of punishment. If one can dismiss, suspend or demote other persons, then he/she possesses the coercive power. Bosses sometimes use this power to prevent the recurrence of undesirable behaviour on the part of the subordinates. This policy is known as the “stick” policy of management.

**Reward Power** is another formal power which means the ability to provide something to others that they like. If someone can raise the salary, give promotion to some workers, then he/she is said to possess the reward power. Coercive power make others afraid, whereas reward power makes others tempted for getting something. This is just like the “carrot” policy of management.

**Legitimate Power** is the power that one can legitimately exert on others.

Parents command respect from their children, teachers want that the student will show respect to them, members will listen attentively when the chairman will speak. These are the examples of legitimate power, the power that is socially given to some persons.

**Expert Power** is one personal power that arises out of one's expertise in a particular field. Dhoni is no longer the captain of Indian cricket team. Still, Kohli obeys his opinion and hence Dhoni is powerful. The office boss sometimes accepts the opinion of his subordinate, because the subordinate has specialised knowledge on his own work. This is expert power and this power is gradually becoming important as the knowledge workers are entering into the workforce.

**Referent Power** arises not out of expertise but out of charisma. Amitav Bachchan is appointed to give advertisement of something, not because others cannot do the same but because he possesses some charismatic appeal to the prospective customers. The customers want to be associated with him and so, it is believed, he will be able to influence customers' buying behaviour.

**The Best Power :** The most effective power among all is the expert power. One possesses it for long time and its influence on others is also long lasting. Coercive power sometimes may backfire, the workers may revolt. Reward power does not last long, because workers want to get more and more reward. Emergence of a new star may reduce the chairman of elder stars. Legitimate power also changes from generation to generation. Expertise, on the other hand, is valued by all in all times.

**Definition of Politics :** Politics means power in action. When someone use power to gain something, he is doing nothing but politics. Power is the stock and the politics is the flow. Power is a potential and politics is its application.

Politics refers to those activities which are not organisationally required, but still influence the distribution of advantages and disadvantages within the organisation. That means, in practice, the politics determines who will get promotion, reward transfer or who will get demotion or punishment.

**Factors influencing Politics :** Both the personal factors of workers and the organisational factors are responsible for organisational politics.

**Personal factors** refer to the personality, value system or attitudes of the workers. Self-monitoring people usually are the political people. Mach type personalities lead to manipulation or gaining at the cost of other, which is also an

example of politicking. Persons having no values or morality want to gain power by hook or by crook. If one's attitude is to care for his/her own interest, then also the politics will surface. High expectation also leads to politics.

**Organisational Factors** that are responsible for politics are as follows.

**Low Trust** : If workers do not believe each other, politicking starts.

**Role Ambiguity** : When one's role is not clear, there is scope for politics.

**Subjective Evaluation** : If performance evaluation system is not objective. i.e. performance is not clearly measurable, the bosses may play politics.

**Promotion opportunities** are there but everyone will not be promoted. Then the workers will play politics to get promotion.

**Zero-sum reward system** : When reward is given to someone depriving others of such benefits, politics must prevail. Zero sum system always pays one taking the money from others pocket.

**Democracy** means politics. Most of the organisation today is democratically managed. As a result lobbying takes place leading to politics.

**Political Activities** : Following are the usual political activities, some of which are considered legitimate, some illegitimate.

- Blaming or attaching others
- Selective distribution of information
- Leaking confidential information
- Blocking the sources of information
- Associating with powerful lobby
- Forming coalition
- Spreading rumours
- Whistle blowing
- Filing grievances
- By passing chain of command
- Complaining to supervisors
- Developing contacts outside organisation
- Impression management



Last six political activities are known as legitimate activities, others are illegitimate where the individuals “play hard balls”.

**Impression Management :** Impression management (IM) is believed to be a legitimate political behaviour. This is legitimate because it does not directly attack or do harm to others. This is political behaviour because here one tries to remake himself/herself to convince others that he/she is good. Diating, healthclub membership, use of cosmetics, plastic surgery—all we do to get favourable evaluations from others. This is impression management.

At workplace also, individuals attempt to control the impression that others form of them with some specific purposes. Sometimes the perpose is to get the jobs, sometimes to promotions or favourable performance evaluations. However, it has been seen that getting jobs may be possible by befooling the interviewers with IM, but favourable performance evaluation is not possible, because in the mean time many things about the workers will be known by the evaluators.

**Techniques** by which impression of others is usually managed at the workplace are as follows.

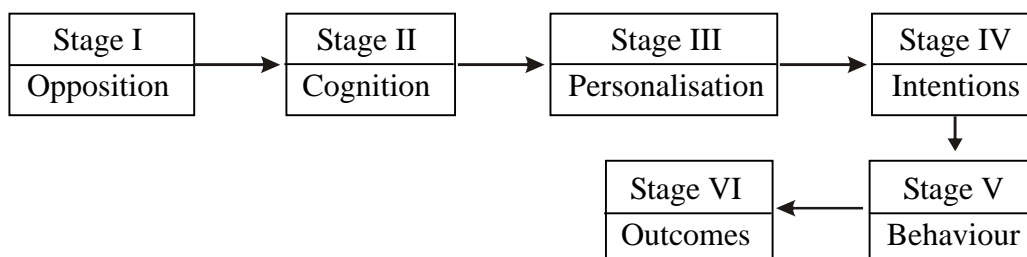
1. **Creating Sympathy :** “My mother died in my childhood, so my life is full of hardships”.
2. **Conformity :** “What you have decided, Sir, I fully agree with that”.
3. **Excuses :** “This year the sale is low, but this is because we failed to give ads in the paper on time”.
4. **Apologies :** “I am sorry sir, never again this will happen”.
5. **Acclaiming :** “Since I joined as sales manager, the sales volume has been doubled.”
6. **Flattery :** “Sir, the way you handled the problem, no other could have done it”.
7. **Favour :** “I had two tickets for IPL match sir, I will be obliged if you take it.”

### 3.7.3 Conflict

Where there is group activity, there is conflict, because mild disagreement is also an example of conflict which is inevitable in every group activity. Its scope, however, is very broad. It starts with mild difference of opinion and goes upto the

battle between two or more countries. However, conflict is a perceptual issue. Conflict arises when one person perceives that other persons are affecting negatively something which he/she cares about. Mr. A wants promotion. Mr. B tries so that A does not get promotion. When Mr. A understands what Mr. B is doing, conflict arises.

**Conflict Process :** Conflict surfaces step by step. Before it is culminated, it may recede with the help of some favourable inputs. If unfavourable inputs persist, it may reach to the highest level. Figure 11 shows different stages of such conflict process. Let us discuss the stages one by one.



**Fig. 11**

**1. Opposition :** The starting point of or pre-condition to conflict is opposition. One must oppose other's opinion or effort, and this opposition is considered as the seeds, if conflict is a plant. Without seeds, no plant can grow. Accordingly, without opposition no conflict will come up. But only seeds are not sufficient for the growing of a plant. Sufficient water and light are also required. In the same way other steps are also necessary for the surfacing of conflict. Opposition usually come up from following three sources.

**Personal factors :** There are some personal characteristics like dogmatism, ever critic type, domination, high expectation, manipulation that automatically lead to conflict.

**Communication :** Majority of conflicts arise due to wrong information or mis-communication. The boss says something but the subordinate does not understand it. So, his performance will not satisfy the boss, and the conflict will come up.

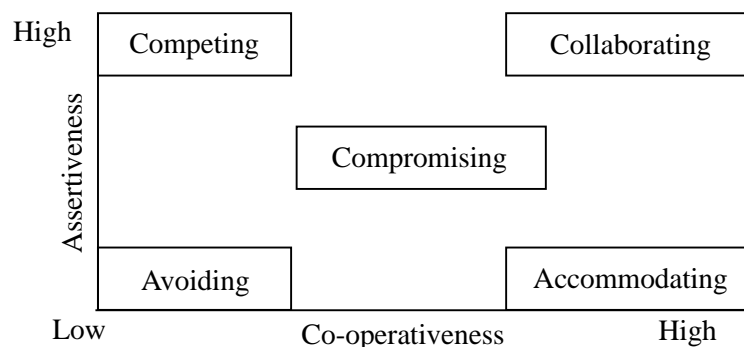
**Structure :** Sometimes structural reasons may lead to conflict. Mr. A is a sales manager. Mr. B is the credit manager. Their personal relationship is very good. But still conflict may arise between them due to their structural positions. Mr. A quite naturally will promise the potential customers that he will try to allow them few month's credit. Otherwise, he will not be able to increase sales volume. But the

objective of Mr. B, the credit manager, is to reduce the volume of credit. So, he may not agree with Mr. A, and thus the conflict will come up.

**2. Cognition/Perception :** Cognition means knowledge, knowing or perceiving something. Mr. A may oppose any action of Mr. B. But if Mr. B does not know that Mr. A is opposing him, his behaviour to Mr. A will remain unchanged. So, conflict still is not there. As and when the cognition about Mr. A's opposition takes place in B or B perceives the fact, the conflict arises. However, the conflict still is known as **perceived conflict**.

**3. Personalisation/Feeling :** The conflict may be perceived, that is the affected party may have come to know that other party is opposing him, but until he personalises it, there will be no feeling in his mind about the conflict. That means, the party will be aware of the conflict, but he will not be at all worried or anxious about it. If he is not worried, he will not react or involve himself in the process. For conflict, involvement of two parties is essential. Since one party here is still not involved, this may be perceived conflict, but not the **felt conflict**. Felt conflict arises when the affected party feels anxiety due to conflict. This felt conflict can make the affected party react.

**4. Intentions :** The felt conflict leads the affected party to reaction, but before reacting the party will think sometimes as to how he will react. A number of ways may come up to his mind. These possible ways of reactions are known as intentions. He may think that he will co-operate the party so that the conflict is resolved. He



**Fig. 12**

may also think that he will assert to his stand and for this, he will go on fighting back. The extent of this co-operativeness or assertiveness that the party wants to exert, gives rise to different types of intentions on his part. The intentions as such are shown in Figure 12. The brief discussion on them is given below.

**Accommodating** : When co-operativeness is very high, but assertiveness is low, the affected party wants to co-operate/accommodate the other party. The intention of affected party here is, “I may lose, still I will let him win.”

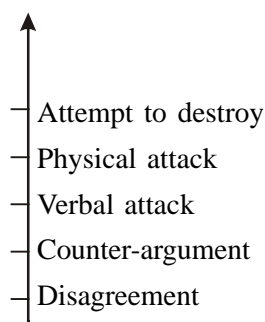
**Competing** : The intention is opposite to accommodating. Affected party here wants to assert his/her own stand. His/her attitude in this case is, “I will fight back and make him/her lose.”

**Collaborating** : Assertiveness and co-operativeness—both are high here. Both the parties work in this case to reach a win-win situation. They try to build up partnership where both will be gainer. To achieve this, is very difficult, but possible.

**Compromising** : Usually, the labour management conflict ends up by compromising. Where both parties are to deviate to some extent from their own stand. Both are to accept some sacrifice. One party claimed Rs 100, other was ready to pay just Rs. 50. So, the conflict is. If first one reduces his/her claim by Rs. 25 and other party becomes ready to give Rs. 25 more, the dispute will be settled at Rs. 75/-. This is compromising.

**Avoiding** : Here, no one wants to assert, no one to co-operate. Both are low. Conflict will go on, but it will never be aggravated, as both will try to avoid each other.

**5. Behaviour** : So long the affected party was just thinking as to what he/she will do in return. Now, the reaction starts. That means the conflict in true sense begins at this moment. However, no behaviour or reaction reaches its climax at the beginning. Initial does is usually very low and gradually the does is increased. The following continuum scale (from bottom to up) reflects this gradual increase in conflict.



**Fig. 13**

**6. Outcomes :** The last stage in conflict process is “outcomes”, or the impact of such conflict. In fact, there are two opposite views on the impact of conflict.

**Traditional view** believes that conflict is always bad. Wrong decisions or mismanagements are responsible for this. So, the management must try to avoid or resolve it. Unless it is done, productivity of the organisation will be gradually lower, and the conflict will have many other negative impacts on the running of the organisation.

Interactionists’ view, on the other hand, argues that conflict is not only unavoidable, but is desirable. If there is no conflict or interaction in the operation of a business, no new or fresh idea will come up, always the status quo will prevail, change through innovation will be lacking, stagnancy or deadly environment will persist. As such, conflict is good.

Two views are opposite, but in one sense both arguments have some truth in them. Actually, conflict is neither completely good nor always bad; rather it is both **functional** as well as **dysfunctional**.

Functional (good) conflicts include process conflict, task conflict and optimal conflict.

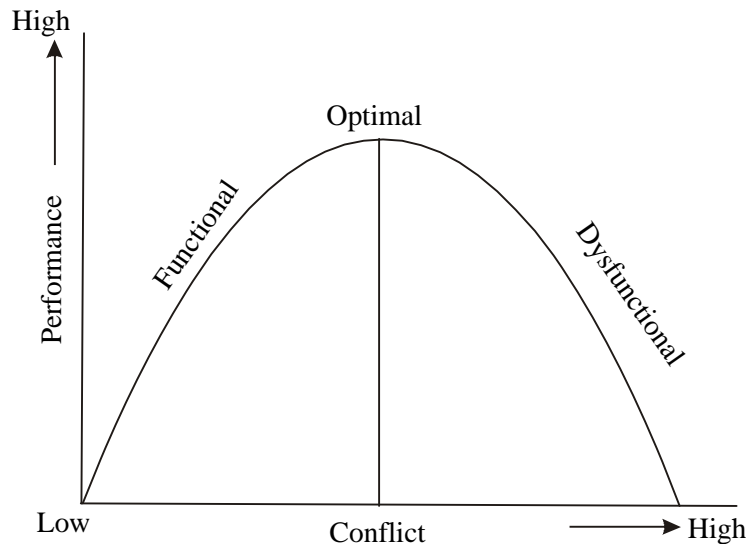
Dysfunctional (bad) conflicts, on the other hand, are interpersonal conflict and acute conflict.

When the conflict is as to what is to be done (task) or how it is to be done (process), this may lead to diversified opinions and thus the better solution. But interpersonal conflict is personality clash or difference of mind, which is always bad and even suicidal. How mild or low conflict and acute or high conflict work on

<b>Level of conflict</b>	<b>Characteristics</b>	<b>Nature of Conflict</b>	<b>Performance</b>
Low Mild	No change, status quo, stagnant, stalemate, deadly	Dysfunctional	Low
Optimum	Fresh idea, change creativity, vibrant	Functional	High
High/Acute	Chaos, confusion, disruption, disturbance, sabotage	Dysfunctional	Low

**Fig. 14**

performance is shown in Figures 14 and 15. Characteristics of low, optimal and acute conflicts and their impact on performance are clearly shown in Figure 14. Figure 15 shows more or less the same by way of a graph. When conflict is too low



**Fig. 15**

performance is also low. As conflict increases, performance does also increase. So, here the conflict is functional. At a particular level of conflict, the performance is optimal. If still conflict increases, the performance will come down, because conflict here is dysfunctional. So, conflict is needed, but this is upto a certain level. Beyond it, if conflict is allowed to grow, chaos sabotage etc will bring down the performance.

### 3.7.4 Negotiation

Upto certain level conflict may be allowed to grow, but thereafter attempt is a must to resolve the conflict. The way by which the conflict is resolved is called negotiation or bargaining. Labour management negotiation is a common example in this respect. Negotiation is broadly of two types—

- (i) Distributive bargaining, and
- (ii) Integrative bargaining

**Distributive bargaining** believes that the problem is in distribution of advantages. One party is aggrieved because he/she thinks that he/she is deprived and others are getting more advantages. So, here the attempt is how to redistribute the advantages taking them from one's pocket and giving them to others. Nothing additional the

parties as a whole will get. So, the negotiation is also known as **zero-sum negotiation**. Total advantages of the parties will not increase. So, this agreement is called sometimes as **Fixed pie agreement**. Pie is fixed, only problem is who will get the larger slice. The bargaining by which this is decided is known as distributive bargaining where one's gain is always at the cost of other. That means if one becomes gainer, other must be the loser. Loser cannot be satisfied by this. So, for the time being he/she may accept the bargaining, but very soon again in conflict may surface.

**Integrative bargaining** is one win-win game. Here, the aim is to make both the parties of conflict fully satisfied. Instead of sharing the fixed pie, the attempt is to increase the size of the pie, so that both the slices of the pie can be larger, and both the parties become gainers. The process in this case is known as collaborative process. That means, both will try to accommodate each other. This is very rare no doubt, but in most cases this is possible. We do conflict several times, though we do not exactly what actually we are conflicting for. As we are in conflict we do not listen properly what other is saying, or what his/her actual need is. So, open heart discussion is the precondition for integrative bargaining, by which the parties can know each other correctly. This may lead to a solution where none will feel as deprived.

**Steps in Negotiation** : Whatever type of negotiation, we want to undergo, we are to do it very carefully. Otherwise the success rate of negotiation will be very low. The steps that the parties need follow for the purpose are narrated below.

**Preparation** : If one goes for negotiation without preparation, he/she must be a failure. The preparation here means asking some questions to himself or herself like—

- What do we want from the negotiation ?
- What are our goals ?
- What can be the possible out comes from negotiations ?
- Which of those out comes one will accept ?
- What are “most hopeful” outcomes ?
- What is minimally acceptable ?
- What is other sides BATNA i.e. best alternative to negotiated agreement ?

More these alternatives options are from both the ends, more is the possibility for successful negotiation.

**2. Ground Rules :** Some rules are to be decided upon prior to sitting for negotiation. The rules are like—

- Which points must not be raised in the meeting ?
- Who will do the negotiation ?
- Will it be a bi-party or third-party negotiation ?
- To what issues, the negotiation will be limited ?
- At which place, the meeting will take place ?
- What is time frame ? etc.

**3. Discussion in the meeting :** When both the parties are in front of each other over the table, each party is to explain, amplify and justify his/her original demand.

**4. Bargaining :** After threadbare discussion, if the parties feel that they may revise their demand for the sake of solution, they may start bargaining. While bargaining, both will have their **target points** i.e. their goals. But at the same time they will have the resistance points, i.e. beyond which never they are ready to go or to come down. So, the bargaining mainly may be for any place between two resistance points.

**5. Problem-solving/Closure :** If the bargaining leads to a solution, then okay. Now they are to do some formalities in this regard. But, if there is no solution, discussion is closed amicably, keeping scope for discussion again.

**Third Party Negotiations :** Sometimes one third person is taken help of to initiate the negotiation. Depending upon the role which this third party plays he/she is known as under. Conciliator is a common third party who just provides a communication link between two conflicting parties.

**Conciliator** acts just like a connecting bridge and the conflicting parties communicate between them via him/her. He/she will just stand between two parties and neither he/she convinces the opposing parties nor he/she urges for any solutions. He/she helps in breaking ice, and all other things are to be done by the parties themselves.



**Mediator** is a person trusted by both the conflicting parties, who facilitates by directly taking part in the process. He uses reasoning, suggests solutions and persuades the parties to resolve the conflict. In 60% cases the settlement is done in the process.

**Arbitrator** is an official third party who can dictate an agreement. Firstly, he may allow the conflicting parties to come to an agreement. But if they fail, arbitrator has the authority to impose his opinion on the parties. So, success rate of settlement here is too high. But one party feels that he has been deprived by such dictation, he is to accept it for the time being, but again the conflict may come up.

---

### 3.8 Summary

---

From the above discussion, we could understand the concept and fundamentals of foundation group behaviour. We could also identify the group dynamical, form an idea about its creativity, assess the role of power play and politicking in organizations, understand the conflict process and the ways for its resolution, etc.

---

### 3.9 Questions

---

#### A. Objective Type :

1. Is command group a formal group ?
2. Who conducted the experiment on social loafing ?
3. Who was the head of the Hawthorne Study ?
4. State two characteristics of a creative man.
5. Which source of power is considered as the best ?

#### B. Short answer Type :

6. What is role ambiguity ?
7. What do you mean by Perceived conflict ?
8. Define coercive power.
9. State the factors on which dependency depends.
10. What do you mean by groupthink ?
11. How does accommodating differ from competing ?

12. What zero-sum agreement ?

**C. Long answer Type :**

13. Why do people join group ?

14. How is group developed ?

15. State the relationship between cohesiveness of group and organisational productivity?

16. Give a brief not on the process of creativity.

17. Narrate the factors that induce politics in organisations.

18. What are the outcomes of conflict ?

---

## **Unit - 4 □ Group Decision Making and Communication**

---

### **Structure**

- 4.1 Objectives**
- 4.2 Nature of Group Decisions**
- 4.3 Concept of Group Decisions**
- 4.4 Advantages and Disadvantages of Group Decisions**
- 4.5 Techniques of Group Decision Making**
  - 4.5.1 Brain Storming**
  - 4.5.2 Delphi Techinque**
  - 4.5.3 Nominal Group Technique**
  - 4.5.4 Electronic Meeting/Video Conferencing**
- 4.6 Communication : Concept**
- 4.7 Communication Process/Model**
- 4.8 Nature of Communication**
  - 4.8.1 Means of Communication**
  - 4.8.2 Communication Network : Formal and Informal**
  - 4.8.3 Downward, Upward and Horizongal Communication**
- 4.9 Communication Effectiveness**
  - 4.9.1 Barriers to Effective Communication**
  - 4.9.2 Guidelines for Overcoming Communication Barriers**
  - 4.9.3 Johari Window**
- 4.10 Summary**
- 4.11 Questions**

---

## 4.1 Objectives

---

After studying this unit you will be able to :

- Know what is group decision.
- Explain why we need group decision.
- Identify the advantages and disadvantages group decisions over individual decisions.
- Recollect different techniques of group decisions.
- Know about the need of communication.
- Examine effectiveness of communication.

---

## 4.2 Nature of Group Decisions

---

As the days are advancing. We are depending more and more on group decisions. Decisions becoming too technical and complicated, sometimes the head of department cannot take the decision alone. And sometimes, to be in safeside or to avoid unnecessary blame from different corners, no one tries today to take decisions singly. Every manager is bounded by certain limitations like limitations to collect or interpret information. These limitations constrain managers to determine the optimum decision, and the decisions taken suffer from what is known as **bounded rationality**. In most cases, instead of optimal decisions, they are to accept “**satisfying**” decisions. Group decisions are taken help of to overcome such limitations of collecting information and unbiased interpretation. More people involved in group decision making will be able to collect more information and to view the problem from different angles. In view of this, even if he/she can do so alone, the vice-chancellor depends on senate/syndicate decisions, physician depends on different diagnostic centres before prescribing medicines. Office heads also form different committees/teams for the purpose, which are nothing but the example of group decisions.

---

## 4.3 Concept of Group Decisions

---

Decisions refer to making choice among available alternatives. More are the alternatives, more is the possibility of getting the best alternative. More alternatives,

again are available when more people are involved in the process. Here is the basis or need for group decisions.

There are basically two major criteria that need consideration at the time of decision making. One is quality or suitability of decisions, and other is acceptability. When ten members jointly agree upon a decision, at least the decision is acceptable to these ten persons. In case of individual decision making, that is acceptable initially to one person only. Here lies the importance of group decisions. However, the concept of group decisions needs answer to following few questions.

- Whether a single person possesses required expertise to make decision or not?
- Whether he/she possesses necessary information or not ?
- Whether some others possess such quality or information ?
- Whether the problem is structured ?
- Whether individual decision is acceptable or not ?
- Whether the acceptance by others is critical or not ?

In view of all these questions, Vroom and Yetton have suggested different decision making styles ranging from purely individual decisions to completely group decisions. These styles are as follows.

AI — Here single person takes unilateral decisions.

AII — Individual takes the decision alone, but collect information from others.

CI — Here the individual decision maker not only collects information from others, but also consult with them. Though finally he/she alone takes the decision.

CII — Here group meeting is convened, still the final decision is taken singly.

GII — This is a participative style of decision making.

---

## 4.4 Advantages and Disadvantages of Group Decisions

---

Individual and group decisions, each has its own set of strengths and weaknesses. Neither, is ideal for all situations. However, the following list identifies the major advantages and disadvantages of group decisions over individual ones.

### **Advantages :**

**1. More information :** Two brains are better than one brain. One of the reasons

for not having rational decisions is the limitation of human brains to collect and assimilate late complete information. Limitation of one brain can be over come by clubbing together a number of brains. Group decisions pave the ways in this respect. Thus, better decisions are possible.

**2. More diverse inputs :** As different men will supply information for decisions, inputs here will be of different nature. Each one will view the problem from different angles. Thus, a large number of alternative inputs or options can be available. More the options, more is the possibility for selecting the best one therefrom.

**3. Larger acceptance :** When a single individual takes the decisions, others may or may not accept it. If ten persons together take the decisions, at least those ten persons will accept it. Thus, acceptability of the decision will increase. Examples are not few and far between where even the good decisions fail, just due to lack of acceptance. Here, the decisions being their own decisions, motivation and commitment in implementing the decisions also increases.

**4. Legitimacy :** Our society prefers democracy. So, always we blame autocratic or arbitrary decisions, even if they are very good decisions. We always think that decision maker must consult others before taking the decisions and it is legitimate. Thus, group decisions increase legitimacy and society thinks it as ideal.

#### **Disadvantages :**

Group decisions have a number of advantages. Still, they are not free from drawbacks. Such drawbacks of group decisions are as follows.

**1. Time consuming :** Group decisions are time consuming because—

- it takes time to assemble.
- one's opinion usually is opposed by others,
- decision process is characterised by give and take,
- the interaction consumes time, and
- one meeting may fail to reach solution.

So, the speed in decision making is affected and cost becomes also high.

**2. Pressure to conform/group think :** Theoretically it is believed that all members of the group are free to give their opinion. But practically, the opinion of powerful lobby prevails. Minorities are pressurized to go along that opinion. So, most members either remain silent or accept the majority view, though they may

have some different opinion. This kind of forced conformity is termed as groupthink, which is actually a barrier to effective group decision making.

**3. Splintered Responsibility/group shift :** Here, everyone's responsibility is no one's responsibility. Members, individually need not shoulder the responsibility if and when the decision fails. Group as a whole is responsible and thus the responsibility is splintered. As the members have the scope to buckpass, they easily favour aggressive decisions to make themselves popular. This tendency to shift the decisions towards extreme positions is known as group shift. This is also a disease of group decisions.

Due to aforesaid advantages group decisions are said to be effective in terms of accuracy, creativity and acceptability. But they are **not efficient** due to the disadvantages stated above. In deciding whether to use group for decision making, the primary consideration therefore is to see whether the increase in effectiveness can offset the losses in efficiency.

---

## 4.5 Techniques of Group Decision Making

---

When members of a group confront with each other, they can censor themselves and pressure individuals towards conformity. Thus, both effectiveness and efficiency of decisions are affected. Certain group methods have, however, proven successful in increasing effectiveness and efficiency of group decisions. Those techniques are discussed below.

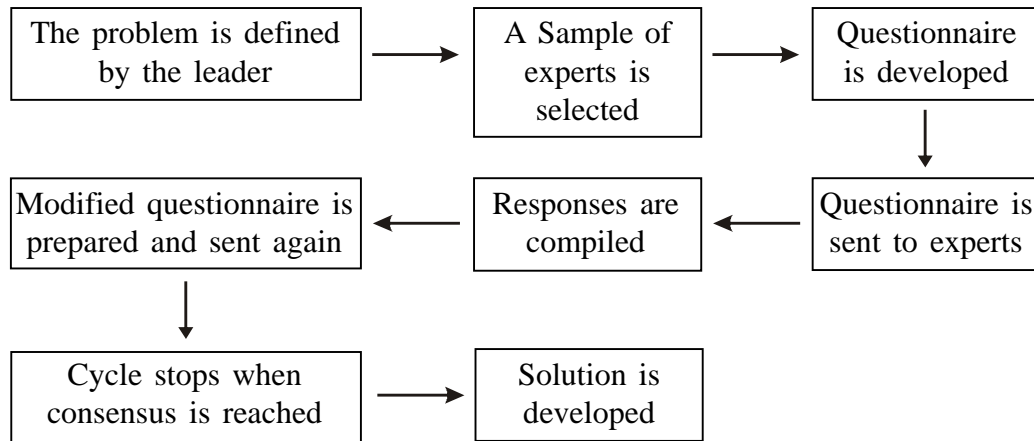
### 4.5.1 Brain storming

This technique generally involves a half dozen to a dozen people who sit around a table in a class room setting. The primary focus of this technique is to generate more and more ideas enhancing the scope for finding the unique and best solution. Members here are allowed to "free wheel" as many alternatives as they can, and for thus, they are encouraged to even "think the unusual." No criticism is allowed. Wild ideas also are welcome. Firstly, quantity is emphasized, not the quality. Finally, quality solution is accepted, incorporating members suggestions for modifications and improvements. Opinion thus becomes the opinion of many people and group think is to some extent avoided.

### 4.5.2 Delphi Technique

This technique is an extension to brainstorming and involves obtaining opinion

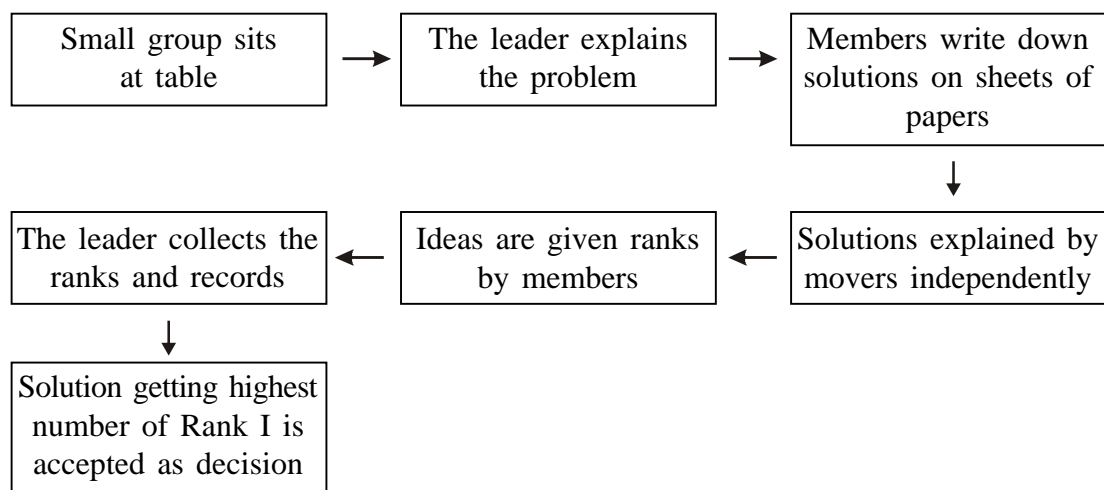
of persons who are even physically separated. The steps that are followed here are shown diagrammatically in the following figure.



Here, members work independently at their own place. So one's opinion is not influenced by other's. But since the cycle continues for long time and members may also take time to respond, the technique is very much time consuming.

#### 4.5.3 Nominal Group Technique

Here, members assemble together as in brainstorming, but still they can work independently as in the case of Delphi technique. The main characteristics of this technique are as follows.





So, opinions are given in writing. One's opinion thus is not influenced by other's. Ranking is also done secretly. Groupthink as a result is avoided. As such, the method is very effective. Still, it is called "nominal", because normal feature of group is absent here. Discussion and interaction, the usual function of group, is not allowed. So, it is group not by nature, only by name. In view of this, it is called nominal group.

#### **4.5.4 Electronic Meeting/Video conferencing**

This age is the digital age. Quite naturally, the pen and paper of nominal group technique has been replaced now by mouse and computer. Electronic meeting does not require the presence of members at a single place. Even if they are present, they all will work secretly and independently as in nominal group technique. More effectively the process is done here, because instead of pen and paper, technology is taken help of. When, members conduct the meeting, sitting in their own places, i.e. from long distances, the technique is known as video conferencing. The only limitation of the technique is—the warmth of group interaction and face-to-face discussion lacks here.

---

### **4.6 Communication : Concept**

---

No group can exist without communication. Group activity needs co-ordination, and co-ordination depends on communication. Probably the most frequently cited source of interpersonal conflict is poor communication. In fact, we spend more than 70% of our working hours in communicating. Still, communication is not effective in most cases. This is because communication is not just the "transference of information", but it should be the "transmission of meaning". You may say "go", but other may listen or understand "no". Examples of such miscommunication is not few and far between. So, what the sender means, the receiver must understand exactly the same. The best business plan is meaningless unless the executors are aware of it. The best employee welfare scheme is ineffective, if employees do not get the meaning thereof.

In Henry Fayol's concept of Management, the communication was not given so much importance. But Peter Drucker believed that the effectiveness of manager depends upon his or her ability to communicate well with the employees. According to him, good communication is the foundation of good and sound management. It is a basic tool for motivation. Supervision and leadership are impossible without it.

In late 1960's, C. Barnard highlighted communication as a dynamic force in shaping organisational behaviour. The behaviour of workers depends on the communication skill of supervisor. Actually, the authority of supervisor can lose its meaning, if his or her communication is improper or misunderstood. So, according to Barnard—

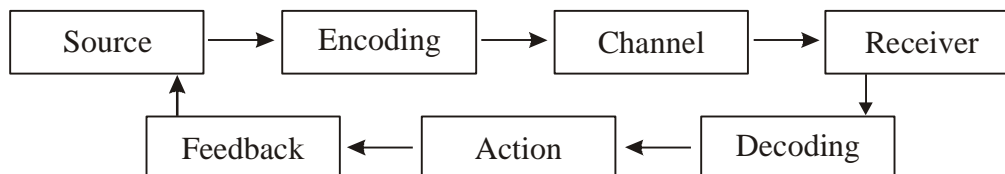
1. The line of communication be direct and without blockage.
2. The communication should be highly skilled.
3. The line of communication should be kept open.
4. Proper feedback must be there to know what actually the receiver has understood.
5. The communication should be authenticated.

---

## 4.7 Communication Process / Model

---

Communication passes between sender and receiver. This passing of information involves some logical steps so that the sender can send the message what he/she exactly wants to send, and the receiver clearly understands the meaning thereof. The steps as such together is known as communication process which can be depicted by following Model of communication.



**1. Source** initiates the message by encoding a thought. **Encoding** means expressing the thought in a particular way. Encoding may be done with the help of some symbols, write up, gestures or some other format, of expression. What way the source will follow for encoding depends mainly on four conditions, e.g., skills, attitude, knowledge and culture.

Skills of speaking, reasoning and persuasion are needed for oral communication. If the source does not possess writing skill, written communication will not be effective.

Attitude means pre-disposition about something or some person. Thus, the

attitude of source/sender about receiver and also the subject must affect his/her encoding.

We must know first that we want to make other known by communication. So, if the knowledge about the subject of communication is extensive in the source, the receiver may not get the required information and his/her action can be wrong.

Culture actually guides our attitude and value system. Our emphasis on a particular portion of the message depends on our value system, our priority. Accordingly, the receiver will get the signal.

**2. Receiver** receives the message through the channel selected by the source considering its suitability to receiver. Channel may be formal or informal. Formal channels are established by the organisation. Informal channels are personal.

Receiver is the object or person to whom the message is directed. Message is received, but it may not be understood. The next step, **decoding** becomes necessary for the purpose. Symbol or language used by the source needs translation to make it suitable for understanding. This is decoding. Just like encoding by source, decoding also depends on receiver's skill, attitude, knowledge and cultural predispositions. Many a communication fails, just due to failure in proper decoding. More the encoding and decoding match with each other, more effective the communication. Understanding or misunderstanding of message is reflected in action. If the source comes to know by feedback that the receiver has not acted as per his/her intention/message, the source again is to repeat the communication process.

---

## 4.8 Nature of Communication

---

Nature of communication can be understood under three dimension as follows.

1. Ways or Means of Communication.
2. Communication Networks, and
3. Direction of Communication.

### 4.8.1 Means of Communication

Broadly, there are three ways or means of communication, such as

- Oral Communication
- Written Communication, and

- Non-Verbal Communication.

The choice of means while communicating depends on—

- (a) Physical presence of receiver
- (b) Urgency of message
- (c) Secrecy to be maintained, and
- (d) Cost involved.

Very often, however, some of the above three means are combined to increase the clarity of effectiveness of communication. These various means of communication are explained below.

**Oral Communication :** Oral Communication is still the chief and most prevalent form of communication. Group discussion, one-on-one conversation, run our/grapevine etc are mainly done orally. The discovery of telephone, intercom system has extended the scope for oral communication. Earlier, oral communication could be done only with the people who were located side by side. But now oral communication is possible between people of two or more different countries, where earlier written communication was the only way of communication.

**Advantages :**

1. It is direct communication.
2. It is simple.
3. It avoids delay.
4. It conveys personal warmth.
5. It allows instant feedback.
6. It is convincing as physical gestures accompany it.

**Disadvantages :**

1. No formal record is maintained, so it is difficult to prove later or store property.
2. Lengthy message cannot be conveyed orally.
3. Noise in channel may distort it.
4. When it passes through different levels, meaning may alter.

5. Different facial expressions may make oral communication different.

**Written Communication :** Written Communication includes memos, letters, fax, periodicals, notices, bulletins or any other devices that are transmitted via written words or symbols.

**Advantages :**

1. Written communication is permanent, tangible and verifiable.
2. Both sender and receiver will have records of communication.
3. It is physically available for future reference or in case of any dispute.
4. It is better in case of complex and lengthy communication.
5. It is well-thought, logical and clear, as unlike in oral communication, here the sender usually is more careful.

**Disadvantages :**

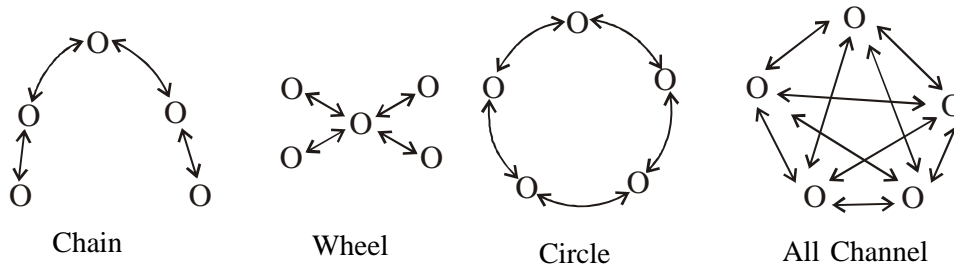
1. It is time consuming.
2. Comparatively less information can be conveyed than what orally we can do in the same time.
3. It lacks feed back.
4. It does not guarantee and proper interpretation by receiver.
5. It fosters formality, not intimacy.
6. Confidential material may leak out.

**Non-verbal Communication :** When no word, written or oral, is used, it is known as non-verbal communication. Communication is done here by physical movements or facial expressions. A glance, a stare, a smile, a frown, showing one or two fingers, wink of eyes—all convey meaning. the academic study of this body movement is known as **Kinesics**. More often it is linked with spoken language, and oral communication gives fuller meaning. Sometimes, non-verbal communication is more powerful than oral communication. One is speaking affirmatively, but if his body language gives opposite meaning, the receiver accepts body language, not the oral one. Actions speak louder than words. This actually is the importance of non-verbal communication.

However, non-verbal cues are not universal. The same expression may have different meanings in different countries. The receiver must be cautious about it.

### 4.8.2 Communication Network : Formal and Informal

Formal or organisational communication always follows a network, structure or chain of command. Networks may be of different shapes considering the need of the organisation or nature of information. They usually are of following types.



The **chain** is a typical network where the information flows only upward or downward following a formal chain of command.

In the **wheel** network, also known as **star** network, the supervisor is at the center, and the subordinates here do not communicate with each other, all communication take place via the supervisor.

In **circle** network, members interact with only the adjoining members. **All channel** network, on the other hand, is a completely connected network where each member has direct and free connection with other all members of the group.

Informal Communication does not possess such formal network, though it very much exists in every organisation, and cuts through the formal lines of communication. Informal communication is known as **grapevine** which usually is built around one or other form of social relationship. It can carry information very quickly, as it does not require to follow any formal chain or circuit. So, sometimes it becomes destructive by spreading rumour or giving wrong information. However, in 75% cases it has been seen that the grapevine transmits correct and useful information. Moreover, the problems that the formal channels of communication face, can be minimised taking help of informal communication. Major problem of formal communication is its bottleneck that hinders speedy flow of information. Besides, due to “protective screening” or filtering at different levels, cent percent information does not reach the target. On an average only 20% of information sent by the top level through five levels of management can reach finally the worker level.

So, for effective communication, we need a proper blending of formal and informal networks, though the possibility of rumour may do some harm in the

process, Steps are needed therefore so that rumours are not generated. Rumours are created out of ambiguity. So, every party should be very clear to every person concerned.

### **4.8.3 Downward, Upward and Horizontal Communication**

In view of the direction or movement of communication, it can be divided into following two types—

- (a) Vertical Communication, and
- (b) Horizontal Communication.

Vertical communication may again be sub-divided as—

- (a) Downward Communication and
- (b) Upward Communication.

Communication between superiors and subordinates is termed as vertical communication. When such communication is initiated by superiors (source) and aimed at subordinates (target), it is known as “Downward” Communication. Operational instructions by supervisors are given by this and operational feedback given by subordinates (source) to supervisors (target now) is known as “upward” communication. These upward and downward communication follow organisational chain of command. So, it is usually the example of formal communication. Horizontal communication on the other hand, is mostly the informal communication.

Horizontal communication is the communication among equals, co-workers or the managers of same level. Co-ordination among different departmental heads is usually done by horizontal/lateral communication. This is informal communication, but is highly necessary in promoting a supportive organisational climate. So, sometimes formally also this type of communication is arranged by the organisations.

---

## **4.9 Communication Effectiveness**

---

Effective communication is essential but very difficult to ensure. As two persons between whom the communication takes place are different, their understanding, language, attitude, verbal perception level—all may be different. So, the source may say “no”, but the target may understand “go”. This miscommunication, misunderstanding is actually at the root of most of industrial dispute, conflict and work stress. So, all organisations want to have an effective communication. But due

a number of barriers they cannot do that. First, we are to diagnose that disease, otherwise we can never prescribe for effective communication.

#### **4.9.1 Barriers to Effective Communication**

The communication must be understood and interpreted in the same manner as it was meant by the senders. But there are some external road blocks as well as some personal factors of both the sender and the target, due to which the communication does not reach or is understood in the same manner as was intended by the sender. These external and interpersonal factor, act as the barriers to effective communication.

##### **A. External or Noise or Organisational Barriers :**

**Poor Timing :** When to communicate is an important. If communication is done long before the required action, the target may forget about it. Again, last minute communication poses difficulty for desired action. Message should not also be sent when the target is supposed to remain busy or is psychologically or physically tired. In such a case, the target may misinterpret the sender's information.

**Improper Channel :** The channel to be used for communication should also be appropriate. If the target is not net-literate, message should not be sent via E-mail. If the message is too lengthy, oral communication is not appropriate.

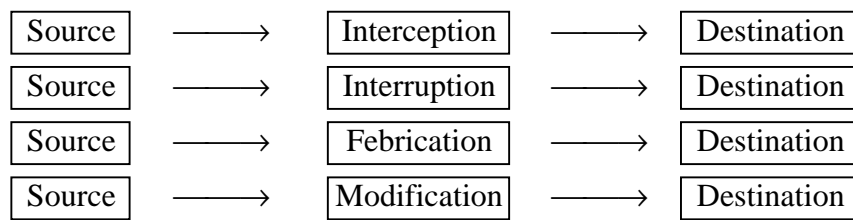
**Physical Distractions :** Telephone interruptions, walk-in visitors, attending to other matters simultaneously, etc are the examples of physical distractions that may interfere to effective communication.

**Information Overload :** No brain can receive, store or analyse unlimited volume of information. If one's work design compels him to receive huge information, he/she will suffer from information overload, and some of the information may go out of his/her memory or may not be properly addressed.

**Structure of organisation :** Sometimes the structure of organisation itself is responsible for ineffective communication. If the chain of command is not clearly established, communication may be unnecessarily delayed, blocked and sometimes distorted.

**Network breakdown :** In this age of on-line communication, most often network breakdown occurs. It may be due to time pressure or information overload, again sometimes it may intentional. In between source and destination following four types of disturbances may be intentionally created.





**Interception** refers to picking up all information intended for the destination.

**Interruption** means preventing the sent information from reaching the destination.

**Fabrication** is done by adding source by adding some new information or deleting a portion of information. Thus, the target get wrong information.

**Modification** is the situation where the attacker can adopt any or a combination of aforesaid three disruptions.

### B. Inter personal Barriers :

Sometimes, more often than external barriers, the personal characteristics of either the sender or the receiver or the both, may stand on the way of effective communication. Some of these characteristics are as below.

**Filtering** refers to purposefully withholding or manipulating the information with the belief that the receiver need not know the full context or the actual information. When the information is not end-to-end information, rather it passes through a number of levels, the chance of filtering becomes wider. Fear of giving bad news or the desire to please the receiver sometimes is responsible for filtering. Fabrication of reports to superior is an example of filtering.

**Perception** is the problem in interpretation. Due to following characteristics of receiver/sender such problems occur.

- (a) Halo effect : When one person is judged by his/her just one trait.
- (b) Stereotyping : When group characteries are imposed on individual.
- (c) Projection : When sender believes that the receiver is just like him/her.

**Semantic Barriers** refer to differences in individual interpretation of words, symbols or language.

- The word 'Dr' may be understood at first instance by a physician as "doctor", by an academics as "doctorate" and by an accountant as "debit or debtor".

- The symbol '8' may be understood by a person knowing only bengali number as 'four', whereas by a person knowing only english number as "eight".

So, in most cases we listen the remarks like "you misunderstand my message" or "It was not what I meant".

**Intonation problems :** The same sentence may be meant differently if the tone of sender changes. Following example may explain the point better.

"I do not take you to dinner to night".

In this sentence if emphasis is given on "you", it will mean either "I will go alone or take someone else, not you".

If emphasis is on 'dinner', it may mean "in stead, I will take you to lunch".

If emphasis on "to night", the meaning will be that "I will take you to dinner on some other night".

**Sender Credibility :** When in the eyes of reciver, sender has high credibility, the receiver accepts the message at face value, otherwise he filters the same according to his/her own belief.

**Cultural Differences** can and usually do adversely affect the communication effectiveness. In this age of globalisation, such problem has been acute, as communication between the people of different cultures has been now a rule of the day. Some examples in this respect are given below.

- People of some cultures show their disagreement by coming late to the meeting. People of other cultures may consider it as lack of puncuality.
- Some people prefer to come closer physically to the person they want to communicate. But someone may treat it as bad manner.
- People of some countries start watching the wrist watch repeatedly to convince other person that they no longer want to speak. But the concerned people of some other culture may not understand it.
- To show two fingers is considered in some cultures as the sign of victory, whereas in some other cultures it is understood as the sign for proposing love.

#### 4.9.2 Guidelines for Overcoming Communication Barriers

It is very very important for the management to recognize and overcome the

barriers to effective communication. Otherwise, the decisions that depend mostly on effective communication will be ineffective. Some of the guidelines in this respect may be narrated as below.

**A. Improve Feedback Skills :** Feedback helps in reducing misunderstanding. Two-way communication should be ensured, though it is time consuming. Focus must be given on behaviour, not on personal characteristics. Feedback must be impersonal and goal oriented. Feedback should also be well timed.

**B. Improve listening skills :** For this,

- Make eye contact
- Exhibit affirmative not
- Avoid interrupting the speaker
- Don't overtalk
- Avoid distracting gestures.

This is necessary because listening does search meaning. Mere hearing rather is passive, and proper understanding may not be possible thereby.

**C. Simplify Language :** Words should be chosen very carefully, so that the message is easily understood by the receiver. Language that is suitable or understandable by teachers, that may not be understandable by the non-teaching staff. So, always the language should be used considering the audience to whom the message is directed.

**D. Constrain Emotions :** The sender may fail to express and receiver may mis construe the incoming message if they are emotionally upset. So, emotions at both the end should be constrained.

**E. Watch Non-verbal Cues :** Actions speak louder than words. Oral communication may be misunderstood, if associated non-verbal cues are not properly understood. So, one always should make sure that actions, i.e. non-verbval cues align with words, i.e. verbal cues.

**F. Improve cross-cultural Communication :** Communicating with people of different cultures may often lead to misperceptions, misinterpretations or misevaluations. In order to guard against that one should—

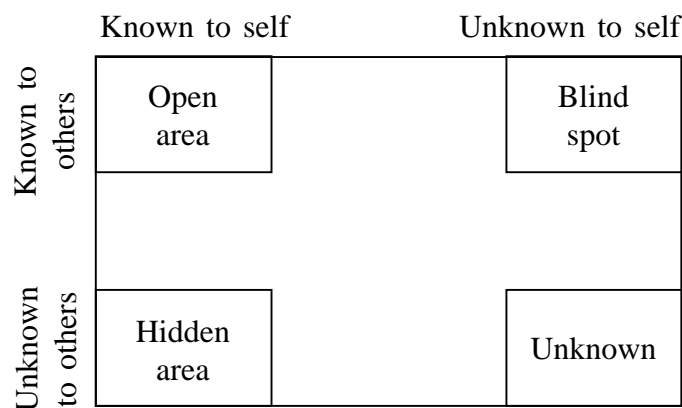
- Assume differences until similarity is proved.
- Treat your interpretations as just a hypothesis.

- Put yourself in receiver's shoes.
- Delay the judgement.

### 4.9.3 Johari Window

The Johari window is a modern technique of communication that helps people to better understand the communication or enhance individual's perception on others. American psychologist Joseph Luft and Harry Ingham developed this model in 1955. The name "Johari" came from joining their first two name. This model is also known as feedback model or model of self-awareness.

Each person is represented by the Johari Model through its four quadrants or window pane. Each of four panes signifies personal information, feelings etc, and whether that information is known or unknown to oneself or others in four viewpoints as given below.



#### The Johari Window Model

**Open area :** Here, information is known to both self and others. So, larger this quadrant, more effective is the communication.

**Blind spot :** Information about someone is not known to himself/herself, but it is known to others. So, feedback from others is very important here to have effective communication.

**Hidden Area :** Information is known to self, but it is unknown to others. Sender here does want to reveal something others. Communication thereby is affected.

**Unknown Area :** When information is neither known by self nor by other, the area is said to be "unknown". Attempt must be there to reduce this area as far as possible.

This window is helpful for—

- Self-awareness
- Personal Development
- Improving Communications
- Interpersonal Relationship
- Group Dynamics
- Team Development
- Inter group relationship.

So, for different purpose, one can use this model. However, for effective communication it is how being used by different organisations.

---

## 4.10 Summary

---

From the above discussion, we could understand the concept and fundamentals of group decision process. We could also understand the needs of group decision, identify the advantages and disadvantages of group decisions over individual decisions, recollect different techniques of group decisions. At the end we also understand the needs and effectiveness of communication.

---

## 4.11 Questions

---

### A. Objective Type :

1. State any two advantages of group decision making.
2. Is group decision efficient ?
3. Name two techniques of group decision making.
4. Name two types of communication networks.
5. Who developed the Johari Window Model ?
6. In which year Johari Window Model was developed ?

### B. Short answer Type :

7. Write a note on Johari Window.

8. What do you mean by 'filtering' in the context of communication ?
9. Define 'grapevine'.
10. Write a short note on "non-verbal communication".
11. Define "Nominal Group Technique" of group decision.
12. Why is "Nominal Group" called as nominal ?
13. What do you mean by AII style of decision making ?
14. Define "groupthink".

**C. Long answer Type :**

15. What are the advantages and disadvantages of group decisions ?
16. Discuss the techniques of group decision making.
17. Narrate the communication process.
18. What are the advantages and disadvantages of oral communication ?
19. Critically examine the barriers to effective communication.

# **Module - 2**





---

## **Unit - 5 □ Motivation**

---

### **Structure**

- 5.1 Objectives**
- 5.2 What is Motivation ?**
- 5.3 Importance of Motivation**
- 5.4 Approaches to Motivation**
- 5.5 Theories of Motivation**
  - 5.5.1 Early Theories**
  - 5.5.2 Contemporary Theories of Motivation**
- 5.6 Motivation and Organisational Effectiveness**
- 5.7 Summary**
- 5.8 Questions**

---

### **5.1 Objectives**

---

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

- Realise the importance of motivation
- Make managers aware of how they should proceed to motivate workers
- Be acquainted with different theories of motivation
- Understand how behaviour can be modified by motivation
- See how motivation helps organisational effectiveness

---

### **5.2 What is Motivation ?**

---

Motivation is the willingness to do something on the belief that this action would satisfy some needs. A need means a physiological and/or psychological deficiency that creates tension and stimulates drives within the individual. These

drives generate a search for a particular goal that, if achieved, will reduce the tension and bring satisfaction for the individual concerned.

Such motivation may come from within. Then, it is known as self-motivation. For owner/entrepreneur, such self-motivation is important. But the individuals who usually work for others need to be motivated by others. One worker may have the ability, but he/she will not apply it satisfactorily without motivation. Hawthorne study by Elton Mayo and others has shown it very clearly. Thus, to motivate subordinates has been now a big challenge for the managers. Needs of all individuals are not the same. Satisfied needs, again, fail to motivate any more. Newer and newer needs crop up at every moment. Thus, motivation is a must, but it represents a highly complex phenomenon. An understanding of the topic of motivation is therefore essential to be an efficient manager or to get properly the work done by others.

---

### **5.3 Importance of Motivation**

---

You can drag an unwilling horse to the river side, but you can never compel it to drink water. In the same way, a manager may confine the workers within the factory for eight hours, but desired productivity he/she will not be able to ensure, until or unless the workers are willing to do so.

Every organisation requires human resource. In fact, the human resource is the most important of all other resources. But unlike other resources, human resource can suppress its capacity to produce, and sometimes it may go beyond its normal capacity. This depends on whether it is motivated or not. Motivated workers are the productive workers. If motivated, workers may also work with less compensation. Motivated workers are, again, satisfied workers. Satisfaction level being high, there will be a harmonious relationship in the workforce and this will lead the organisation to be a good place to work. Once an organisation becomes a good place to work, it will be easier and less costly to hire and maintain the quality workers. Absenteeism, employee unrest, tardiness, employee turnover, union activity—all can be reduced by motivating the workers. Hence, motivation today has been an important function of the manager. Japanese workers are highly productive. The main reason behind this is that managers there know how to motivate. The secret behind the success of ISRO has also been its employees who are not only capable but also willing to use advanced technology to reach the goal. To state algebraically the principle is—

$$\text{Performance} = f(\text{ability} \times \text{motivation})$$

Einstein once stated, however the genius is 10% inspiration and 90% perspiration. But this volume of perspiration wholly depends on that 10% inspiration.

---

## 5.4 Approaches to Motivation

---

Motivation is essential. But how to motivate is still not fully known. The same person is motivated differently at different points of time. Different persons never can be motivated with same kind of incentives. Thus, the approaches to motivation have been different. Broadly, they can be discussed in the following ways.

**1. Need-based Approach** aims at the fulfilment of the needs of persons, workers or the human resources. It is believed here that needs arise out of some deficiency in the human beings. The reaction to that deficiency is known as “drives” of the human beings. This ‘drive’ leads to some kind of dissatisfaction, which can be resolved by providing some “incentives” to the persons concerned. Workers thus will be satisfied and motivated to do the work. In this approach, that need is first identified and attempt is made to cater that need. Need, again, can be internal/intrinsic or external/extrinsic. So need based approach may also be of following two types.

Intrinsic Approach tries to take care of internally generated needs or motives. These include feeling of responsibility, achievement, accomplishment, self-esteem etc. Most of us yearn for purpose or meaning. Performing meaningful work is itself a motivator. Winning a competitive situation, completing a challenging job make us internally satisfied. We then become involved or committed to the job. So, here the motive is how to make the job challenging or meaningful so that the worker can find some worthiness in performing that job.

Extrinsic Approach refers to giving cognizance to pay, benefits or promotions. Removing punishment, providing rewards are the examples of external motivators. This kind of motivators attract people and keep them on the job. They are also often used to inspire the workers to reach a new goal.

### **2. Job-based Approach :**

Workers want the meaningful work, motivating job. So, Job is to be redesigned at regular intervals so that it does not appear monotonous or boring to the workers. Following are some of the ways in which work redesigning can be done.

- Job Rotation
- Job Enlargement
- Job Enrichment
- Flexitime
- Job Sharing
- Autonomous work Teams
- Quality Circles etc.

**Job rotation** allows workers to diversify their activities to offset boredom. Horizontal transfers are the ways to achieve it.

**Job enlargement** expands job horizontally, i.e. some extra work is given to concerned worker, work being of same level.

**Job enrichment** expands job vertically, i.e., some work of higher position can be given to the worker.

**Flexitime** allows worker to select a suitable time for him.

**Job sharing** means sharing one job between two or more workers.

**Autonomous work teams** represent job enrichment at group level where the teams are free to take their decisions.

**Quality circles** are recent additions to group redesign where the circles meet regularly to discuss quality problems, investigate causes, recommend solutions and take corrective actions.

In addition to above, a **Job Characteristics Model (JCM)** has been developed where the following dimensions of jobs are taken care of.

- Skill Variety—Whether job requires different skills or not.
- Task Identity—To what extent workers do an identifiable piece of work
- Task significance—The impact of job on workers lives.
- Autonomy—The degree to which workers enjoy freedom for work.
- Feedback—The extent to which the workers get back information about the quality of their work.

Combining all the above, an index called **Motivating Potential Score (MPS)** has also been developed as follows.

$$\text{MPS} = \frac{\text{Skill Variety} \quad \text{Task Variety} \quad \text{Task Significance}}{3} \times \text{Autonomy} \times \text{Feedback}$$

More is the score, more motivating is the job. This kind of motivation is also long lasting one, as it fulfils the intrinsic need of the workers.

---

## 5.5 Theories of Motivation

---

Keeping in view the aforesaid approaches to motivation, several researchers have developed different theories on motivation. Four theories among them are considered to be the foundation to managerial practices in respect of motivating their workers. They have now fallen to some extent out of favour in the face of some contemporary theories of motivation. But a good number of practising managers still use them. So, briefly we discuss first those early theories.

### 5.5.1 Early Theories

#### 1. Hierarchy of Needs Theory (A. Maslow) :

According to Maslow, needs of different persons are different. First we are to know the immediate needs of workers, and those need to be satisfied first. One needs esteem, but manager increases his salary. This never will motivate the concerned worker. According to Maslow, following five constitute the hierarchy of needs—

- Physiological—hunger, shelter etc
- Safety—Protection for physical harm
- Affiliation—Affection, friendship, recognition
- Esteem—Self-respect, autonomy
- Self-actualisation—Happiness, peace, self-fulfilment.

#### 2. Theory X and Theory Y (D. McGregor) :

McGregor assumed two different views of human beings. One basically negative, who does not want to work, other positive who gladly accepts, even seeks responsibility. According to McGregor, first type of people needs coercion, punishment, otherwise they will not work. This theory of motivation is X theory. For second type

of people, Y theory is applicable, who needs praise, recognition etc. McGregor's carrot and stick policy is in the line of X and Y theories. Y people can be motivated by carrot i.e. reward, whereas the X people can be motivated by stick, i.e. the fear of punishment.

### **3. Two Factor Theory (Herzberg) :**

Two factor theory is also known as 'motivation-hygiene theory'. According to Herzberg, there are some needs which, if not provided, will lead to dissatisfaction, but even if provided, may not lead to motivation. These are hygiene factors, e.g., pay, promotion, working condition etc. If we want to motivate, some other factors need to be fulfilled. These are actually motivating factors, e.g., recognition, autonomy, responsibility achievement etc. Thus, according to Herzberg, removing dissatisfaction is not sufficient to bring satisfaction or motivation.

### **4. Needs Theory (Mclelland) :**

Mclelland's Need Theory has some similarities with the theory of A. Maslow. Maslow identified five needs whereas McLlland proposed three needs as below.

- Need for Achievement (nAch)
- Need for Affiliation (nAff) and
- Need for Power (nPow)

However, the researcher focused most of the attention on nAch. Because he believed that high achievers are strongly motivated. Once the first need is fulfilled, concerned worker gradually feels other two needs. nAff refers to the desire for friendship or social recognition. nPow is the need to make others obey his/her orders.

## **5.5.2 Contemporary Theories of Motivation**

**1. ERG Theory (C. Alderfer) :** This theory is a refinement of Maslow's needs hierarchy. Maslow identified five needs, whereas Alderfer, having based on the results of his questionnaire served to over 100 employees, proposed three needs as follows.

- Existence—It combined physiological and safety needs of Maslow.
- Relatedness—It refers to affiliation needs of Maslow.
- Growth—It resembles the upper two needs of Maslow.

Thus, ERG here means Existence, Relatedness and growth where the concept of hierarchy is retained by the researcher. However, while Maslow proposed a “satisfaction-progression” model, Alderfer came out here with a “frustration regression” hypothesis. In Maslow’s theory, satisfaction of lower needs makes individual progress to upper needs. Alderfer, on the other hand, argued that individual will always try for highest need. If for any reason that need is not fulfilled, out of frustration, individual regress to lower-level needs.

This theory is considered as more consistent, as in practical life the driving force is seen to change in the way as is suggested in ERG theory. In some countries, social needs come before physiological needs. From this stand point also the ERG theory is relevant. Most contemporary analysis of motivation tends to support ERG theory over those of Maslow and Herzberg. So, it has got place under the head of contemporary theories.

However, in some corners the theory is criticised as paradoxical. As the individual is supposed move downward also, it is not clear in this theory which need is more important than other. Besides, there is no clear cut guideline in this theory for the assessment of a particular individual to know his preference to a particular need.

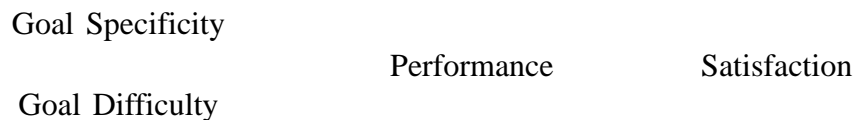
## **2. Cognitive Evaluation/Self Determination Theory :**

Cognitive evaluation theory hypothesises that extrinsic rewards may sometimes reduce intrinsic interest in work. When a worker comes to know (cognition) that he is paid for superior performance, he feels he is doing a good job not because he desires it but because the organisation wants it. If you read a novel because your teacher asked you to read, you will attribute your reading to an external source. This reading will not give you enjoyment or motivation. Rather, if you read it out of your internal urge, this will give you delight. So, how one evaluates extrinsic rewards determines the motivating power of the rewards. Thus, the theory proposes that people prefer to feel they have control over their actions, autonomy in work, and positive connections to others. A large number of studies support this theory as they find that the people who pursue work for intrinsic reasons are more satisfaction, feel they fit better into their organisations, and they perform better. In contrast, people who pursue work for money, status or other benefits are less likely to attain their goal and less happy even when they attain the same.

Then, are extrinsic rewards always useless or unrelated to motivation ? No, this is not again true. Extrinsic rewards can also improve internal motivation, if those rewards are consistent with worker's interest and core values. For organisations it means that managers should provide intrinsic and consistent extrinsic rewards. They need to make the work interesting, provide recognition, and support employee growth and development. The authors of cognitive evaluation theory acknowledge that extrinsic rewards such as verbal praise, feedback about competence, "you can" approach of supervisors. So, it is not strange, but fact that you get much fun when you work as a volunteer than when you are hired to do the same work at Rs. 100 per hour.

### 3. Goal Setting Theory :

Edwin Locke is the advocate of this theory that studies the processes by which people set goals and put the efforts to achieve them. According to the theory, the quality of performance depends on how challenging the goal is and how specifically it is defined. General goals such as, "do your best", "produce as much as possible" do not lead to desired performance, as neither accurate performance appraisals nor suitable rewards are possible in such cases. Clear goal gives clear direction to the performers, they themselves can also know what has been their exact performance or rewards are proportionate to performance or not. So, they cannot be dissatisfied with the rewards that they get. Following figure is thus the essence of goal setting theory.



**Goal Specificity** identifies the target in specific terms. For example, the goal of each worker is to produce 60 units per week. This kind of goal allows the workers to know clearly to what extent they have been able to fulfil their target and hence, how much remuneration they can legitimately claim. As the worker can see his/her achievement clearly, a sense of achievement, pride or self satisfaction will automatically generate. Specific goals reduce ambiguity and the worker gets a clear idea as to what is expected of him.

**Goal difficulty** provides more challenge and hence the goals become competitive and highly exciting. Reaching on easy target cannot give so much satisfaction as a difficult goal can do.



### **Management by objectives (MBO) :**

A logical extension of goal setting theory is Management by objectives which requires a systematic and programmatic goal setting throughout the organisation. Here, the managers and workers work together to identify goals and to make policies in order to achieve those goals.

MBO is based on belief that involvement leads to commitment, and when employees take part in goal setting, they are automatically motivated to perform better. When implemented properly, MBO can give therefore a number of **benefits** as are stated below.

- Since MBO is a result-oriented process, better results are easily achieved.
- Measurable standards are set here that leads to effective control of performance.
- Goals are tailored under this system to the specific abilities of workers leading to matching of job assignment and workers abilities.
- Since the goals are set by workers themselves, they accept the goals as their own, not imposed by superiors.
- Workers clearly understand what is expected of them, and hence, there is no scope for ambiguity.
- Periodic evaluation explores the limitation of the workers and identifies the areas where training is required.
- This is an on-the-process control mechanism where the deviations are regularly identified and timely corrected.
- Performance evaluation is done objectively and no question on bias or nepotism arises.
- Finally, MBO improves the morale and commitment of workers, because they clearly understand here their contributions to the organisational goal and hence they feel proud and highly satisfied.

However, nothing in this world is unmixed blessing. It has therefore also some **problems** or **limitations**. Those are narrated below :

- Top management whole heartedly does not support MBO, as its exclusive right of decision making is curved to some extent. Hence, the performance of MBO is not upto mark.

- Most of the subordinates also cannot accept MBO completely, as they are still suspicious about the intention of top management. They seriously believed that MBO is just a new tact or ploy in the hands of management.
- MBO emphasizes quantity and this may affect quality.
- The emphasis also is on short-term goal, and this usually stands on the way of long-range planning.
- Decision making here is highly time consuming.
- Continuous follow up is needed in MBO, which is mostly lacking in practice.
- Integration of MBO system with departmental goals is a difficult task, but without it never MBO can succeed.

#### **4. Equity Theory :**

One of the most widely assumed source of job dissatisfaction is the feeling of the employees that they are treated fairly, equally or equitably. Thus, equity theory believes that, if equity is ensured, the workers will be motivated to do the work. However, it must be noted that inequity may or may not be real, rather it mostly exists in workers perception. So, the main objective of the management should be to make workers perceive that they are fairly treated, that is the equal or fair approach of the management must be clearly visible and understandable by the workers. Otherwise they cannot be motivated. As Adams advocated—

- Perceived inequity creates a feeling of resentment.
- Then, the workers take steps to reduce it.
- Greater the extent of perceived inequity, greater is the magnitude of tension and higher is the urge to reduce it.

The steps that are usually taken by the workers to reduce the tension generated by perceived inequity are as follows.

- The workers may reduce their efforts to make it equitable to the compensation they get.
- They may alter their outcome to restore equity.
- They may demand better pay or better working conditions to satisfy their perceived inequity.

- They may change effort-productivity ratio to more favourable levels.
- They may resign from their jobs.
- On the other hand, some may change their perception and start to believe that inequity does not exist. Other people get better pay because they work harder or belong to some other category.

While equity theory mainly focuses on pay inequity, some employees look for equity in the distribution of other organisational rewards also. For this, they compare themselves with others mainly on following four ways.

1. Self-inside : comparison with inside co-workers.
2. Self-outside : comparison with outside co-workers
3. Other inside : comparison with inside other group
4. Other outside : comparison with outside other group

Recent research on equity theory has, however been expanded to **organisational justice**, where the workers can feel that their organisation is a good place to work in. Organisational justice has, again broadly three components as follows.

**1. Distributive Justice :** Where workers feel that they are getting the reward that they deserve.

**2. Procedural Justice :** Here workers feel that they are getting higher reward as their procedure of work is better.

**3. Interactional Justice :** While interacting with supervisors, the workers feel that they are given proper respect and dignity.

#### **5. Expectancy Model of Motivation :**

The expectancy model is based on the belief that motivation is determined by the reward the people expect to get out of their job performance. This theory argues that the strength of one's tendency to work depends on the strength of his/her expectation of an outcome. In simple words, employees will be motivated to exert high effort when they believe it will lead to a worthy performance and that performance in turn will lead to rewards as they desire. The theory therefore focuses on three important elements of the model. These are as follows.

- **Expectancy**—likelihood that a particular outcome will result from particular effort.

- **Instrumentality**—likelihood that the said outcome will bring a particular reward.
- **Valence**—Value that the workers assign to such reward.

Thus, a worker must be confident that his/her efforts will result in better productivity. He/she must also be confident that such better productivity will be instrumental in getting the rewards that he/she values most. Motivation as such can be explained by following equation—

$M = EXIV$ , where

M is motivational force, E stands for expectancy, I for instrumentality and V for Valence.

Three kinds of relationship that are significant therefore are as follows.

1. Effort—Performance relationship.
2. Performance—reward relationship.
3. Reward—Personal goal relationship.

Before exerting maximum effort for a work, workers generally ask as such three questions that themselves as follows —

1. If we give maximum effort, shall our performance get good appraisal ?
2. If we get good appraisal, shall we get rewards ?
3. If we are rewarded, are the rewards attractive or valuable to us ?

Answer 'yes' to the questions will motivate the workers, otherwise there will be no motivation for the work.

### **6. Behaviour Modification (Reinforcement Theory) :**

Workers behaviour may not be always as the manager wants it to be. So, their behaviour needs to be modified and channelised to desired goal. This modification refers to the set of techniques that are prescribed in reinforcement theory. So, reinforcement through proper use of immediate rewards and/or punishment is the only way, to modify the behaviour of workers. Other motivation theories assert that workers purposes direct their actions/behaviour. In contrast, reinforcement theory proposes that the consequences or outcomes one's behaviour. It ignores the inner state of individuals and concentrates solely on what happens after the action or behaviour.

**Operant Conditioning Theory** of B. F. Skinner thus is the most relevant component reinforcement theory. Unlike reflexive or unlearned behaviour, operant behaviour is influenced by the consequences and the reinforcement of those consequences. If we get favourable reinforcement to one behaviour, we will try to repeat it and vice versa. The reinforcement again is of our types as follows.

1. Positive Reinforcement
2. Negative Reinforcement
3. Punishment
4. Extinction

First two are favourable and last two are unfavourable reinforcement.

Positive reinforcement provides something that the workers like. Negative reinforcement withdraws or stops something that workers dislike. Punishment refers to the provision of something that workers do not like. Extinction, on the other hand, means withdrawing some benefits that so long the workers were enjoying. So, this is in one way the carrot and stick policy, where workers are either tempted to repeat desired behaviour on expectation of carrot (reward) or refrain from repeating unfavourable behaviour being afraid of stick (punishment).

Individuals can learn about this reward or punishment by observation or direct experience and accordingly repeat or stop certain type behaviour. Learning by observation or direct experience is known again as **Social Learning Theory**. So, reinforcement theory to an extent is indebted to this social learning theory as well.

Social learning is done by watching directly the behaviour of parents, teachers, peers, film/television stars. In case of work-related behaviour, experience is drawn observing other workers, bosses or the subordinates. This learning process passes through following four stages.

- Attention : one must be attentive.
- Retention : One must remember or retain in memory what one wants to learn.
- Reproduction : One must possess the capacity of reproducing others behaviour.
- Reinforcement : Positive incentives or rewards are needed if you expect that behaviour.

Illustrations of the impact reinforcement and consequent modification of behaviour are everywhere. Workers expect bonus, so they produce more than their target. A commissioned salesperson work hard in the expectation of more earning as commission. One boss promises higher pay for overtime work, but does not keep his promise at the end of work. Then, the workers will not do the overtime next time. So the most practical theory of motivation is this reinforcement theory no doubt. But the theory has some limitations as well. In its pure form, this theory ignores feelings, attitudes and other variables of the workers. Same reinforcement may not motivate each worker in the same degree. Some reinforcement may also be counter productive.

---

## **5.6 Motivation and Organisational Effectiveness**

---

It is often said that happy workers are productive workers. So, if we want organisational effectiveness, the employees must be made satisfied with the work and the work place. Unlike, machines, men at work possess willingness or unwillingness to work. If they are unwilling, they may suppress their productive capacity, neglect their duties by coming late or remaining absent. Percentage of errors in the work will also be high. Thus, the organisational effectiveness will be largely affected. Hawthorne study by Elton Mayo was an eye-opener in this respect. In this age of harsh competition the only way to have long term competitive advantage is to have a motivated workforce. New generation machines or technology can give one the competitive advantage. But this is only for short-term. Competitors may also acquire the same technology and no longer you will enjoy any advantage. But the commitment, loyalty or motivation that your workers possess can never be easily copied by your competitors. So, is motivation important? Lack of motivation will make the workers dissatisfied, monotonous and fatigued. Their morale to work will also come down resulting in the following consequences.

1. Employee unrest
2. Absenteeism
3. Tardiness
4. Employee turnover
5. Union activity etc.

So, motivation is a must to accomplish task, to produce quality goods and for other related purposes. Motivation refers to a set of forces that energise people to behave in certain ways. For an organisation to be effective, it must make people go beyond the normal role performance and engage in some form of creative, spontaneous and innovative behaviour at work. A motivated employee generally possesses that quality. Besides, once the workers are motivated, committed to the organisation they make the organisation a good place to work in. Then, to hire the quality workers and to keep them in the organisation will also be easier and less costly.

However, all the motivation theories are not applicable in all cases. Before implementing a motivation process, the following factors should be taken into consideration.

- Work environmental factors
- Factors related to work itself, and
- Personal factors of the workers

Where the work itself is structured or quantifiable, goal setting theory of motivation can be easily applicable. When the needs are different from worker to worker, Maslow's theory is appropriate. If this is not done, motivation will not be effective and organisational efficiency may not be achieved.

---

## 5.7 Summary

---

From the above discussion, we could understand the concept and fundamentals of motivation. We also understand the importance of motivation. How manager should proceed to motivate workers, different theories of motivation, how behaviour can be modified by motivation, how motivation helps organizational effectiveness, etc. have also been discussed here in detail.

---

## 5.8 Questions

---

### A. Objective Type :

1. What are two factors under Herzberg's theory of motivation ?
2. State the topmost need of the need-hierarchy of A. Maslow.

3. Give the equation for Motivation Potential Force.
4. What does 'E' stand for in ERG theory ?
5. Who is the advocate of Theory X & Y ?

**B. Short answer Type :**

6. Define "goal specificity".
7. What does cognitive evaluation hypothesize ?
8. How is ERG theory different from Need theory ?
9. What does 'valence' indicate ?

**C. Long answer Type :**

10. State the advantages and disadvantages of MBO.
11. Critically examine the Equity theory of Motivation.
12. Discuss how the behaviour of workers can be modified ?



---

## **Unit - 6 □ Leadership**

---

### **Structure**

#### **6.1 Objectives**

#### **6.2 Leadership Concept**

#### **6.3 Theories of Leadership**

##### **6.3.1 Trait Theory**

##### **6.3.2 Behavioural Theories**

##### **6.3.3 Situational/Contingency Theories of Leadership**

##### **6.3.4 System Approach to Leadership**

#### **6.4 Leadership Style**

#### **6.5 Leadership Effectiveness**

#### **6.6 Contemporary Theories/Issues in Leadership**

##### **6.6.1 Leader-Member Exchange (LMX) Theory**

##### **6.6.2 Charismatic Leadership**

##### **6.6.3 Transformational Leadership**

##### **6.6.4 Authentic Leadership**

##### **6.6.5 Servant Leadership**

##### **6.6.6 Some other Theories**

#### **6.7 Summary**

#### **6.8 Questions**

---

### **6.1 Objectives**

---

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

- Know the concept and different theories of leadership
- Examine various styles of leadership

- Recommend how leadership can be effective
- Highlight contemporary issues in leadership

---

## 6.2 Leadership Concept

---

Leadership is a very important part of management and plays a very vital role in managerial functions. Whether one organisation is successful or not, depends largely on how dynamic and effective is the leadership there. In fact, if a single factor is to be blamed for business failures, this is undoubtedly the ineffective leadership. In the governments, in universities, in hospitals or in business houses, where ever people work in groups, there must be somebody to guide the group. He or she is the leader.

Leadership is the art of influencing and inspiring the subordinates to perform their duties willingly, enthusiastically and competently. Leadership is that translates vision into reality. Leadership is both a process and a property. As a process, it uses non-coercive influence to direct and co-ordinate activities of a group towards the achievement of group goal. As a property, it is a set of qualities of those persons who are perceived to employ their influence on others.

**Management** and leadership, these two terms are very closely related, but they are not synonymous. Their functions are more or less same. But leadership is something more than the management. Management is a position. It may or may not possess the quality of leadership. Management is an authority, whereas leadership is an interpersonal influence. Managers plan, leaders set direction. Managers do staffing, leaders align people to the vision of the organisation. Managers control, whereas leaders motivate the workers. Manager exercise positional power, leaders have emotional appeal. Leaders can do the functions of managers, but the managers may not be able to that. So, all leaders are managers, but all managers are not leaders.

Based on the discussion above, leadership may be defined as—

$(L = F (f, g, w, s))$ , where

L = Leadership, F = function, f = followers, g = goal, w = willingness of followers, S = a given situation.

Followers and their willingness to follow are the basic differences of leaders

from managers. Subordinates are compelled to obey managers, whereas followers willingly follow the leaders. In leadership, the influence is also mutual. Leaders influence followers, followers do also influence the leaders. So, organisation without a leader is just like a herd of cattle without a keeper, a country without a king.

---

## **6.3 Theories of Leadership**

---

From the beginning of 20<sup>th</sup> century, many distinguished researchers have contributed a lot to the knowledge on leadership. While examining the earlier contributions is not altogether unnecessary, we will mainly focus on more relevant ones.

Earlier it was believed that leadership is a personality trait, that means it is in born. But as the years went by the focus shifted from the personal characteristics of leader to his/her behaviour in communicating and dealing with the followers. More recently the researchers have started to believe that the leadership is also a contingent variable that depends on situational factors. Thus, we have now a number of different theories on motivation. We discuss them one by one in following sections.

### **6.3.1 Trait Theory**

The trait theory of leadership focuses on the personal characteristics of leaders which make them distinct from the non-leaders. A number of early researchers have attempted such traits that can be termed as leadership traits. For example R. Stogdill conducted a survey on more than 5000 studies. But still he failed to give an exhaustive list of leadership traits. However, he identified the following traits which are common almost in all studies.

- Desire for accomplishment
- Persistent pursuit of goal
- Creativity
- Initiative
- Courage to accept consequences
- Emotional intelligence
- Tolerance of ambiguity
- Ability to influence

- Charismatic approach

However, when the researchers began organising leadership traits around Big Five Personality Model, a break through on trait theory has started to emerge. While associating Big Five traits to leadership it was found that almost all of Big Five can be considered effectively as the required traits for leadership. Extraversion was such to be strongly related to leadership quality. Conscientiousness and openness to experience also showed strong relationship though not quite as strong as extraversion. But being able to assert the people (extravert), being disciplined in every activity (conscientious) or being creative (open). One person can have apparent advantages while performing the role of leadership. Emotional intelligence has also a very significant impact on leadership effectiveness. Empathy is a core component of emotional intelligence, and it is believed that empathetic leaders only can sense others' needs, listen to others (not just say) and read the reactions of followers. A leader who effectively displays and manages emotions can move up in an organisation. Thus, before such attempt to recognise Big Five, trait theory to an extent was directionless. Now, thanks to Big Five, traits can now predict leadership to a large extent. Still, the trait theory suffers from some limitations. They are as follows.

**Limitations :**

1. The list of assumed leadership traits is too long. Although hundreds of traits have been identified, no consistent pattern has yet emerged.
2. The contemporary tinkers do not accept that leaders are born, not made.
3. This theory does not take into account other variables that may have their impact on leadership efficiency.
4. Same traits can be possessed by successful as well as unsuccessful leaders.
5. One useful trait to leadership may appear to be detrimental in some different situation.

With all its limitations the theory is still relevant because of certain merits. Those are as below.

**Merits :**

1. Environment changes person. The person also changes environment. So, it cannot be denied that some persons possess some qualities that make him/her the leader by birth.

2. That heredity has its influence on personality development is well accepted. So, its born qualities can never be ignored.
3. Traits are inner philosophy. Behaviour is what surfaces. Only 1/8 th of iceberg surfaces, we know. So, traits perhaps are more pervasive than behaviour.

### 6.3.2 Behavioural Theories

Trait theory provides a basis for selecting the right people for leadership, whereas behavioral theories emphasize on right behaviour of leadership. When the trait theory failed to explain fully the leadership, the researchers during 1940s to 1960s moved towards required behaviour of leaders. The most comprehensive theory among them resulted from the **Ohio State Studies** in the late 1940s, which sought to identify the desired dimensions of leaders behaviour. The studies began with more than thousand dimensions, but finally narrowed the list to just two as follows.

- (i) Initiating structure, and
- (ii) Consideration

**Initiating structure** refers to leader behaviour that attempts to organise work, work relationships, group tasks, assignment of duties and expects workers to maintain definite standards of performance and emphasizes the meeting of deadlines for the achievement of goals.

**Consideration** on the other hand, refers to the leadership that is characterised by friendliness, mutual trust, respect to followers ideas, regard for their feelings, trust and concern for the welfare of employees, and appreciation of their performance. In a recent survey, 66% of employees mentioned that appreciation makes them motivated at work.

While identifying these two dimensions, the researchers, however, did not like to say that being high in one dimension the leader is to be low in other dimension, Rather, the fact is that the leader can be high in both dimensions, low in both, high in one and low in other. This can be shown as in the following figure.

High Consideration	Human Relations	Democratic
	Laissez faire	Autocratic
	Low	High

Initiating structure

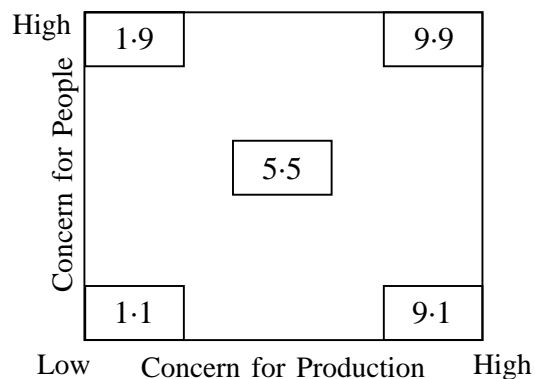
Consideration and initiating structures-both are high in Democratic quadrant. Here, the performance and satisfaction both are upto mark. When both are low, the workers are in “Go-as-you-like” situation (Laissez faire). High consideration—Low initiating structure is an example of charitable institutions, the firm cannot run at profit. Opposite is known as autocratic, where only performance is emphasized, where satisfaction is all time low.

**The University of Michigan Studies** resulted in more or less the identical conclusions. Here, the leadership has been divided into following two categories.

- (i) Production-centred, and
- (ii) Employee-centred

The production-oriented leadership refers to the initiating structure leadership of Ohio State University studies. The Employees-centred one resembles the consideration dimension of those studies.

So, in both these studies the leadership is two dimensional—Production or Employee. Blake and Mouton have given a graphic depiction of possible alternatives within this two dimensional leadership, which is known popularly as **Managerial Grid**. The same as shown below.



The grid identifies five basic styles of leadership. The 9.1 leader is concerned with production and not at all careful for employee welfare. The 1.9 leadership, known as club management, again, careful basically for employee well being, with least interest to task management. 1.1 leaders are wothless leader, where the management is called as impoverished management. On the other hand, 9.9 leadership

looks towards highly both of production and people, though in most cases it is not possible. The 5.5 is the middle of the road management where leaders are moderately concerned to both.

### 6.3.3 Situational/Contingency Theories of Leadership

Behavioural theories came up out of the limitations of trait theory of leadership. In behavioural theory also it has been seen that a universal theory can never be developed to identify the preferable behaviour. Every theory speaks of more than one kind of behaviour, and none is claimed to be preferred universally. Here arises the need of situational or contingency theories of leadership, that propose that effective behaviour of leaders is contingent on some conditions and it varies from situation to situation. A number of researchers have worked on this situational theory and they have developed different contingency models. We discuss them below one by one.

#### ● Fiedler's Theory

Fiedler advocated that different leaders possess different motivational traits. Some leaders are originally task-oriented, some are again relation-oriented. According to Fiedler, the relation-oriented leaders want to have warm personal relations with their co-workers and followers. What the leader actually will do, it depends on the situational factors. According to Fiedler, the situation is favourable to the leader when he/she has control over his/her subordinates performance. Three factors are taken into consideration to determine whether the situation is favourable or not. These factors are as follows.

**Leader-Member Relations :** When relationship is good, the leader can count on the loyalty of the subordinates, while the poor relation will naturally affect his/her influence.

**Task Structure :** Where the task of the subordinates is structured, i.e., well-defined, it contributes to a favourable situation for leader to exert his/her influence on the subordinates.

**Position Power :** Greater the power of the leader to reward or punish his/her subordinates, more favourable the situation is to the leader.

However, overall situational favourableness depends on the combination of the aforesaid three factors. When all the three are favourable, the situation is called as **High-Control Situation**. When all the three are unfavourable, the situation is known as **Low-Control Situation**. **Moderate Control Situation** prevails when one or two is/are favourable, but others is/are not.

Both in High-Control and Low-Control situations, task-oriented leadership works well, whereas in case of Moderate-Control Situation relation-oriented leadership performs the best.

The main **advantage** of contingency model is that it takes into account all the three components : the leader, the situation and the followers. In trait theory only the leader is given importance.

As **demerits** of contingency model, some however argue that the acceptance of situational theory negates the universality of leadership theory. It suggests that there cannot be a theory at all to explain leadership. Leaders can do whatever they think fit to address the need of the situation.

### ● Path Goal Theory

Robert House advocated this theory. The term “Path-Goal” of this theory implies that the leaders are to clarify the desired path of followers to achieve the prefixed goal and their journey easier by reducing the road-blocks. That means, the leaders job is to provide the followers with information support and other-resource necessary to reach their target.

The path-goal theory is to some extent similar to the expectancy theory of motivation. As in expectancy theory, here also the leaders will strengthen the expectations of subordinates by increasing the availability and attractiveness of rewards or outcomes. However, the path-goal theory as a sub-set of contingency model, asserts that the leaders are to provide the rewards depending on the situational characteristics and the characteristics of the subordinates. This situational consideration will influence the leader behaviour, which according to situation, may be **directive, supportive, task-oriented** or **participative**. Directive leadership gives greater satisfaction when tasks are unclear and stressful, whereas supportive leadership gives better result when the tasks are stereotype or routine-type. Task-oriented or participative leadership, on the other hand, depends on the willingness or otherwise of the subordinates to do the work.

### ● Situational Leader Model

This theory requires that successful leadership depends on the selection of proper style contingent on the **rediness** of the subordinates. The readiness of the followers can be of the following types :



- Unable and unwilling
- Able but unwilling
- Unable but willing, and
- Able and willing

Unable and unwilling followers need specific directions. Unable but willing needs task orientation. Able but unwilling workers needs supportive leadership in order to effective workers. For able and willing workers, leaders need not do much.

**Hersey and Blanchard** added “maturity” of followers as a contingent variable. They believed the subordinates have also a life-cycle. When the workers enter into an organisation, the need specific directions from leaders. So, the required style here is directing or telling approach. Gradually, when the workers learn about their tasks, the leaders then are to create willingness among them. So, “selling” or “coaching” approach then is essential. As the willingness of workers increases, the leaders needs to be participative or supportive. The final stage of the life cycle come when the workers can work “on their own”. Now, the leader can easily follow the “delegating” style and spend his valuable time for again the new-comers.

#### ● **Leader participation Model (Vroom-Yetton)**

This model emphasizes on decision making process of the leader and how far he/she allows participation of subordinates in the decision-making process. According to Vroom-Yetton, this role or behaviour of leader is very significant, because on it depends the job satisfaction of workers which ultimately can influence their task performance. If the leader does not allow the subordinates in decision-making process, it may have negative impact on productivity and lead to turnover or stress. Vroom-Yetton suggested that there can be five decision-making styles, ranging from highly autocratic to highly participative one. The styles as such are as follows.

- Autocratic I (AI) — Leader solely takes decision
- Autocratic II (AII) — Leader seeks information from subordinates, but takes decision alone.
- Consultative I (CI) — Leader consults the subordinates individually about the problem, but takes decision singly.
- Consultative II (CII) — Leader consults the subordinates in a group but his/her opinion is final.

- Group (G) — Subordinates participation is allowed.

Different styles are suitable in different situations and are contingent on different factors. So, this is also a part of contingency theory. Leader will be effective if he/she can choose the appropriate style suitable to particular situation.

- **Theory X and Theory Y (McGregor)**

This theory has already been discussed under head “motivation”. We again just mention the theory here, as it is equally relevant to the leadership theory. McGregor argued that the behaviour of leader or manager to subordinates should not be same for all employees. Like different situations, employees are also different types. So, leadership style is to be based on the type of employees, which actually here is the contingent variable.

McGregor classified the employees broadly in two categories—X and Y. X employees are inherently lazy and they always try to avoid work. Y employees, on the other hand, seek responsibility and find the work as natural. Accordingly, the treatment of these two types of workers must be different. The former needs “stick” and the latter are motivated by “carrot”. Leaders will be effective if they can identify the nature of employees properly and can treat them accordingly.

### **6.3.4 System Approach to Leadership**

System approach and contingency approach are two inter-related approaches. Contingency theory is based on the situational variables. System actually is one of such situations. A system is defined as the assemblage of things connected or inter-dependent, so as to form a complex unity. Every system has a number of sub-systems, and the system is not only the sum-total of sub-system, but something more than that.

Under system approach to leadership, leadership is considered as a system that depends on the broader system on the one hand, and on a number of sub-systems on the other. So, how the leaders will work depends on the characteristics of the system or sub-systems, and as a result their style will vary from system to system.

System approach in one way an eclectic approach as well, which is a combination of traits of leaders and the situational factors. Different combinations of trait and situation result in different systems. Leadership is therefore multi-dimensional, multi-variable, adaptive and dynamic. Leadership system is also an open system, which means that leadership always interacts with its environment and accordingly it gets its shape.

---

## 6.4 Leadership Style

---

Leadership styles are different under different theories of leadership. Discussion on styles have already been made along with the theories concerned. However, at a glance they can be shown as below.

As per **behavioural theories**, leaders may adopt any of the following styles.

1. High consideration — Low structure (Human Relation)
2. High structure — Low consideration (Autocratic)
3. High structure — High consideration (Democratic)
4. Low structure — Low consideration (Laisset faire)

The Managerial Grid advocated by Blake and Mouton suggested the following five styles.

1. Country club (People-oriented)
2. Team (High concern for both people and production)
3. Task (Production oriented)
4. Impoverished (Low concern for both)

As per Situation Theories, leadership styles can be of following types.

Fiedler stated that the leadership can be task-oriented or relation-oriented.

As per Path-goal theory leaders may have the styles like directive, supportive, task-oriented and participative.

Vroom-Yetton, again, recommended five styles as below.

1. Autocratic I
2. Autocratic II
3. Consultative I
4. Consultative II
5. Group

As all have been discussed earlier, we do not repeat them.

---

## 6.5 Leadership Effectiveness

---

It is now accepted that there is no best leadership style for all situation. Rather, the leadership effectiveness depends on the use of a style appropriate to the situation. So, this situation-style match is actually key to the leadership effectiveness. Along with this matching, the leader must work as follows to develop his/her effectiveness.

● **Raising Competence of the group** : Competence includes the understanding, based on knowledge and skills, required to perform a job. If the leader cannot raise this competence of his/her team, effectiveness can never be achieved which style he/she will adopt for this competence building, he/she is to understand it, plan the strategy and implement it effectively.

● **Raising Commitment Level of the members** : Competence is needed, but if the members are not committed/motivated to do the job, they may not exert their full competence. They may suppress some of their capacity. What are needed therefore are willingness, eagerness and the involvement of the members. This is the big challenge to the leaders of modern times. In most cases, the workers can do, but they do not do. In Hawthorne study also it was found. So, raising commitment level is an important pre-condition to effective leadership.

● **Raising Teamwork Level** : To work alone and to work in a team are not the same things. Team work today is a must, but to be a team worker is not an easy task. Present-day work environment therefore requires cohesion and collaboration along with competence and commitment. If instead, there is confrontation and conflict among the team members, due to anti-synergic effect, the group productivity will be less than proportionate to individual competence level. Thus, raising team spirit is the first step to leadership effectiveness. This can be done by—

1. recognising the importance of team.
2. making workers aware of the benefits of team.
3. allocating resources to team, not to individual.
4. making performance appraisal objective and unbiased.
5. arranging programmes/for reducing conflicts or increasing collaborations.

● **Raising Development Level** : Ultimate objective of leaders or the measure of leadership effectiveness is “development”. Competence, commitment, team spirit—

all are to be channelised towards the development of organisation. Development is possible when all the relevant factors are compatible with each other, and a leader is called successful when he/she achieves desired development. Leadership style may be good, then the leader is effective or efficient. But until and unless that style gets compatible response from his/her followers, desired development is not possible, and leader is not a successful leader. Thus, there is difference between effective leadership and successful leadership. Effective leadership is measured by the adopted process or style, whereas successful leadership is measured by the result.

---

## **6.6 Contemporary Theories/Issues in Leadership**

---

Recently, some other theories of leadership we have come across. In an attempt to address the contemporary issues in leadership, these theories have been developed. We discuss a few of such theories below.

### **6.6.1 Leader Member Exchange (LMX) Theory**

This theory was advocated by G. Graen and his associates, which emphasizes the social exchange taking place between the leader and his/her followers. The leadership style will depend on the nature of such exchange. When the exchange is perceived by the leader as favourable, the followers become close to leader, and where it unfavourable the leader does not trust the followers. Thus, leader, as per this theory, implicitly classifies the followers into two groups—in group and out-group. In group followers get greater responsibilities, more attention and more rewards, whereas the out group members are usually neglected and get maximum punishment or unfavourable performance appraisal.

So, according to this theory, leadership style is never the ‘average’ or “common” for all followers. However, how the leader chooses the “ins” or “outs” out of his/her followers, is not clear. But there are some evidences which show that in-group members usually belong to the demographic, attitudinal and personality characteristics similar to the leader, though in some cases it has been seen that leader-follower relation has been closer when they are of different genders or personality characteristics. If personality of both are strong, usually bonding does not build up. Two lions can never stay in the same forest. So, still there is no logical explanation to how in-groups and out-groups are classified. However, different studies have shown that, when leaders differentiated strongly among their followers, employees responded with more negative work attitudes and higher levels of withdrawal

behaviour. So, in short run the leader can have some benefits if he/she follows this theory, but ultimately the categorisation among followers fires back.

### 6.6.2 Charismatic Leadership

Charismatic leadership is such a quality or combination of qualities by which one person may be viewed as supernatural, superhuman or at least an exceptional one. Ordinary persons can never dream of such quality which is regarded as “divine origin” or as an exemplary. Robert House was the first researcher on charismatic leadership. According to him, followers attribute someone this kind of leadership when they observe certain behaviours of the leader. Such key characteristics of a charismatic leader are as follows.

1. Vision
2. Personal Risk
3. Sensitivity to followers needs
4. Unconventional behaviour

Most experts believe that individuals can be trained to be charismatic leaders. According to some, a three-step process can be followed for the purpose.

First, develop charisma using passion and body language along with optimistic view.

Second draw others in inspiring them to follow.

Third, bring out the inner potential in followers.

Business students are asked to play charismatic having followed the aforesaid process. However, charisma can never be fully learned. This is to a large extent hereditary as well. So, there can never be straight way answer to the **charismatic leaders are born or made**. Actually, favourable inputs of both can make an individual a charismatic leader.

**Positive Impact** of charismatic leadership is no doubt there. High satisfaction and performance of followers are usually seen in charismatic leadership. People working under such leaders are motivated to work extra and to work with enthusiasm. One study in Israel showed that charismatic leaders were more effective because their employees personally identified with them. A study of 115 government

employees also found that they had a stronger sense of personal belonging at work when they had charismatic leaders.

However, the **dark side** of charismatic leadership is not completely absent. Firstly, charismatic leaders who are larger than life, don't necessarily act in the best interest of their organisations. In most cases, they allow their personal goals to override the goals of the organisations, use organisational resources for their personal benefits. Some charismatic leaders, like Hitler, are too successful at convincing their followers to pursue something which is but disastrous. Secondly, charismatic leadership usually surfaces to face a war-like crisis, be it in politics, religion or in a business firm. But when the crisis subsides, the charismatic leadership may become a liability. P. F. Drucker observed that charisma makes a leader inflexible, as he/she strongly believes in his/her infallibility. Stalin, Hitler, Mao—all were the victims of such belief. So, they rather inflicted as much evil and suffering on humanity as have never been done again. Leaders like J. F. Kennedy, Martin Luther, Mahatma Gandhi, were also there who could use their charisma in positive way.

### 6.6.3 Transformational Leadership

Transformational leaders are those who can change followers' awareness, their ways of thinking by helping them look at the old problems in new ways. On the contrary, the leaders who just guide the followers toward established goal, try to analyse what are already existing are called as **transactional leaders**. The characteristics of these two types of leaders can be given as below.

However, these two styles of leadership are never the opposing approaches, rather they are complementary to each other. Actually, the transformational leadership is built on transactional leadership. One is to start as a transactional and slowly proceed to the transformational leadership.

#### ● Effectiveness of Transformational Leadership

Transformational leaders are more effective, because they are creative and try to make their followers innovative. They increase followers' self efficacy, by giving them a "can do" spirit. They can also engender commitment on the part of followers and instill greater trust in leaders. Unlike charismatic leaders, they can ensure longterm results ensuring sustainable performance of the organisations. They have inclination to greater decentralisation and strong feeling for positive personal control among workers. They usually exert their leadership with following four "I"—

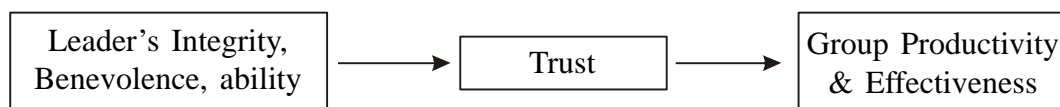
- Idealised influence
- Inspirational motivation
- Intellectual stimulation, and
- Individualized consideration.

All these actually facilitate corporate entrepreneurship, that consequently help the corporates to grow, not only to survive. Empirically it has also been seen that transformation leadership is strongly correlated with lower turnover rates, higher productivity, lower employee stress and higher job satisfaction.

Still, the transformation leadership theory cannot be termed as perfect. Rather, it is also situational. It has been seen in studies that transformational leadership is effective in small and private firms only where the leaders can directly interact with the followers. In the countries where collectivism is higher, this kind of leadership is such to be more effective. Effect of this leadership on team performance and individual performance again is different. Thus, all elements of transformational leadership are not universal and in some cases transactional leadership may work better than transformational ones.

#### 6.6.4 Authentic Leadership

Leadership is usually discussed to see its effectiveness. Role of ethics or trust or values is not so important there. But very recently it is felt that the values or ethics that the leaders possess are also important to judge their performance. Authentic leadership is one which is true to itself and also to its followers. When the followers consider some leader as a person of values and ethics, then the leader is an authentic leader. An authentic leader is a man of integrity, honesty, selflessness and humbleness. Always such leader sticks to him/her ideals, and as a result his/her followers easily



can have faith or trust in his/her. Trust development is a process as is shown in the figure. The effect of trust has also been given in the last column. This leadership is considered today essential as otherwise the effective leaders may do more harm than good for the people or the society.



### 6.6.5 Servant Leadership

When the leaders behave like a servant, servant to the organisation or servant to the followers, the leadership is called as servant leadership. This is actually an extension to authentic or ethical leadership. Leaders here go beyond their self-interest and help the followers to grow and develop. They prefer persuasion to power, listening to directing and accepting to imposing. As they focus on serving the needs of others, higher level of commitment on the part of followers is ensured. Secondly, the servant leadership increases team potential showing faith to its abilities, which in turn leads to higher level of group performance.

Servant leadership, however is not prevalent in all types of cultures. In US for example, leaders are more comfortable in giving orders, i.e., they behave mostly as masters, not the servants. In Singapore again the scenario is different. Leaders there gather the opinion of the followers and then unify them from the back. They do not go ahead of followers, rather go with and sometimes follow the followers.

### 6.6.6 Some other Theories

**1. Level 5 Leadership :** Collins proposed this theory who believed gradually the leadership attains its abilities. Ultimate aim is to reach Level 5 which according to Collins, is a combination of professional will and personal humility. Five levels of this leadership are as follows.

Level 1 — The leader here is just a capable person.

Level 2 — The leader can contribute to team members.

Level 3 — The leader is competent.

Level 4 — The leader is effective.

Level 5 — He is an executive.

**2. Era Theory :** Bennis and Thomas, proposers of this theory, stated that leadership is the product of a particular era or age. For their study, they identified two contrasting eras and showed how these varying cultures of different eras create different types of leaders. For example

1945-54 : The era of limits, i.e., the era for organisational hierarchy and chain of command.

1991-2000 : The era of options where the style is now-linear, completely flexible.

**3. Financial Theory :** Two financial points, according to this theory, are value addition and reserve allocation. Leadership styles depend on the emphasis of leaders on these points. Emphasis on value addition creates the leadership known as “buccaneer”. Emphasis on allocation gives birth to “mercantilist” leadership. Leaders who can emphasize both are called “venture capitalist” and leaders who cannot look after any of the two are known as “discounter”.

**4. Nurturant Task Theory** requires attention to both of the task and nurturing/well being of the subordinates. Here, leader needs play a paternal role that accepts authority and simulateneously shows cares and affection toward the followers. Advocates of this theory believe that our society is not yet ready for participative leadership. Rather, this mid-way style is both possible and acceptable.

**5. B–C–D Theory** has classified the leadership into three different styles, e.g., Benevolent (B), Critical (C) and Development (D).

Benevolent style believed that employees always should be treated with affection as parents do for their children. Leaders here are constantly guide and protect their subordinates. Leaders may impose some code of conduct on the followers, but usually will not punish them even if the followers fail to follow them.

Critical Style is closer to Theory X where leaders are to be dominating, cirtical of performance of the subordinates. Workers are not doing persons, as is believed here, so, they are to be controlled by strict rules and regulations.

Development Style believes in empowering and thereby developing the inner potential of the subordinates. So, delegation or decentralisation is the basic component of this style. This style is very difficult to implement, but once this is achieved, this becomes the best style.

**6. Performance-Maintenance Theory (PM)** resembles the nirturant-task theory where task accomplishment is given equal importance with the maintenance of good working relations. According to Misumi, the advocate of this theory, emphasis on P or M may vary from situation to situation, but both are essential each time, P and M are not contradictory to each other but one always complements the other.

**7. Role Theory** of leadership asserts that almost every employee is a potential leader. If he or she is given the leadership role, he/she is likely to become a leader soon. The theory states that the era of “great leaders” is over. Only in extreme

distressed situation the great leaders again may come up. So, role first is to be assigned, then by “trial and error” one will be a good and experienced leader. Of course, the condition is that the person who is given the role must also accept it sincerely. Role giver has also some responsibility to elicit desired performance from the leader so made. What are needed for the purpose are—positive pressure, Value orientation, support, appreciation and trust.

---

## 6.7 Summary

---

From the above discussion, we could understand the concept and fundamentals of leadership. In addition, we could understand deferent theories and various styles of leadership. Finally, we could understand how leadership can be effective and the contemporary issues faced by the managers in taking leadership.

---

## 6.8 Questions

---

### A. Objective Type :

1. Are leaders born or made ?
2. Name the leadership theory that came out from Ohio state studies.
3. Who are the contributors to the concept of Managerial Grid ?
4. Who is the principal advocate of Path-Goal Theory ?
5. What does AI style of leadership stand for ?
6. Give the full form of LMX Theory.
7. What do you mean by “B” of B–C–D Theory of Leadership ?

### B. Short answer Type :

8. Define Servant Leadership.
9. Mention the characteristics of Authentic Leadership.
10. Distinguish between Transactional and Transformational Leadership.
11. What do you mean by “Country Club” management style ?
12. What does high control situation indicate in Situational Theory of Leadership?

13. Which theory of leadership assume that leaders are born ?
14. How do we differentiate between leadership and management ?

**C. Long answer Type :**

15. Critically examine the Trait Theory of Leadership.
16. How can we enhance the leadership effectiveness ?
17. Is charismatic leadership universally effective ?
18. State the bright side as well as the dark side of Fiedler's Theory of Leadership.

---

## **Unit - 7 □ Organisational Culture and Stress Management**

---

### **Structure**

- 7.1 Objectives**
- 7.2 Meaning and Concept of Culture**
- 7.3 Important Characteristics of Culture**
- 7.4 Creating and Maintaining Culture**
  - 7.4.1 Creating Ethical Culture**
  - 7.4.2 Creating Spiritual Culture**
  - 7.4.3 Creating Positive Culture**
- 7.5 Changing Organisational Culture**
- 7.6 Learning Cluture**
- 7.7 Job Stress—The Concept**
  - 7.7.1 General Adaptation Syndrome (GAS)**
  - 7.7.2 Different Forms of Stress**
- 7.8 Source of Stress**
  - 7.8.1 Organisational Source/Factors**
  - 7.8.2 Personal Factors**
- 7.9 Consequences of Stress**
  - 7.9.1 Consequences of Stress on Individual**
  - 7.9.2 Impact of Stress on Organisation**
- 7.10 Managing Stress**
  - 7.10.1 Organisational Strategies**
  - 7.10.2 Personal Strategies**
- 7.11 Simmary**
- 7.12 Questions**

---

## 7.1 Objectives

---

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

- Form an idea as to the concept of culture
- Know the determinants of organisational culture
- Highlight on the pros and cons of organisational culture
- Take stock of job stress
- Identify the causes and impact of stress
- Know how the stress can be managed

---

## 7.2 Meaning and Concept of Culture

---

Culture to individuals is just like the water to fish. The fish always live within water but does not know exactly what is water. Individuals are also always surrounded by culture, but it is very difficult for them to define what is culture. The relationship between workers and the organisational culture is the same, as culture everywhere is actually a descriptive term. It is quite complex too. Thus, conceptualisation of the term “organisational culture” is no doubt difficult, and a number of disagreements prevail as to its characteristics. However, all recognise the importance of shared norms and values that display to an extent the essence of culture. That is why organisational culture is usually defined as—

“a system of shared meaning held by members that distinguishes the organisation from other organisations”.

Edgar Schein, who was closely associated with the study of organisational culture, defined it as—

“a pattern of basic assumptions invented, discovered or developed by a given group....that has worked well enough to be considered valuable and, therefore to be taught to new members as the correct way to perceive, think and feel”.

More recently, J. Martin emphasized the differing perspectives of cultures and she noted—

“As individuals come into contact with organisations, they come into contact with dress norms, stories people tell, formal rules and procedures, codes of behaviour, rituals, tasks, pay systems, jargon and jokes as understood by insiders, and so on. These elements are the manifestations of organisational culture. When members interpret these manifestations, their perceptions, memories, beliefs, experiences and values will vary, so interpretations will differ—even of the same phenomenon. The pattern of configurations of these interpretation and the ways they are enacted, constitute culture”.

**Uniformity of Cultures :** What comes out from Martin’s observation is that an organisational culture is a common perception held by organisation’s members. But all may not have so to the same degree. Thus, to expect a uniform culture throughout the organisation is rather a common misconception. There can be a dominant culture, no doubt but simultaneously there will be a number of sub-cultures.

**Dominant Culture** is a set of core values shared by a majority of the members and it can have a positive impact on desirable outcomes of the organisations. Important, but often overlooked, are the **sub-cultures**, that are usually shared by small minority or small groups at different corners of the organisations. These sub-cultures are also very important because they can weaken or undermine an organisation if they are in conflict with the dominant culture of the organisation. So, the big challenge is how to bring in that unity in diversity. Departmental cultures, for example, are the sub-cultures. If they are not in line with the culture or values of the organisation as a whole, there will be chaos.

In this context, reference can be given of **strong versus weak cultures**. When most of the employees agree with a culture, this is strong; if the opinions vary widely, the culture is weak. Tata steel has a strong ethical culture. So, most of the other sub-cultures are sub dued to it. If dominant culture of the organisation is weak, the sub-cultures will surface more and the uniformity of culture will be affected thereby. So, the core values are to be widely shared and intensely held, that in turn may create a climate of high behavioural control. Make the dominant culture strong, then the sub-cultures will be channelised toward dominant one, and the uniformity of culture can be ensured. Cohesiveness, loyalty, commitment—all are the result of

this strong dominant culture. Weak culture leads to disagreement among the members of the group, and as a result, the group performance becomes lower. Higher the agreement or unanimity in the purpose or mission, higher is the productivity. High agreement creates also a harmony leading to reduced employee turnover or withdrawal behaviour.

---

### 7.3 Important Characteristics of Culture

---

Organisational culture has different types of characteristics or components. Different researchers also vary widely in identifying the characteristics of culture. The important among them are mentioned below, though in no way they are all inclusive or exhaustive.

**1. Behavioural Regularities** which can be ensured if the members use common language, terminology or rituals.

**2. Norms :** Norms refer to standard to desired behaviour, a guideline or code of conduct for the members.

**3. Dominant Values :** These are the stable belief as to what the members think as important.

**4. Philosophy,** the psychological structure of the members that governs the concept as to what should and what should not be done.

**5. Rules,** strict and expressed guidelines as to how one will work.

**6. Climate :** the overall environment in the organisation which actually is the foundation of organisational culture.

Some researchers, however, have identified the characteristics in some different way as follows.

1. Innovation : attempt to bring in something new
2. Risk taking : the organisation is venture some
3. Attention to detail : employees are careful to everything
4. Outcome orientation : focuses on results
5. People orientation : focuses on workers



6. Team orientation : prefers team work
7. Aggressiveness : refers to competitiveness
8. Stability : maintains status quo.

One organisation differs from others because its orientation and focus as mentioned above vary from other organisations. Culture, therefore, is said to be a distinguishing mark by which one can separately recognise a particular organisation.

---

## 7.4 Creating and Maintaining Culture

---

**Creating Culture :** Creation or development of culture is done in different ways in different organisations. However, generally the steps for culture development are as follows.

1. The founder's idea that he/she brought in for the enterprise.
2. The founder brought in some key persons creating a core group.
3. The group acted in a concert
4. The group hired some employees
5. The group's way of thinking is disseminated among the employees, leading to an organisation wide culture.

Most of the successful corporates followed the aforesaid steps while developing or creating their cultures. However, the importance of the steps varies from organisation to organisation. In some cases, the founders just created a weak culture, and the core group there played the dominant role in this respect. In some organisations again, core group also failed to develop the acceptable culture and the top manager there played the vital role. Besides, one type of culture that was developed by the founder or the core group may not be suitable later due to change of socio-economic environment. In that case, the men in the top management then is to revise the culture and the new culture becomes the culture of the organisation henceforth.

**Maintaining the culture :** Once a culture is in place, then it is to be kept alive. Actually, whether the existing culture, the custom, general way doing things will sustain or not that depends on how successful it is for which it is meant. If one fails other types of cultures are developed. So maintaining culture is a "trial and error"

process. However, the forces that play a significant role in sustaining existing culture may be discussed as below.

**1. Selection of employees :** Ability to perform is one significant criterion for selection no doubt but what is more important is to see how well the candidates will fit into the organisation and whether their personal values are consistent with those of organisation or not. Knowing the way of working of the organisation candidates also choose where to apply. Selection thus a two-way traffic, allowing employer and the candidates to avoid mismatch, and this ultimately, if properly followed can help in sustaining organisational culture. The process therefore should have following steps.

- Draw up a clear Vision and Mission for the organisation.
- Prepare a Realistic Job Preview (RJP) indicating organisation's commitment and expectations from employees.
- Select as far as possible, the local people as they are supposed to know the organisation's policies better and their values usually match with organisation's.

**2. Placement and performance Appraisal :** Next important step for maintaining existing culture is ensuring job-person fit by placing right persons to right job. Commitment to the organisation, loyalty to employer can be fostered thereby, and employees then on their own will try to uphold organisation's culture. Otherwise, there will be deviant workplace behaviour which will stand on way of sustainable organisational culture. The placement must fulfill one more objective as well. The new-entrants are to be placed in such way that they can easily go closer to the experienced colleagues where they can easily learn about existing culture of the organisation.

Objective performance appraisal, unbiased promotion policy or merit pay are considered to be the other milestones toward sustenance of organisational culture. Employees will know then clearly the effect of violating cultural norms and will usually refrain from doing so. By promoting right persons, management develop some role models for the new workers, and if the new comers follow suit, automatically the culture is maintained.

**3. Role of Top Management :** We know all the proverb "examples are better than precept", and such examples can be set by the top management. If the new

comers observe that top-level managers strictly adhere to the existing culture, they will never dare to deviate. If the top management engages itself around the cornerstones of trust, transparency and transformation, the new entrants will behave accordingly. Besides, it should initiate different strategies to instil organisational culture among new recruits. 24 × 7 counseling programs, Employees First initiative, Women First Council are some of the examples of the line.

**4. Socialisation :** Recruitment of fit-candidates is precondition, it is fact, but this is not all. At the beginning and throughout the working life, the workers are to be kept updated to the prevailing organisational culture. The process for doing so is known as “socialisation”. Orientation and training programmes are arranged for the purpose of this socialisation, i.e. to make new entrants acquainted and to help them remember always the culture of the organisation. In this age of Web-Net, different organisations provide for Web Portals to help the workers learn the culture. New workers are being linked with experienced members so that the culture is transmitted to the new ones from the established workers. In fact, the socialisation takes place in broadly three stages—

- (i) Pre-arrival Stage
- (ii) Encounter Stage, and
- (iii) Metamorphosis Stage

**Pre-arrival Stage :** When the new recruits join or are to join an organisation, they bring with them a lot of expectations, their own personality, values and attitude. If their personal values etc widely vary from those of the organisation, a very careful socialisation process is to be initiated. Business schools to some extent socialise their students and teach not to have high expectation about any organisation. Side by side, the selection process must give proper information to the prospective employees about the organisation as a whole. Instead of window dressing, the organisation rather should follow the conservative policy while showing the scope and prospects of the employees in the organisation. Actually, the performance of employees depends largely to the degree to which the aspiring members correctly anticipate the expectations. At pre-arrival stage, workers are to be socialised in this line.

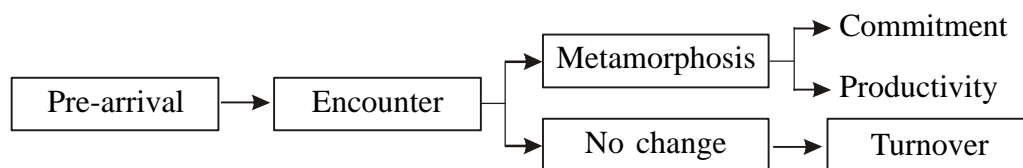
**Encounter Stage :** Within few days after entry, the new workers enter into the encounter stage where the encounter takes place about the job, with the co-workers, the boss and more frequently within themselves as the expectation differs from reality. Sometimes, the workers become so disillusioned that they cannot but resign.

Proper recruiting may reduce this outcome to an extent no doubt, but most often nobody can “learn the ropes” until he/she enters and personally experiences everything. People very strong in their personal values/culture are largely affected by varying organisational culture. Encouraging friendship ties only can make the new comers adopt with the organisational culture. That means if the scope for socialisation is properly built up, the problem to an extent can be resolved.

**Metamorphosis Stage :** Some entrants cannot sacrifice their personal culture in favour of the organisational one. Either they resign or become the deviant workers. Majority, however, go through the metamorphosis stage i.e., change themselves and accept the organisational culture. This stage thus is the main stage of socialisation process where the changes take place either very slowly or very abruptly. Both of the practices that play dominant role in this metamorphosis process are as follows :

- Institutional Practices, and
- Individual Practices

The institutional practices rely on formal, collective, fixed and sequential programmes that aim at “iron out” the newcomers’ differences by standardised predictive behaviour. Individual practices, on the other hand, are mostly informal flexible and sometimes disturbing with which they try to come out of the “honeymoon” or “hang over” phase and accept a mid-point between their expectation and the real phenomenon. Their job satisfaction sometime decreases, again increases and the process becomes complete when the members can fully internalise the norms of the organisation. Now they understand the system and accept it. They know what is expected of them and what best they can expect from the organisation. The following diagram may explain the whole process better.



### Socialisation Process

#### 7.4.1 Creating Ethical Culture

If the culture is strong and supports high ethical standards, it would have very powerful and positive influence on employee behaviour. In absence of ethical culture, some may deceive customers, some produce harmful products, management

can discriminate employees. The impact of all these can be severe in the long run. So, every organisation should thrive towards ethical culture. Steps to create such culture are as follows.

- Be or develop a visible role model
- Communicate ethical expectation
- Provide ethical training
- Reward ethical acts
- Punish unethical behaviour

#### 7.4.2 Creating Spiritual Culture

Workplace spirituality does not refer to God or theology. Rather, it asserts that people have an inner life and this inner life should be understood and nourished if positive behaviour from employees is to be ensured. If you are not aware of this spirituality of employees, you can never understand their behaviour. An organisation can be termed spiritual, if it possesses the following characteristics.

- Benevolence
- Trust and respect
- Strong sense of values
- Open-mindedness

#### 7.4.3 Creating Positive Culture

Ethical or spiritual culture leads to positive culture. So they are in one way the components of positive culture. Over and above them, the managers must practise and inculcate the positive attitude to everyone or everything. This will lead to positive culture in the organisation, that means the culture that will have positive impact on organisational performance. What the top management is to do for the purpose are as follows.

- **Building on employee strength** : From Vivekanda to Peter Drucker—all revered personalities believe that people themselves do not know their own strength. So, help them to discover their strength, then they can do the miracles. The same is true to employees as well. By relying on employee strength, managers can help employees to arouse their strength.
- **Praising employees doing something right** : Praising has no cost, but the

benefit is immense. But many managers withhold praise for many a reason. Managers must understand that failing to praise rather is very costly and praise like intrinsic reward pays much more than extrinsic one.

- **Emphasizing Growth** : Emphasize on growth, not just survival. So, always try to make the employees more and more effective. Providing scope for fresh ideas, innovation or creativity is necessary for this.

---

## 7.5 Changing Organisational Culture

---

Sometimes an organisation may feel it necessary to change the existing culture. Such a necessity arises when the related environment is changed drastically. Need for new product development, advanced information technology, changed socio-economic conditions are some of the reasons for which change in organisational culture may be warranted. But moving from an old culture and replacing it by a new culture is not at all an easy task. Obstacles that may stand on the way of such changing are as follows.

- Resistance to change or craze for status quo
- Mental set up of existing staff
- Existing formal and informal relationship
- Members' Roles
- Organisational structure

Everywhere the management is to face the aforesaid “rough necks” while adopting some programme to change. Some powerful stakeholders like unions, management itself at any level, the customers may impede the change. The problems are more acute in case of following situations.

- Mergers & Acquisitions
- Emerging Relationship Enterprises
- Economic crisis etc.

In these case organisational culture has no alternative but to change. On the other hand, the culture clash is the rule rather than the exception in such cases. Despite the complexity and significant barriers, the organisational culture can be managed and changed over time. However, the persons favouring change shall have

to take very cautions and careful steps. The suggested steps or guidelines are as follows.

1. Assess the current culture
2. Set clear objectives for change
3. Bring change at the top first
4. Slowly inculcate the change downward
5. Get employees involved in the process
6. Take the employees into confidence
7. Be prepared to tackle the problems sympathatically
8. Set out the course with persistence
9. Wipe out all messages that may remind old culture
10. Recruit some new personnel who easily will accept the suggested culture
11. Move quickly and decisively to build momentum
12. Difuse resistance at the beginning

---

## 7.6 Learning Culture

---

Employees learn the culture from different sources. The most significant among those sources can be discussed as below.

**Stories :** Even today, Tata employees are told often the story of J. N. Tata, the founder of the Tata group, and how he from a priest became a businessman. Thus, his priestly behaviour, the charity, benevolence, justice—all constitute the culture of Tata industries even today. Sometimes, stories can be created not by the founders, but by some senior managers, and sometimes even by an ordinary worker. These stories demonstrate the meritocracy. Commitment, rags-to-riches success of some persons of the organisation or other organisations that the future employees will go on repeating. The stories may also include the rule violation reactions to past mistakes and the after math thereof, so that the employees will refrain from that. Accordingly the employees form and learn about the culture of the organisation.

**Rituals :** Rituals are the repititive activities that reinforce the key values of the organisation. As practice is better than precept, the behaviour of old employees very

successfully is instilled among the new ones and on a sequential basis the culture is transmitted, learnt and practised by the employees year after year.

**Material Symbols** are the presence or absence of somethings that are important to the workers to influence their behaviour. Some examples of such symbols are size of the office, elegance of furnishing of executive offices, perks given to them, types of cars the executives are given etc. other workers will learn therefrom what are there the rewards for risk taking and commitment. Whether the organisation is conservative or proactive, authoritarian or participation—these can also be known from these symbols.

**Language :** What kind of language the existing employees more particularly, the top executives use is also an indicator to the culture followed in the organisation. If the top executives use the language unfamiliar to general workers, this may pertain to their desire to keep reasonable distance from the common fellow. Thus, language is a common denominator to unite or otherwise the members of the organisation.

---

## 7.7 Job stress—The Concept

---

Organisational life today is highly stressful. World-wide the job stress is now widespread as an epidemic. More than 80% workers now suffer from stress. Around 45% workers are the victims of acute stress or burn out. Workload, tight work schedule, unrealistic goal or target, unhelpful colleagues critical bosses, incompetent subordinates and a host of other factors have today an additive effective on making our life stressful. Stress, however, is a highly personal factor. What is stressful to Mr. X may not be so to Mr. Y. It is again the fact that almost all people now suffer now a certain degree of stress. Only the dead one is free from stress.

Stress may be **defined** as a state of tension that an individual faces from some extraordinary demand, constraint or opportunity. When one feels some demand but cannot meet it, when one faces some constraints to his/her attempt to do something again when one comes accross some unexpected opportunity—he/she will be perturbed or feel disturbed or tensed. This is stress. As this impact is not always the same, it is said to be an unspecified response of human body and mind to any event, object or person.

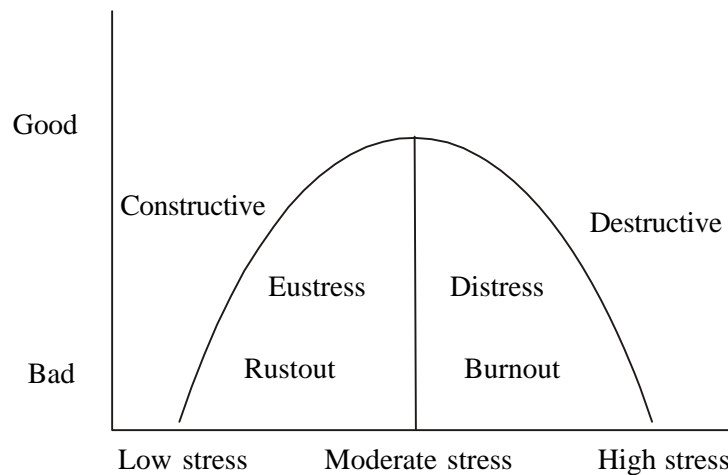
Stress is explained by some researchers (Karasek et.al) a consequence of unique relationship between one's psychological demand and the power of controlling the situation.



- If you demand that noise pollution should be stopped and you have power to control it, there will be no stress.
- You have no power no control noise pollution and you have no demand also to control it, then also there will be no stress.
- When you have demand to control noise pollution, but you have no capacity to control it, you will be stressed.

Next theory as to stress explains it as a relationship between the person and the environment. When there is a match between one's personality and the environment, stress will not arise. If you fail to change yourself along with the change of environment, you will feel stress.

Whatever may be the explanation to stress, it is certainly wrong to conclude that stress is always bad. Rather, sometimes stress is viewed as a necessary part of life. So, in fact there **two faces of stress** or two different **types of stressors**. According to Robbins, some stressors are **challenge stressors** and some are **hindrance stressors**. The hindrance stressors are bad as they stand on the way of your achievement or performance. Challenge stressors, on the other hand, make a person more active, excited to move towards the goal. Moreover, as stress-free persons are deadly ones, mild stress is always essential that will force people to focus on the problem and get the solution, These two faces of stress can be depicted as below.



When the stress is too low, the life will be dull, monotonous and spiritless. So, this is bad. So, stress upto a certain level is good that provides the spice in life, keeps the rust of the body and mind out, stimulates energy and creativity. This kind of stress is called so as **constructive stress** or **eustress**.

But when the stress becomes excessive, it may come out as **destructive** and will cause **distress** to the people. Stress is just like the electricity. Without a certain level of electricity, you can never light up a bulb. Again, if the voltage becomes high, the bulb will burn out. Stress can equally break down a person's physical and mental system, when it crosses the limit. So, it is the duty of the person concerned and also the organisation to keep always the stress within the limit. To create and sustain this optimum level of stress among the subordinates is the key to the success of a manager.

### 7.7.1 General Adaptation Syndrome (GAS)

Selye, a researcher on stress, stated that there are broadly three phases in the development process of stress as follows.

- **Alarm** : the first sign of or warning against stress
- **Resistance** : adaptation or balancing by immunity system
- **Exhaustion** : high stress due to failure of adaptation.

Alarm of stress is surfaced in different ways. Some of them can be mentioned as below.

- The respiration rate increases
- Blood pressure soars
- Digestion ceases
- Bowel loosens
- Pupils dilate
- Muscles become tensed
- Saliva increases
- Production hormones increases
- Blood sugar increases

At the resistance stage, the body is energized to resist the stress so that the psychological and physical equilibrium is maintained. The alarm responses as mentioned above actually are the reaction of the body so that the body gets extra strength to fight against the stress. The respiration rate increases to provide more oxygen. Red blood cells flood in order to carry more oxygen to the muscles. Bodily

sugar and fat are converted to glucose to generate quick energy. Blood clotting mechanisms are activated to guard against possible bleeding. The pupils dilate so that more light enters the eyes. All these in fact a “fight or flight” response. If these responses succeed, stress disappears; but if they fail, the exhaustion starts.

At the exhaustion stage, the symptoms of alarm stage are aggravated. The person then becomes unable to cope with the stress and experiences a number of psychological and physical imbalances which present the greatest threat to the person’s life. So firstly everyone should try so that they do not face the stressors. If still they fall victim to stress, they must have the capacity or a strong immune system to nip the same in the bud.

### 7.7.2 Different Forms of Stress

Stress is a non-specific response to outside or inward stimuli. So, it can have different forms or shapes having different degrees of impact. Following are some of such responses or forms.

**Frustration** : It occurs when a person wishes to do or achieve something but is prevented to do or to achieve that. It refers to an obstruction or impediment which may be created by —

- Willful act against the person by someone else
- Ineffective system or working environment
- Lack of resources etc.

**Anxiety** is another form of stress which is a feeling of inability or helplessness in tackling some negative out comes. Anxiety usually comes up due to following factors.

- Difference in power at workplace
- Frequent changes in organisations
- Job Ambiguity
- Job related or family/social pressure
- Unrealistic goals
- Physical illness
- Failure in controlling anything.

**Burn out** is the extreme form of stress that refers to the total depletion or exhaustion of physical or mental strength to bounce back. At this stage —

- One feels always too tired
- One gets down on himself/herself
- He/she often feels that he/she is going nowhere
- He/she feels it difficult to laugh even at a joke
- One withdraws himself/herself from everything
- Zeal for life is totally lost.

---

## 7.8 Source of Stress

---

There are broadly two major factors of or sources for stress. One is work-related or organisational, other is personal or non-work factors. For the sake of discussion, this kind of classification may be necessary. But the fact is that there is no water tight compartment between these two sources. Rather, the personal or family stressors may have spill-over effect on work-place stress or vice-versa. And, the ultimate stress is a cumulative effect of all these stressful events.

### 7.8.1 Organisational Sources/Factors

Almost every aspect of work is a stressor, though the effect of same stressor may not be same on each worker. Besides, in different types of jobs, degree and types of stressors are also different. One person may very comfortably tackle a problem, while other may feel highly stressed being confronted with the same problem. Jobs of police officers, firemen, nurses, entrepreneurs are more stressful, whereas those of a teacher, clerk, teller are not so stressful. However, the factors that usually lead to stress at workplace can be discussed as below.

- **Role Ambiguity** : Role ambiguity is the difference between role perception and role expectation. What one worker thinks about his/her job is role perception. What the organisation expects from him/her is role expectation. When the job is not clear to both worker and the boss, such a phenomenon takes place. According to Kahn, if the work is ill-defined, the worker will not behave as is expected by others. When others are not satisfied, the worker will not get the reward that he/she deserves. Ultimately, the stress occurs.

- **Role Conflict** : Role conflict is the gap between the perceived role and the enacted role. Workers sometimes have to do something that they do not like to do. This is stressful.

Role conflict also occurs when two persons have opposing expectations from the person. One expects that you do the quality work, other expects you do it within a very short time. Automatically, you will be stressed.

Sometimes one is to play more than one role at a time and involving in one role may result in ignoring the other role. But both the roles may be important to a person. Conflict then leads to stress.

- **Role Overload** : When the work requirements are excessive target is very difficult to achieve, deadline to complete the job is too short, a number of work one is to do at the same time, work overload prevails. In such situation, the worker cannot complete any work successfully. Failure to do the desired work, fear of punishment, disappointment, guilty-feeling etc then lead to stress.
- **Role Underload** : No work is equally stressful like excessive work. If one worker is given less work than what he/she can actually perform, the ability remains unutilised. Worker may feel that he/she is not given importance in organisation's work. This sense of unwantedness makes him/her disappointed and stressed. Gradually, the person begins to show little interest in the work. Absentecism or other kind of withdrawal behaviour the person then starts to expose. Job satisfaction being slowly decreased, stress related problems the worker starts to experience.
- **Ineffictve Communication** : If right information is not given in right time, misunderstanding prevails. Trust is lost and it breeds stress. Lack of proper communication provides scope for remour, and remour always creates uncertainty about what actually is going to happen. And, that uncertainty is strong stressor is wellknown. If communication fails to explain the job requirements properly, role ambiguity comes in and this is also a cause of stress.
- **Job Change** : Any kind of change is always stressful. So, generally we are resistant to change. But at present change has been the only constant thing. Type and design of product is changing. Technology is changing fast.

Interpersonal relationship is also changing, as most of the workers today are casual workers. Most of the workers fail to cope with these changes and hence feel stressed.

- **Responsibility :** Very few people feel comfortable to work with responsibility. To the majority, responsibility is a burden and so stressful. Responsibility of things however is manageable, but responsibility of people is full of troubles. In a study, it was seen that 80% of managerial problems are the people's problems—problems relating to boss, subordinates, co-workers or customers. Thus, the workers with responsibility are always more stressed than the ordinary workers.
- **Working Condition and Interpersonal Relationship :** If working condition is not congenial or does not ensure harmonious relationship among workers, the organisation will never be a good place to work in. As a result, the job satisfaction will be reduced. Physical settings like safety hazards, air pollution, shift work, lighting and ventilation may be the cause of such dissatisfaction. Again, the unfriendly, hostile or indifferent attitude of workers at the work place may affect job satisfaction largely. More the satisfaction decreases more is the possibility of work stress.
- **Job Itself :** Job itself sometimes is stressful. In this age of division of work and specialisation workers mainly do the repetitive jobs. Repetitive jobs are mostly boring, monotonous and uninteresting. Doing such jobs day after day is stressful. So, at present, managers are mainly concerned with job re-design, job enrichment etc. so that jobs become interesting to the workers.

### 7.8.2 Personal Factors

A worker spends at best forty hours per week at his/her workplace. Remaining 128 hours per week he/she is to lead his/her personal life with family members and social friends. So, if your family is a sweet home and the society is cohesive, most of your work stress can be automatically resolved. If instead your personal/family factors are also stressors, they will have a multiplier effect on your overall stress level. Personal/social factors that are responsible to generate stress can be outlined as below.

- **Life Events :** Everyday every one experienced a number of life events, some of which are positive and some are negative. That negative events are

stressful, can be easily inferred. But the good events also demand some adjustments, some deviations from one's daily routine or habit. Sometimes, comprises are also to be done that a person cannot happily accept. Marriage is an example in this respect. Thus, it cannot be said with certainty that positive life events are not stressful.

T. H. Holmes and R. H. Rahe of the University of Washington listed forty-three such life events and rated them for the volume of stress they typically create. For the purpose, they developed a scale called "**The Social Readjustment Rating Scale**", where scale value 100 denoted the maximum amount of stress. Few of such life events having maximum scale value, i.e., maximum stress potential are mentioned below.

The Social Readjustment Rating Scale

<u>Life Event</u>	<u>Scale Value</u>
Death of Spouse	100
Divorce	73
Material Separation	65
Jail Term	63
Death of close Family Member	63
Personal injury of illness	53
Marriage	50
Fired from work	47
Retirement	45
Sex difficulties	43

Taking clue from the work of Holmes and Rahe, Sam Batliwala, a consultant physician analysed the opinion of 330 senior executives of India. According to him, the most stressful family or social events in India are as follows.

- Health of family members
- Arguing with spouse
- Noise pollution in the neighbourhood
- Wife constantly comparing with others
- Poor performance of children in examinations

- Arranging dowry for daughter's marriage
- Getting children admitted to schools
- **Personality Traits** : Friedman and Roseman have identified several personality characteristics which are prone to stress. Some of such characteristics are stated below.
  1. **Type A Personality** : That always feels impatient with the pace of things, feels guilty when relaxing, feels frustrated failing to complete the job satisfactorily, gets no time to enjoy life, and thus invites stress.
  2. **Internal locus of control** : While self evaluating the persons possessing this trait believe that they are the architect of their fate, they are self-confident, they think no adverse force can undo them. Thus, they always are less stressed than the externals.
  3. **Extraversion** : Extravert people jump into risky jobs, set unrealistic goal, are not at all disciplined. So, ultimately they suffer disappointment and stress.

---

## 7.9 Consequences of Stress

---

Behavioural scientists opine that stress has behavioural, cognitive and physiological consequences which in turn are negatively related to organisational performances. So, the impact of stress can be discussed under following two heads—

- Impact on Individual
- Impact on Organisation.

### 7.9.1 Consequences of Stress on Individual

High degrees of stress are typically accompanied by severe anxiety, frustration, depression and sometimes burn out. All these are expressed in individuals behaviour mind and physique.

- **Physiological impact** : As soon as stress appears, the brain reacts, biochemical changes take place, heart beat increases heightening practically all the senses. If the stress continued for long time, serious health problems occur as the immune system of the body breaks down. Some of such problems are insomnia, rapid breathing, high heart rate, skin problems, sex problems, ulcers, high blood pressure or heart attack.



- **Psychological Impact** : Stressed people become psychologically upset. They tend to be depressed and to have lack of confidence and self-esteem. They feel helplessness, hopelessness and worthlessness. They have increased sense of futility and guilt. They suffer from excessive tension and neurotic tendencies.
- **Behavioural Responses** : According to Cohen, people under stress behave differently as compared to people who are well balanced. These different behaviours include excessive eating and /or smoking, increased use of alcohol, irritation, withdrawal from social situations, social isolation, change in appetite and/or weight, difficulty in concentrating, introversion, aggressiveness, and sometimes the suicidal thoughts.

### **7.9.2 Impact of Stress on Organisation**

One of the major concerns of management is the negative impact that the stress has on job performance. Poor performance as such is due to number of stress-related reasons as below.

- Antagonism at work and job dissatisfaction
- Poor industrial relations
- Absenteeism and Turnover
- High rate of mistakes and accidents
- Poor productivity
- In extreme case, the sabotage

However all kinds of stress may not have the equal impact on job performance. Challenge stressor, unlike the hindrance stressors, may sometimes enhance productivity. It is also fact that mild stress works as inspiration to work. When the stress is nil, the life may be dull, stagnant, deadly and unworthy for living. Mild stress in such case provides some oxygen to move forward, to keep one's rust out or to sharpen one's zeal and skill to work. However, for this, one must keep his/her stress level within a limit. If the stress level goes beyond that level, the negative impact will surface.

---

### **7.10 Managing of Stress**

---

We know about eustress or constructive stress. If stress can be managed

properly to keep it at a certain level, it can be highly productive. Again, if it goes beyond that limit, it may be dysfunctional. So, it is necessary for individual as well as for the organisation to adopt strategies to control stress. The steps that the individuals and the organisational should take for the purpose can be discussed as below.

### 7.10.1 Organisational Strategies

1. **Selection and Placement :** From the very beginning, the organisation should begin its strategies to guard against or prevent the undesirable stress. Some personal characteristics are very prove to stress. So, while selecting the employees, the management must see that the right persons are selected. Proper personality test is necessary for the purpose.

Proper placement has also an important role to play in this respect. While placing the employees, care should be given so that personal skills and job requirements are properly matched. If the worker cannot do the work that is given to him, he will be stressed. So, right person at the right place must be made the aim of the personal department of any organisation.

2. **Setting Realistic Target :** If the target imposed is unrealistic or unachievable, it is not good either for the organisation or for the employees. Employees will try and fail. This failure may give rise to stress.
3. **Role Clarity :** Employees must know clearly what is expected of them. If they misunderstand, desired work is not possible. Boss at the end may be dissatisfied with their performance. Workers then will be disappointed or frustrated. So, objective and unambiguous role assignment is essential.
4. **Job Enrichment :** Job continuously is to be enriched, so that always it remains challenging and interesting to the workers. Redesigning the job every now and then, the management must see whether there is work overload or underload for any worker or not. With proper feedback, supervisors should see whether the workers are feeling monotony or boredom with any work or not. If in this way, the jobs can be enriched at regular intervals, the job will be motivating and meaningful to workers. Then, there will be delight with their duty, and the stress will not come up.
5. **Participative Management :** If workers are allowed to take part in decision making process, to fix up their own target, the workers will readily accept

to fulfil the target and treat the jobs as the jobs of their own. Thus, the job involvement or commitment will increase. The organisation will be benefited in terms of higher productivity. And, the job satisfaction on the part of workers being high, the work stress can be reduced.

6. **Performance Appraisal and Reward System** : In most cases, the workers feel that their performance is not rightly appraised and rewarding system is not fair. This feeling is a source of stress. So, the appraisal and reward system must be made visibly objective and unbiased. Otherwise, the perceived inequity may force the workers to withdraw themselves from the process. They will lose enthusiasm to work, and gradually push themselves towards stress. So, by equitable system, the management must instil a sense of belonging and the bonds of interpersonal relationship among the managers and managed. This in itself is a stress fighting phenomenon.
7. **Workers Health Maintenance** : Health means here both physical and psychological health of the workers. Week-end get together, yearly picnics, different cultural programmes the organisation should arrange, so that the workers can come closer to themselves psychologically. As a result, the organisation will be a good place to work in, and workers mental health will be automatically sound. This good mental health will in turn help the workers to have strong physical health. Additionally, the organisation must arrange for health club, gym, wellness programmes etc. so that the workers remain physically fit. Physical fitness will enhance the immunity power and thus, by adaptation workers will be able to address and redress this stress level.

### 7.10.2 Personal Strategies

We are the best safeguard of ourselves. Others may help you. But what ultimately is your duty, you yourself is to do that. Either by avoiding stressors or by learning to manage them. One can keep the stress level under control. There are a number of ways by which an individual can manage the stress. Some of such stress managing strategies are stated in the following sections.

1. **Time Management** : Inability to keep pace with available time is a significant stressor at present. All running after more and more success. They start a number of work at a time and always suffer for urgency of time. So, time management is the first and foremost way of stress management. Some tips for time management are as follows.

- Prepare and carry always a “to do” list
  - Delegate the “not to do” tasks or defer them
  - Ask yourself, “Is it important ?”
  - Do it now.
  - Do the most difficult part first
  - Provide action plans
  - Learn to say “no” to somebody
  - Don’t attempt too much
  - Set deadlines and review regularly
  - Do prioritising
  - Don’t try to please everyone
2. **Re-adjust Life Goals :** Goals must be reachable. Vision without mission is dangerous. High aspiration leads to desperation. So, cut your coat according to your cloth. If your ability you yourself do not know, you are to suffer stress. The goal that fixed up yesterday, today it may come as unrealistic due to change of situation. So, always you re-adjust the goal according to your capacity in the present-day environment. Otherwise, you will be stressed.
  3. **Social Networking :** Stress is aggravated if you suppress it or do not get any one to express your problem. Social networking helps ones to get sympathetic and supportive friends you can lend their shoulders to cry on or give patient hearing to your problems. Loneliness is a significant stressor. So, try to be always amidst friends or call them on phones. This will help you to gain back self-confidence or release your stress.
  4. **Plan for the Best and Prepare for the Worst :** Always plan beforehand to avoid unexpected difficulties. Still, future is always uncertain. You may not get what you expected. So, you must prepare yourself to accept the worst. Failures are usual, success rather is rare. So, if we learn to accept failures, and try always to bounce back, stress will never defeat you.
  5. **Physical Fitness :** If you are physically fit, you are less likely to be the victims of stress. So, proper and regular physical exercise is the must that will enhance your immunity system and adaptive capacity. Overweight and

unhealthy people usually do not have strong mental health, and thus may easily suffer from depression or frustration.

**6. Concentration of Mind :** Concentration of a particular thing can keep you away from disturbing thoughts and thus, from stress. So, during last few decades, there has been a growing interest in concentration of mind as a stress-reduction strategy. The ways by which one can keep himself/herself away from daily nitty-gritty are as follows.

- Yoga
- Meditation
- Biofeedback

**Yoga** means union with the ultimate thing where every desire comes to an end and thus, frustration or stress is non-existent. Yoga consists of some postural habits known as “Asanas” that emphasize controlled breathing that integrates body with mind, co-ordinates nervous with muscular system and thus, ensures physical as well as mental health.

**Meditation** involves mainly the silent repetition of a single syllable, known as “mantras”, that shuts out other distractions and results in a mental relaxation at its peak. The place of meditation should be calm and quiet, the person is to sit in a comfortable position with closed eyes. To counter life stresses, this meditation is considered to be a panacea, if this can be properly practised.

**Biofeedback** is a methodology that alters undesirable physical responses through psychological strategics. Sophisticated instruments are taken help of here, by which human beings can bring some of the bodily functions under voluntary control. These functions include heart rates, brain waves, muscle tension, blood pressure and stomach acidity. Stress usually causes these bodily disorders. Thus, by controlling these functions one can effectively manage stress.

A few more tips to manage stress individually may be mentioned as under.

- Keep a pet to tackle your loneliness
- Practice religious prayers to seek consolation
- Sing aloud to express your mind singly
- Burst into laughter as it is a good stress-releaser.

- Have sound sleep as it can help you relax and refresh
- Spend time with children to get happiness with their purity
- Cultivate hobbies to get fresh energy
- Dare to dream that will help you not to give up hope.

---

## 7.11 Summary

---

From the above discussion, we could understand the concept and fundamentals of organizational culture. In addition, we could understand the determinants of organizational culture, the pros and cons of organizational culture. Finally, we could also understand the concept of job stress and how the stress can be managed.

---

## 7.12 Questions

---

### A. Objective Type :

1. Name two characteristics of culture.
2. What are the stages of socialisation ?
3. Mention one situation that forces to change culture.
4. Name two source of learning culture.
5. What are three stages of GAS in the context of stress ?
6. Name two stress including organisational factors.
7. Mention the most stressful life event as was stated by Holmes and Rahe.
8. Name one way of concentration of mind.

### B. Short answer Type :

9. Define organisational Culture.
10. How can you define stress ?
11. What do you mean by weak culture ?
12. Narrate briefly the metamorphosis stage of socialisation.
13. How does role conflict generate stress ?

14. What kinds of jobs are stressful ?
15. Write note on Social Readjustment Rating Scale.
16. How does stress influence one's behaviour ?

**C. Long answer Type :**

17. Discuss the ways and means for creating and maintaining culture.
18. Why and how is the organisational culture changed ?
19. Can there be uniformity of culture throughout the organisation ? Give reasons to your answer.
20. 'Stress is destructive"—critically examine the statement.
21. Discuss the organisational sources of stress.
22. How can one get the alarm of stress ? What are the ultimate impacts of stress ?
23. Explain the ways that an individual can adopt to control stress.

---

## **Unit - 8 □ Organisational Development**

---

### **Structure**

#### **8.1 Objectives**

#### **8.2 Background of Organisational Development**

#### **8.3 Concept of Organisational Development (OD)**

##### **8.3.1 Objectives of OD**

##### **8.3.2 Pre-requisites for OD**

#### **8.4 Interventions for OD**

##### **8.4.1 HR Management or People-focused Interventions**

##### **8.4.2 Structural Interventions**

##### **8.4.3 Task-Technology Interventions**

##### **8.4.4 Strategic Interventions**

#### **8.5 Emerging Challenges to OD/OB**

##### **8.5.1 Globalisation**

##### **8.5.2 Managing Diversity**

##### **8.5.3 Technology Transformation**

##### **8.5.4 Promoting Ethical Behaviour**

#### **8.6 Summary**

#### **8.7 Questions**

---

### **8.1 Objectives**

---

After going through this unit you will be able to describe

- Why we need develop the organisation ?
- What is the concept of organisational development ?



- What kinds of internations are required ?
- What kinds of challenges we are to face for this ?
- What new can be thought about for development ?

---

## **8.2 Background of Organisational Development**

---

If an organisation is to survive, it must respond to changes in its environment when competitors introduce new products or services, governments enact new laws, important sources of supply dry out or similar other changes take place, the organisation needs to adapt. But to adapt to changes is not at all an easy task. The most documented finding from studies of individual and organisation is that both the organisations and their members resist changes. This resistance to change provides stability and predictability to the organisation, it is fact, but simultaneously it can be source of functional conflict or chaotic randomness. It also hinders fresh ideas and progress.

Resistance again may come from different corners and may take different forms. It may be overt, implicit, deferred or immediate. Overt and immediate resistance is visible, predictable and thus easy to manage. But the greater challenge is to manage resistance that is implicit or deferred. As this is invisible for the time being, no preventive or remedial measures will be adopted. Taking this opportunity, the reactions to change will gradually build up which one fine morning may explode.

Resistance again may come from individual level which is mainly due to security and economic factors. Organisation itself sometimes create resistance due to limited focus and structural inertia.

For survival and growth, every organisation is to overcome such resistance to change. Proper education, facilitation, negotiation and sometimes coercion are needed to win over the resistance to change. Thereafter, what do you do to implement or materialise the change, is known as organisational development.

---

## **8.3 Concept of Organisational Development (OD)**

---

Change is essential. In this turbulent age it is a must. But never the change can

be unplanned or chaotic. Then it may do more harm than good. OD means this planned change. According to H. Rush, OD is a planned, managed and systematic process to change in order to improve the organisation's effectiveness to survive and grow even in changed environment. In fact, every managerial process faces a basic dilemma. Dilemma is how to draw a balance between apparently confronting two horns of organisational activities—One, the concern for organisational growth by production, other, the concern for people along with their needs for satisfaction and self-worth. To fulfil this challenge, OD theorists prefer organic structure, of an organisation to mechanistic one. Because, they believe that mechanistic structure is suitable for stable and structured environment where change itself is meaningless. Development by change is warranted then only in turbulent situations. That we are passing through now a highly “white-water rapids” metaphor is well-known to all. So, organic structure, that is flexible in nature, is the precondition to successful organisational development.

Richard Beckhard, therefore, has defined OD as an effort that is planned. Organisation wide and managed from the top, in order to increase organisational effectiveness and health through planned intervention in the organisation's processes.

In the definition, effectiveness, means establishing and attaining realistic organisational goals. Health refers to the motivation, integration and utilisation of human resources within the organisation. Of these two, human element is considered to be the most important element in the success of the organisation. So, it is believed that the underlying values in the OD efforts are —

- Respect for people
- Trust and support
- Power equalisation de-emphasizing authority
- Open confrontation avoiding secrecy
- Participation and collaboration

### **8.3.1 Objectives of OD**

From the underlying values in OD, we can easily identify the objectives of OD as follows.

1. To build up interpersonal communication, support and trust at all levels of the organisation.

2. To develop team spirit, not the individual achievement.
3. To discuss everything in an open manner instead of “sweeping problems under the rug”.
4. To encourage participative management, where decision making will be left the persons closer to operations.
5. To foster organisational commitment, a love or passion or organisational activities.
6. To ensure personal accountability in group activity so that social loafing or buck passing cannot take place.
7. To help organisation to keep pace with outside environment.
8. To provide congenial environmental for creativity or innovation.
9. To help the organisation stand in front of harsh competition.
10. To achieve finally the sustainability of the organisations.

### **8.3.2 Pre-requisites for OD**

1. Most individuals have drives towards personal development.
2. Individuals goals are well integrated with organisational goal.
3. Members prefer co-operation to conflict.
4. Mere agreement is not sufficient, commitment must be there.
5. Internal resources and skills are to be developed.
6. Members must be ready to accept change
7. Initially top level involvement is the must
8. Organisational problems must be pinpointed and the process must be directed to them
9. Whole the OD programme must be reinforced with organisations total human resource system
10. The existing process is to be monitored regularly and the results to be measured.

---

## 8.4 Interventions for OD

---

Several OD interventions also called techniques, have evolved over time. The most of these techniques or interventions are human-resources or people-oriented. But the number and variety of such techniques have increased substantially over the past few decades. Those are discussed one by one in the following sections.

### 8.4.1 HR Management or People-focused Interventions

Majority of OD interventions have been directed at changing the attitudes and behaviours of organisation members, i.e., at improving their interpersonal skills in the organisation. Since hiring of employees the action research starts to this end. Training of employees, appraisal system, reward system and workforce diversity programmes are some of the actions as such where the ultimate objective is to create and sustain the employee commitment, motivation and productivity. Actions that in particular are taken for the purpose are as follows.

**Sensitivity or T-group Training :** In sensitivity training, which is also known as laboratory training ten-to-fifteen employees are brought together in a free and open environment, away from workplaces, in which the participants can discuss themselves freely with the guidance of a facilitator. No formal agenda is provided, an unstructured group inter-action is ensured where members are supposed to learn through observing and participating rather than being told. The objective of the T-group (Training group) is mainly to have greater sensitivity to others' behaviour, and hence, the training is known as sensitivity training. The emphasis is put therefore on the improved listening skills, greater openness, increased tolerance, enhanced conflict-resolution skills and the empathy to others. Subjects are given in the training so that the workers can be aware of how others perceive them, of their own behaviour and of group processes. If the T-group succeeds in this way, it will effect reduction in dysfunctional interpersonal conflicts, and will ideally result in a better integration between the individual and the organisation.

**Survey Feedback :** This is a tool for assessing members' attitude and for identifying the discrepancies if any, between members' and organisational attitude. A questionnaire is usually completed by all the members and data from questionnaire are tabulated. These data then become the springboard for identifying problems and clarifying issues that may be creating difficulties for people. In some cases, group

discussion is arranged on the survey feedback that usually results in members identifying possible implications of the questionnaires findings. Some attitudinal change on the part of the members may also takes place as a result of this discussion some may suggest some guidelines also for the betterment in the approach.

**Process Consultation (PC) :** PC is similar to sensitivity training, as here also the emphasis is on interpersonal relationship and involvement. An outside consultant however, is appointed here who works with the client jointly in diagnosing which process needs improvement. Consultants directly do not solve the problems, but acts as a guide or coach who advises on the organisational problems and helps the client solve his/her own problems. As guides, they are to give the clients insight into what is going on around them, within them, and between them and other people. If the specific problems uncovered requires technical knowledge that the clients do not possess, the consultants may also help that clients to locate and appoint an expert who will prescribe an appropriate remedy to the problems. The PC thus is more task oriented than sensitivity training, by which the manager develops necessary skills for analysing processes under his/her unit that can be continually called on long after the consultant is gone.

**Team Building :** Organisations are made up of people working together in a group. So, considerable attention is needed in OD or team building. This team building is a must both at intra-group and inter-group level. Discussion on each of such team building is given in the following sections.

**1. Intra-group :** Intra-group team building is applied to command group, committees, project teams and task groups. Team building becomes important where group activity depends on interdependence. In football game such interdependence is the critical factor, whereas in relay-group this inter-dependence is not prominent, though results are subject to the individual performance of all. Intra-group team building is like football where the team members are to improve their co-ordinated efforts to increase the group's performance. The activities that form such team building include —

- goal setting
- interpersonal relations
- role analysis

- team process analysis
- trust and openness

Role analysis, both individual and team, is the vital part of these activities, because for some individuals it may offer one of the few opportunities they have had to thank through what their job and where actually they need put more emphasis. Training on **grid concept** as developed by Blake and Mouton, known as **grid training** is an extension to this goal setting or role analysis. Grid seminar can be arranged for the purpose, so that the members can analyse the existing management style with respect to the dimensions—concern for production and concern for people. The style 1.1 refers to impoverished management where the managers have neither any concern for people nor for production. The style 9.1 means task management where managers are worried about production only, and they do not care for the employee welfare. The 1.9 style is opposite, known as country club management, where people are at the priority. Knowing well as to where actually the style stands, training begins to reach 9.9 style which is considered to be the ideal state for the organisation.

**2. Inter-group :** A major area of concern in OD is the dysfunctional conflict that exists between groups. So, change efforts need to be directed towards improving intergroup relations. Intra-group members are structurally cohesive, but inter group conflicts are embedded in the system itself. Engineering department cannot tolerate accounting department as the latter always opposes additional requirement of money by the former. Accounting department feels that personnel department members just sit around and plan for picnics. All these cannot but have an obvious negative impact on the co-ordinated efforts of all departments. For improving relations, the answers to the following questions need to be found out.

- Are the groups' goals at odds ?
- Are the perceptions about other departments distorted ?
- On what basis are the stereotyped belief about other department formulated ?
- Are the differences caused due to just misunderstandings ?
- Have the words or concepts used by one department mean differently to other departments ?

Answers to these questions can clarify the exact nature of the conflict. Once the

causes of differences are identified, the groups can be channelised to the integration phase that will lead gradually to improve relations between the groups.

#### **8.4.2 Structural Interventions**

Structural OD interventions emphasize making organisational more organic and egalitarian. Structure that was proper in the year 1982, can never put the organisation at a competitive advantage in 2022. The contemporary views on division of labour, authority and responsibility, span of control or departmentation are widely different from classical views on them. Re-organisation of structure is therefore the must. Besides, the needs for change today are more frequent, more abrupt and more intensive. Mechanistic structure of organisation is therefore almost useless or obsolete. Interventions that are needed as a result in the structure of the organisations are as follows.

**1. Larger Span/Flatter Structure :** Subordinates today are more expert and knowledgeable. So managers need not always hover over their heads. Subordinates, moreover, prefer autonomy today to control. So, there will be no problem if span of control is enlarged and thereby, the structure of organisation is made flatter. Rather, there can be the following benefits out of it.

- It would provide economic benefit by reducing the number of levels as well as the administrative overhead costs.
- Fewer vertical levels will improve communication and avoid distortion of information.
- As the bosses here do not have the scope to breathe always on the neck of the subordinates, job satisfaction of employees increases.

**2. Decentralisation :** Decentralised decision making is a popular intervention favoured by OD change agents. By decentralisation, authority is pushed downward, which in turn will create power equalisation. It allows employees to be more informative about the issue and to have greater control on their work. Employees thus feel themselves worthy in the organisation which leads to their organisational commitment.

**3. Organic Structure :** OD change agents always try to make organisation less bureaucratic so that they can respond more quickly to changes in the environment. For the purpose, the steps that the change agents should adopt are as follows.

- **Simple structure** that is low in complexity, has little formalisation, has a loose body of employees with flat structure. The strength of simple structure is obvious. It is flexible, inexpensive and the accountability is clear. It has also some limitations no doubt, but in present-day situation, its benefits outweigh the limitations.
- **Matrix Structure :** The matrix structure combines functional and product departmentation in order to gain the advantages and minimize disadvantages of each. The matrix structure is created by superimposing products over functions. Functional units gain economics from specialisation, but face the problem of co-ordination. Product departmentation facilitates co-ordination, but due to duplication of office duties, costs increase. It is however, the matrix's ability that is adaptive and flexible that places the organisation in organic category. The matrix is a complex structure no doubt, but its benefits are immense.
- **The Task-force Structure :** It is actually an organic appendage added to a mechanistic structure to gain flexibility along with accountability. The task-force is a temporary structure created to accomplish a specific well defined task that involves personnel from various organisational sub-units. Members serve on the task until it is completed. They then disband to move on a new task-force or to return to their permanent functional department. Organisation's mechanistic structure is not disturbed to that extent, as the taskforce is temporary. Again here the force so formed cuts across the functional lines ensuring flexibility and efficiency.
- **The Network Structure :** The search by managers for high flexibility has resulted in the creation of a new organisational design called as network structure. It has been, possible as a result of recent advancement in communication technology, computers, internet and websites.

The essence of network structure is a small central organisation that relies on other organisations to perform manufacturing, marketing or other ancillary activities on a contract basis. It is a viable option both for large and small organisations in which parts of the products can be manufactured in different parts of the globe by establishing just the organisational relationships, which at present is popularly known as "outstanding".



The network stands in sharp contrast to divisional structures, In divisional structures all the activities are done in houses by their own employees. So, the management has to employ a number of extra personnel creating problems as to cost and communication. In the network structures, on the other hand, most of those functions are bought from outside and co-ordinated through computer or web networks. This gives the management high degree of flexibility and allows it to concentrate on what it does best. Almost all the MNCs world-wide concentrate today on such network structure, because this has been actually the necessity to address continuous change and creativity. The control on operations and certainty of supply following deadline sometimes may be a problem, as we depend in this structure heavily on outsiders. The secrecy of innovation may not also be maintained under this structure. However, it is not impossible, though very difficult, to closely guard the innovations or keep track of supply with timely communication with the management of other organisations. As change is the only constant thing today, there is no alternative also today for the sake of required flexibility and organic nature of organisation structure.

**4. New Reward System :** OD change agents always endorse operant conditioning notion which states that behaviour is a function of its consequences. For employee behaviour, the consequence means the reward that the employees expect to get. Here, rewards do not refer to only the extrinsic reward like pay or the promotion. In classical management thought era also, the reward was linked with performance. But that time reward was only the extrinsic reward, and so the organisations could not do any better jobs. Change agents suggest therefore a new reward system where firstly the emphasis will be given on the intrinsic satisfaction of the employees, and secondly, on the team spirit and hermonious relationship of the workers. For the second purpose particularly, a significant portion of employees reward is proposed to be calculated on the production of the team, not of the individual. The provision for year-end bonus on the overall productivity of the company, is an example to this end. Such a scientific and equitable reward system is the most significant part of structural intervention, as this can bring in a positive and effective change in the behaviour of the workers.

**5. Changing Organisational Culture :** Culture in fact, is the nervous system of one organisation that has the invisible but inseparable linkage throughout the body of the organisation. So, until and unless the culture supports the proposed change in

any wing of your organisation, that change can never be effective. Historically, it has also been seen, the culture brings very strong and enduring, creates in most cases a serious impediment for responding to a changing environment. Therefore, the organisational culture is to be changed or it is to be made flexible, if one is to implement an effective OD programme. It is not at all an easy task. Culture, as is mentioned above, is usually stable and enduring and historically is resistant to change. So, to change a culture is a long-drawn process, on the one hand and a strenuous job on the other. From the selection of employees, the process must start and the effective socialisation is the end thereof. New stories, symbols or rituals are to be created so that the new culture can go down to the ground-level employees of the organisation. The basic theme of such change being making the culture more responsive and more focussed on customers' needs, service and quality. Whatever and whenever the change is required, is actually known as changing organisational culture.

### 8.4.3 Task-Technology Interventions

Task technology intervention emphasizes changing the actual jobs to make them challenging, stimulating and interesting; and also changing the processes and tools that the employees use to perform such jobs. Ultimate aim is towards quality of work life and included in this category are job analysis, job design and redesign, socio-technical system in the concerned organisation.

**1. Job Redesign :** No design today is permanent. Very effective design today may become obsolete tomorrow. Workers may also feel monotony doing same work day by day and as a result, their productivity will come down. So, redesigning of job is inevitable, and this is a continuous process. Pre-requisite of job redesign is job analysis. By job analysis we can come to know where the change is warranted, and how that can be brought in. Interventions that are needed as a part of job redesign are—

- Job Rotation
- Job Enlargement, and
- Job Enrichment

Job rotation refers to transfer of employees from one job to other. Job enlargement gives additional job of same level to the workers. Job enrichment means providing

jobs of higher level to the workers. The intervention will be successful if it follows the **Job Characteristic Model**, that means it supports employee autonomy and participation, or ensures low formalisation and flexibility. OD change agents always promote redesigning that follows the lines of such job characteristics model.

**2. Socio-technical System :** Matching technology adopted with the social system is the aim of change agents here. The technology consists of tools and devices and the social system comprises the people in the organisation and their inter-relationships. The proponents of this system argue that any successful intervention must optimise the social and the technological demands of the job. Technology usually constrains the social system of free interactions by shaping the behaviour as per its needs. High-tech in most cases ignores the importance of human touch. OD change agents take care of this dilemma and promote ultimately a suitable socio-technical system.

**3. Quality of Work life :** Quality of work life refers to enhancement of employees motivation, satisfaction and commitment. OD practitioners in the pursuit of this quality of work life create such a work situation that removes drudgery associated with the job and attempts to humanise the workplace. The quality of work life (QWL) Programmes involve mainly two approaches.

- Work Restructuring, and
- Quality Circles (QCs)

Work re-structuring is a process of changing the way jobs are done, in order to make them interesting to the workers. Quality circles, on the other hand, are the small groups of employees who meet regularly on a voluntary basis to identify and solve problems related to the quality of the work they perform. An organisation may have a number of QCs operating at the same time, each dealing with a particular work area. With these two approaches, the QWL encompasses actually a large number of interventions, a comprehensive list of which can be given as below.

- Adequate and fair compensation
- A safe and healthy environment
- Jobs that develop human capacities
- A chance for personal growth and security

- Provision for personal identity, freedom from prejudice, a sense of community, and upward mobility
- Rights of personal privacy, dissent and due process
- Work-life Balance
- Socially responsible organisational actions.

QWL programmes as such benefit organisations at least in three ways. The most direct benefit is increased job satisfaction leading to reduced absenteeism and turnover among workers. Secondly, it increases productivity. Finally, the organisations stand to gain sustainability.

However, easily these benefits cannot be achieved. At least two hurdles are to be crossed for the purpose. Firstly, both management and labour must work in unison. Secondly, the plans so agreed to, must be implemented properly. OD change agents must not forget this amidst hectic daily activities.

4. Total Quality Management (TQM) : QWL aims at mainly the people, whereas TQM, as developed by Edward Demming, is a process that envisages continuous improvement of overall quality reducing waste and cost. This is a rational technique driven by statistical data on the need for change in four key components, e.g.

- System
- Process
- People, and
- Management

**System** : By statistical process control the accurate and continuous measurement is done of the quality of system and the frequency of its failures. It identifies how often and where the failures are concentrated and what are the causes thereof. By benchmarking with the achievements of some successful organisations, necessary change is then suggested. After the change takes place in the system, TQM ensures quality of operations through quality assurance and control.

**Process** : TQM regards every activity as a point of process that is constantly reviewed through project by project improvement, waste elimination and process chain re-engineering. The statistical process control measures the defective products, number of customer complaints or other key constituents requiring improvement.

Remedial measures are implemented accordingly to combat the causes of substandard performance.

**People :** People are the most significant component of TQM. TQM values the employees both as individuals and as members of work teams. Through QWL and QC, it always aims to impress upon workers to feel how important they are to the organisation. Then, by hiring best employees, enabling life-long learning to them and providing continuous feedback, it ensures quality and quantity of production. Emphasizing on diversification, instead of specialisation, it ensures motivation and job satisfaction as well.

**Management :** TQM believes that bottleneck remains near the head of the bottle. So, it looks carefully to top management, and its vision and mission. OD change agents want to see how top management is committed to its vision or mission, and for this, it empowers employees, assists them who fail and appreciates the achievers. TQM wants the management to go with, not to go ahead of, the workers.

#### **8.4.4 Strategic Interventions**

There have been constant additions to the basket of OD techniques. The latest addition is the strategic intervention. This approach consists of four steps as follows.

- Analysing existing strategy and job design
- Selecting desired strategy and design replacing the old ones
- Designing a change plan that is strategic in nature
- Implementing such change plan, keeping resistance to change under control.

The intervention as such is known as “strategic”, firstly because the proposed change plan is supposed have long term effect. Secondly, in this case the pros and cons of both the existing and proposed strategy are scientifically analysed with SOWT matrix. That no method is all good, is accepted here, and considering relatively higher strength and opportunity one is replaced by other.

---

### **8.5 Emerging Challenges to OD/OB**

---

Change through organisational development has become the norm in almost all organisations. Business failures, plant closure and obsolescence, mergers and

acquisitions, downsizing, re-engineering, productivity improvement, changed outlook to workers are the common efforts to bring in such change. The need for these types of changes has been aggravated or has become inevitable due to a number of emerging challenges that the modern businesses are facing at present. These challenges to OD are in way the challenges to OB (Organisational Behaviour) as a whole. Because as a guide to the managers, OB itself is to deal with these issues to make the discipline more relevant.

### 8.5.1 Globalisation

Globalisation has made organisations to re-think the boundaries of their markets and to encourage their employees to think globally. Globalising an organisation has been now a rule of the day. So, OD change agents have accepted it as a critical facts OD. Globalising an organisation means re-thinking the most effective ways to gather resources from global markets and to use them globally, resources here mean the monetary, physical as well as human resources. To develop human resources capable of responding to globalisation is the big challenge to the OD agents, as the world has become now a global village, and in the process, the managers' jobs have changed drastically. Changed expectations from the managers today, who are the managers of MNCs mainly, are as follows.

**1. Increased Foreign Assignments :** Where the manager is to manage a workforce very different in needs, aspirations and attitude from those whom he/she manages at home.

**2. Working with people of different cultures :** For which a managers needs know how the culture, geography and religion of those people have shaped them and how adopt management styles to those differences.

**3. Identifying the countries having low-cost labour/capital :** Courtsey to globalisation, the labour and capital now can easliy move from one country to another. Managers need therefore in which countries labour and capital are less costly, and accordingly they need hire/borrow labour and/or capital, so that the cost reduction is ensured. Local labour sometimes can, however, resist hiring labour from other place or country. Managers are to be very careful in balancing the interest of the local people and that of the organisations where they work.

**4. Managing Joint Ventures :** Every company seeks entry in other countries mainly through the process of joint ventures. But the point to be noted is that the

joint venture ushers in several structural changes in the alliance partners that the OD change agents must look after. The two merged companies usually exhibit a considerable amount of sensitivity to cultural differences between them. OD change agents have a very important role to play here, failing which the productivity as well as the interpersonal relationship of the joint company may be badly affected.

### 8.5.2 Managing Diversity

Related to globalisation is the resultant diversity which is a powerful external force invoking change. In national or small companies also diversity is gradually increasing, and it is the top priority of the managers to manage such diversity effectively. However, in MNCs the problem is more acute.

Managing diversity is a philosophy about how differences among individuals are accepted and respected, and how they are made to work in cohesion. Firms are realising that utilising diversity in all aspects, makes not only a strong moral sense, but also a business sense. So, the diversity should be celebrated, rather than ignored. Numerous empirical studies have demonstrated that heterogeneous teams outperform homogeneous ones. However, managing diversity is not an easy task. Managers or change agents have to confront a number of obstacles or barriers to do so.

#### 1. Barriers to managing diversity :

- **Prejudice** : Unjustified apathy to a person, race or gender
- **Ethnocentrism** : a tendency to regard oneself, one's group. Culture, nation or language as superior to that of others.
- **Stereotypes** : belief that the characteristics of a group as a whole are applicable to all members of the group.
- **Discrimination** : belief that some jobs are suitable to certain group of people, and thus barring other people.
- **Harassment** : Knowingly abusing an individual because of his/her one limitation, or belonging to a particular group. Sexual harassment is a glaring example to this effect.
- **Backlash** : negative reaction to gaining power by some members, leading to fear, resentment and reverse discrimination.

**2. How to manage diversity effectively ?** Managing diversity involves the following actions by change agents.

- **Increasing awareness** : means providing members with accurate information on diversity, uncovering personal biases and stereotypes, assessing personal beliefs, attitudes and values, learning about others point of view, removing inaccurate beliefs about different groups, developing an atmosphere in which people will freely share differing points of view, and understanding others.
- **Increasing diversity skills** : Focusing or improving the skills of managers and subordinates so that they can work and interact easily with people of different kinds.

Educating managers and subordinates about why and how people differ in their way of thinking, approach, communication etc so that the employees develop a healthy respect for diversity and at the same time facilitate mutual understanding.

Showing films and/or printed materials supplemented by experiential exercise that will unravel hidden biases and stereotypes.

If necessary, hiring consultants to provide diversity training or appointing in house experts for the purpose.

● **Managing Cultural Diversity** :

Individuals are to be strategically asked to—

- (i) live and work outside home country
- (ii) travel outside extensively
- (iii) adapt to the customs of foreign countries
- (iv) develop friendship with people of different nationalities
- (v) learn foreign languages
- (vi) subscribe newspapers/periodicals of other countries.

Companies or organisations have also to—

- (i) offer language training
- (ii) encourage foreign assignments
- (iii) provide cross-cultural training
- (iv) give transition counselling



- (v) ensure that they are not discriminating anyone due to his or her religion or ethnicity.

● **Utilising Gender Diversity** : Gender diversity is a wealth to the organisation. The OD change agents therefore thrive for utilising this diversity towards enhancement of inter personal relationship and improvement of quality in production. The ways of managing gender diversity may be as follows.

1. One way is to recognise that there are strengths in both the genders.
2. It is equally important to learn and accept that there are perceived differences between male and female both at the society and at workplace.
3. It is also necessary to be aware that in way situations gender might play a role to know one's ability.
4. It is finally necessary to avoid actions including lawguages that perpetuate negative or hindering views.

● **Committing Top Management to Diversity** : If the managers at the top can be made committed to diversity, the managers down the line will easily embrace the same. Otherwise, a reluctant, if not resisting, message will spread over the organisation, and diversity management efforts may backfire. managers must be very careful while dealing with the diversified groups. None is to be given an extra sympathy or apathy because of his/her belonging to a particular group. Managers need recognise and reward talents regardless of the group they belong to. This will help break down the barriers to managing diversity effectively.

### 8.5.3 Technology Transformation

Technology is being developed and transformed at a dramatic way. OD change agents are truly in trouble to keep pace with that. Technology usually has two dimensions, e.g., automation and information technology.

**Automation** works when a task performed by a worker is mechanised and the worker is replaced by machine. As a result, workers are always afraid of loosing the job. Thus, their job satisfaction comes down. While machine works, the men do not have the direct role in production. They will just get the switch on and off. The role being passive, a sense of alienation prevails with resultant decrease in effeciency. To compensate the same, further automation becomes necessary. Thus, instead of

supplementing, it supplants employee skills. OD change agents need attention to the fact.

**Information Technology** in the same way is shaking up organisations in the light of revolutionary changes in it. Thus, it has forced the OB scholars or OD change agents to re-examine the existing system and to bring in change in it to keep pace with changed technology. These days are the days of dot coms, internets, intranet, e-mail, mobile phones and the like. So, communication and surveillance have got a new dimension. Resultant effects of such transformation in technology are as follows.

- **Leaner organisation :** Through automation and information technology, the organisations today are becoming leaner. Downsizing, also called as rightsizing, is enabling organisations to produce greater volumes by using just a handful of employees. Outsourcing has added fuel to that flame. So, only the primary activities are done by own employees. All these mean lost jobs for many people. Those who are still in the organisation are always afraid of losing the job on any day. Days were when at the blowing of a siren, thousands of employees gushed out of the factory gates. But those days are gone, and the situation is being aggravated day by day. So, the main challenge today is to keep the workers satisfied, and thus motivated.

- **Wired Organisations :** Organisations are now totally wired. People need not come office. Still office work is done. Employees can get direction from the boss even when they are loitering on sea beach in a vacation. Web conferencing has replaced the need for face-to-face meeting, and the people across the globe can contact with others simultaneously. Groups being dispersed world-wide without any necessity or scope for personal contact, members remain unknown to each other. Structure of organisation and whom to report is not exactly clear in wired organisation. Privacy of employees is also lost, firstly due to wiring, and secondly due to close circuit TV and others. Leadership quality, motivation, effective control—all have thus got new dimensions. To accept them OD agents must bring in a unique change from top to the bottom.

- **Virtual Offices :** Extension to wired organisation is virtual office, wherein the people can work anytime, any where and with anyone. Virtual offices have generated a new term “VIHAG” i.e., virtual human agents, who actually are the

online workers working in call centres or from homes. In such offices connectivity, Collaboration or communication—all are easy and just-in-time. Services requiring personal touch and care are, however, very difficult to be performed effectively in these offices.

● **Gold-Collar Employees** : Until very recently, we had broadly two types of workers—white collar and blue collar. The technology transformation has added to the list a new type of worker, gold-collar workers. They are actually the knowledge workers possessing both business skills and technological expertise. They are quality workers no doubt, but as they feel themselves more qualified than the bosses, to control them is difficult. Some changed approach is needed to deal with them.

● **E-Business** : e-business is doing business electronically or digitally. Every business is approaching to this by integrating information technology (IT) with business processes. Traditional business deals with —

Physical product—physical agent and physical process.

Step by step we are moving towards complete digitalisation. However, in this age of transition, the business are any where of following phases of business operation.

Physical product — physical agent — digital process

Physical product — digital agent — physical process

Physical product — digital agent — digital process

Digital product — physical agent — physical process

Digital product — digital agent — physical process

Digital product — physical agent — digital process

Digital product — digital agent — digital process

The e-everything is complete digitalisation. We are still far away from that. But what has been achieved in the mean time is praiseworthy on the one hand, and alarming on the other. Switching over to e-business is praiseworthy because of its following benefits.

1. Market place has no boundary
2. Transaction cost is low

3. Customer interaction is round the clock each day as indicated by  $24 \times 7 \times 365$
4. Quick delivery
5. Special kind of product
6. Extensive customisation etc.

This is simultaneously alarming because of a number of reasons.

1. Customer-business relationship is lacking here.
2. High tech replaces human touch
3. Neither the customer nor seller is accustomed in that way with click and cursor system that replaces brick and mortar system.
4. Pre-requisites for e-business are the infrastructural changes at different field. This is still not there.
5. Digital literacy is mostly absent.
6. Different types of threats are linked with e-business e.g., espionage, piracy, viruses, hacking fabrication, interception etc.
7. Privacy is at stake

Inspite of all these, e-business today is the rule, not an exception. Few years back, e-business was just a trend like “nice to have”. But today the trend is “need to have”. From the stand point of nature of transaction, e-business has taken the following forms.

C2A : Consumer to Administration

B2B : Business to Business

B2C : Business to Customers

C2C : Customer to Customer

C2B : Customer to Business

B2G : Business to Government

Models that the e-business is running through by different national and international business houses are as follows.

1. e-shop : selling the goods through internet.
2. e-procurement : tender and procuring goods electronically
3. e-Auction : electronic mechanism for auction
4. e-Mall : collection of e-shops under single umbrella
5. Value chain Integrator : Integrating multiple steps in value chain electronically
6. Information Brokers : Selling business information through consultancy
7. e-Governance : Having public services digitally
8. e-Banking : Getting banking facilities
9. e-Share Trading : Selling and Buying of shares electronically

If the firms are to get benefits of aforesaid different nature of e-transactions or e-business models, the change agents are to do a lot. Along with the legal, infrastructural or environmental change, structural and psychological change they must bring into. e-security is another vital issue which the change agents must ensure. It may take time to have a complete or pure e-business, but time is ripe now to begin with beginning. If one does not do that he/she will lag behind, others will easily throw him/her out.

#### **8.5.4 Promoting Ethical Behaviour**

Ethics refers to a system of moral principles, a sense of right and wrong, fair and unfair, good or bad. Organisational ethics or business ethics does not differ from general ethics. If dishonesty is unethical in the society, then it is also same in the business. The fundamental values that form ethics are values of 1920 or 2019; these are values of New York as well as of New Market in Kolkata. So, the businessmen must not evolve their own principles to justify what is right or wrong. Values or ethics promoted to suit oneself is known as values of convenience or opportunists' values. Employees or employers may apply such values for their own convenience, but the society will not condone such deviations.

Ethics are important for many a reason. A few of them are mentioned below.

● **Ethics is inherent, unethical behaviour is artificial** : Very easily one can be habituated with ethical behaviour, because this is ingrained in them. You ask anyone to speak the truth at a stretch for five minutes, he will easily do the same. But you ask the same person to continuously telling lie, he will fail.

● **Ethical behaviour increased the self-worth or self esteem** : The employees in particular and the organisation as a whole will gain an extra power, the strength of honesty; whereas if you do something immoral, the guilty feeling will make you stressed and depressed. Thus, the organisational effectiveness will be affected if ethics does not prevail there.

● **Credibility to Public increases** : The employees and the organisation will be honoured or respected by the government, suppliers, financiers or customers, if their behaviour is ethical. Unethical persons are viewed with suspicious eyes.

● **Credibility of management to workers increases** : If the managers are men of values, employees will behave with them respectfully. The immoral managers can never command dignity from their subordinates, and hence their directions are not properly obeyed.

● **Ethics and Profit go together** : Moral values have economic sense as well. An ethical organisation can easily hire the quality workers, creditors provide it with loan without hesitation, cost of capital in such organisation may be low, customers will not question while buying its goods. Ultimately, the profit becomes higher and sustains for long time.

**Ethical Dilemma** : Ethical dilemma occurs when distinction cannot be made between what is ethical and what is unethical. Day by day this dilemma is growing in volume, particularly in case of managing people. A few examples of such dilemma may be outlined as below.

● **Monitoring of employees by close circuit TV** : If it is not done surveillance may be lacking. But doing so means entering into the private zone of employees.

● Drug testing conflicts the fundamental rights of employees, particularly when the employees suffer from the disease like HIV.

Gender harassment is another controversial issue where doing something or not doing, both will invite problems.

● Whistle-blowing is an equally important ethical dilemma, as on the one hand, the employees are not expected to speak against others; again on the other hand, it is necessary to disclose any illegal, unmoral or illegitimate practice, whoever is involved in such case company information is generally considered as private, and to make it public is not welcome. Particularly, to speak against bosses may lead to

insubordination, and resultant chaos. Again, as society's interest overrides that of organisation, whistle-blowing may be appreciated.

- Performance appraisal leads itself to ethical issues. To keep eyes shut to poor performance of any employee is the suppression of fact, and not it is good for organisation. Again if proper reporting leads to firing of employees, it may be criticised on humanitarian ground.

So, a clear viewpoint is highly essential in case of all the aforesaid cases. For greater cause unpopular stands should be given the justifications. If this is known clearly to all the employees, from CEO to ground-level workers dilemma may be reduced, if not removed as a whole.

### **Managing/Promoting Ethics**

**1. Role of Top Management :** Top management should send right signals reiterating the need to observe ethical practices. It should avoid strategies that will create unbearable pressure on employees. Huge amount of fine or punishment is to be charged/given so that it can set an example. However, arbitrary use of such provision must be avoided so that it does not backfire.

**2. Pre-employment Screening :** If right persons can be selected, major part of the problem is over. So, along with personality test, the test of morale must be a component of selection process.

**3. Whistle-blowing System :** This system is now being successfully used by many companies like Enron, Kellogg India, LG India, Modern Food etc. It has some inherent problems. Rules should be framed to guard against that.

**4. Code of Ethics :** Nearly 95% of the Fortune 500 companies have their code of ethics, that describes the general value system of the organisation and provides specific guidelines for each and every area of action. Going beyond that will be treated as unethical.

**5. Ethics Committee :** Many companies have ethics committees comprising high-level executives. This helps the firms to establish code of ethics, examines the practices in the scale of that standard code and oversees the enforcement of the code.

**6. Ethics Hot line :** Sometimes the employees may feel it embarrassing to report face-to-face to a supervisor. Ethics Hot line can be an effective alternative in that case.

**7. Ethics Training :** Many companies provide training in ethics to their managers and other employees. In such training programmes, employees are made familiar with official policies on ethics. Sometimes, actual unethical events in the company are used to illustrate how it happens and what are its consequences. To make training effective, it must focus on specific cases, rather than on philosophical discussion. It is to be given by company managers, not by outside experts.

---

## 8.6 Summary

---

From the above discussion, we could understand the concept and fundamentals of organizational Development. In addition, what kind of interventions are required; what kind of challenges faced by the managers and the thoughts for the organizational development have also been discussed in detail.

---

## 8.7 Questions

---

### A. Objective Type :

1. What stands for T-group in OD intervention ?
2. How is 1.9 style of management known under grid concept ?
3. How is the combination of functional and product structure called ?
4. What does QWL stand for ?
5. Name any two key components of TQM.
6. Mention any two barriers to managing diversity.
7. Give full form of B2B.
8. Name two means of promoting ethics.

### B. Short answer Type :

9. Define OD.
10. What do you mean by organic structure ?
11. Distinguish between job enlargement and job enrichment.
12. Define “quality circle”.
13. Who are gold-collar employees ?



14. Write a note on e-governance.
15. How does performance appraisal lead to ethical dilemma ?

**C. Long answer Type :**

16. What are the objectives and requisites of OD ?
17. Give a brief discussion on OD interventions.
18. Discuss the Task-Technology interventions to OD.
19. Discuss the role of OD change agents in the context of technology transformation.
20. Narrate the ways and means of promoting ethical behaviour.

### **Suggested Readings**

1. Aswathappa, K. (2012), Organisational Behaviour, 10th ed., Himalaya Publishing, New Delhi.
2. Chandan, J. S (1998) Organisational Behaviour, Vikash Publishing House, Delhi.
3. Luthens, F. Organisational Behaviour., McGraw Hill, New Delhi, 12th ed.
4. Pareek, U (2009), Understanding Organisational Behaviour, Oxford University Press.
5. Prasad, L. M (1980), Principles and Practice of Management, Sultan Chand & Sons, New Delhi, 2nd ed.
6. Robbins, Judge & Vohra (2016), Organisational Behaviour, Pearson, 15th ed.
7. Robbins, S. P (1994), Essentials of Organisational Behaviour, Prentice-Hall, New Delhi, 3rd ed.
8. Rao, V.S.P (2009), Organisational Behaviour, Excel Books, Delhi