

**MANAGEMENT THEORY AND
ORGANIZATIONAL BEHAVIOUR
(MCM1C04)**

STUDY MATERIAL

FIRST SEMESTER

CORE COURSE

M.COM.

(2019 ADMISSION)



**UNIVERSITY OF CALICUT
SCHOOL OF DISTANCE EDUCATION**

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**MCM1C04 : MANAGEMENT THEORY AND
ORGANIZATIONAL BEHAVIOUR**

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MODULE I

INTRODUCTION TO MANAGEMENT

As a field of study, management has become quite popular throughout the world. Now adays the need of existence of management has increased tremendously. It has well defined concepts and principles. There are different approaches to management. Some people consider management as a discipline, while other believes that it is a process or a group of people. In reality, management is the force that integrates organizational resources into an effective operating unit though planning, organizing, staffing, directing and controlling. Management consists of five basic functions – planning, organizing, staffing, directing, and controlling.

Many management experts have tried to define management. But, no definition of management has been universally accepted. Let us discuss some of the leading definitions of management.

According to Terry, "Management is not people; it is an activity like walking, reading, swimming or running. People who perform Management can be designated as members, members of Management or executive leaders."

Henry Fayol, "To mänge is to forecast and plan, to organize, to compound, to co-ordinate and to control."

In the words of William Spriegal, "Management is that function of an enterprise which concerns itself with direction and control of the various activities to attain business objectives. Management is essentially an executive function; it deals with the active direction of the human effort."

A somewhat more elaborate definition of management is given by GeorgeR. Terry. He defines management as a process "consisting of planning, organizing, actuating and controlling, performed to determine and accomplish the objectives by the use of people and other resources"

CHARACTERISTICS OF MANAGEMENT

The salient features of management includes:

1. It is one of the factors of production together with land, labour and capital
2. Management is a purposeful activity. It is goal oriented one
3. It is a distinct process consisting of planning, organizing, staffing directing and controlling
4. The essence of management is the integration of human and other resources for the achievement of organizational goals
5. It represent a system of authority and a hierarchy of command and control
6. Management is considered as a multi disciplinary subject.
7. Management is a universal subject. The principles and theories of management are applicable universally

EVOLUTION OF MANAGEMENT THOUGHT

Ever since human beings started living together in groups, techniques of organization and management were evolved. However, two pre-twentieth-century events played significant roles in promoting the study of management. First is Adam Smith's contribution in the field of management and second is influence of Industrial Revolution in management practice.

Adam Smith's name is typically cited in field of economics for his contribution to classical economic doctrine, but his contribution in *Wealth of Nations* (1776) outlined the economic advantage that organization and society can gain from the *division of labor*. *Industrial Revolution* is another most important aspect that influences management in pre-twentieth century. The major contribution of the industrial revolution was the substitution of machine power for human power, which in turn, made it more economical to manufacture goods in factories.

The periods of evaluation of management thoughts are highlighted in the *Table*

Management thought	Period
Early contribution	Upto 19 th century
Scientific Management	1900 - 1930
Administrative operational management	1930 -40
Human relation approach	1930 -50

Social system approach	1940 -50
Decision theory approach	1945 -65
Management science approach	1950 -60
Human behavior approach	1950 -70
System approach	1960 onwards
Contingency approach	1970 onwards

Early contributions:

It includes the contribution from various field before the 19th century. It includes a variety of organization and administration in Egypt in 1300 B.C, Confucius’s suggestion for proper public administration before Christ, Kautilyas’s principles of state administration in 320 BC, Roman Catholic church concept of staff personnel , Kautilyas contribution etc.

Evolution of management thought may be divided into four stages

1. Pre scientific management period
2. Classical theory
 - a. Scientific management of Taylor
 - b. Administrative management of Fayol
 - c. Bureaucratic model of Max Weber
3. Behavioural approach or Neo classical theory
4. Modern theory or system approach

I.Pre scientific management period:

Industrial revolution in the middle of 18th century had its impact on management. In that time land and building, hired labour, and capital are made available to the entrepreneur, who strives to combine these factors in the efficient achievement of a particular goal. This period witnessed a number of changes in the system of management.

II. Classical theory:

It is the period of FW Taylor, Emerson, Frank and Lillion Gilberth etc. This period in the history of management will be remembered as an era in which traditional ways of managing were challenged, past management experience was scientifically systematized. Taylor and Fayol provided the bases for science and art of management.

- a. Taylor's Scientific Management:** The concept of scientific management was introduced by FW Taylor (1856 -1915) in USA in the beginning of the 20th century. This concept was further carried on by Frank and Lilliyam Gilberth. According to Taylor, Scientific management is concerned with knowing exactly what you want men to do and then see in that they do it in the best and cheapest way.

Principles of scientific management:

1. Science, Not rule of thumb: This principles involves use of scientific method in place of rule of thumb.
2. Harmony, not Discord: This principle involves maintaining harmony between management and workers in place of discord between them.
3. Co operation, not individualism: This principle involves cooperation between management and workers instead of individualism. It suggests that management should encourage constructive suggestions from subordinated and reward the suggestions.
4. Development of each and every person: This principles involve development of each and every person to his /her greatest efficiency and prosperity.

Techniques of Scientific Management.

The following techniques are used in scientific management.

1. **Functional foremanship:** It is a technique which involves supervision of each worker by eight supervisors, four supervisors supervising planning aspect and other four supervisors supervising production work.
2. **Standardization and simplification of work:** It refers to setting standards for every organizational activity to maximize outputs and making work as simple as possible by eliminating unnecessary diversity in products.
3. **Work study:** It refers to the systematic, objective and critical evaluation of a work with the aim of identifying how the work can be performed in the most desirable way y standardizing and simplifying it.
4. **Differential piece wage system:** It is a system of wage payment in which a worker who achieves or exceeds production target gets wages at higher per piece while a worker who does not achieve this target gets wage at lower rate per piece.

b. Fayol's Administrative Management:

Henry Fayol is considered as the real father of modern operational management theory and his contributions are generally termed as operational management or administrative management. He has divided his approach of studying management into three parts- viz managerial qualities and training, general principles of management, and elements of management.

Managerial qualities and training: It includes physical health, mental health, moral fitness, educational qualifications, technical knowledge and experiences arising from the work.

General principles of management: It includes 14 principles of management

1. **Division of work:** Involves dividing whole work into relevant number of tasks or units instead of assigning the whole work to a person.
2. **Authority and responsibility:** It says there should be a parity between authority and responsibility. Authority is the right to make decision and get these implemented. Responsibility is the duty of a person to complete any assigned work.
3. **Discipline:** It means engaging in desirable behavior prescribed by the organization. This principle suggests that there should be judicious application of penalties by management in case of breach of discipline by any one.
4. **Unity of command:** It means an employ should get orders and instructions from only one superior. Violation of this principle results in confusion about what to do and what not to do.
5. **Unity of direction:** It means, each group of activities having the same objectives must have one plan and one head. Adoption of this principle results in better coordination between different related activities and unity of efforts of all employees concerned.
6. **Subordination of Individual interest to General interest:** It implies that individual interest must be subordinate to general interest if there is any conflict between the two.
7. **Remuneration of employees:** It implies that remuneration of employees should be fair and provide maximum possible satisfaction to employees and employers.
8. **Centralization and decentralization:** Centralization means concentration of authority at upward and decentralization means widespread distribution of authority. Adoption of this principle leads to determination of appropriate level of centralization or decentralization and appropriate use of authority.

9. **Scalar chain:** It is the chain of superiors ranging from the highest level of authority to the lowest level in an organization. Any communication going up or coming down should follow this chain. It may result in undue delay in communication process.
10. **Order:** It implies that there should be a place for everything and everything should be in its place and there should be the right person at the right place. It means orderliness in the organization.
11. **Equity :** It implies that employees should be given kind, just and fair treatment. There should not be any discrimination on account of sex, religion language, caste, nationality etc
12. **Stability of personnel:** It means reasonable security of jobs. Employees should be kept at their positions at least for a minimum fixed period and no employee should be removed within a short period of time.
13. **Initiative:** It refers to taking steps ahead of others in doing a work or introducing a new method of doing a work in a better way. It says that managers should encourage employees for taking initiative.
14. **Esprit de corps:** It states that management should promote team spirit among employees. The word I should be replaced with “we” in all communication to employees.

Elements of Management: Management is a process consisting of five elements, planning, organization, commanding, co-ordination and controlling.

- c. **Bureaucratic theory:-** Max Weber introduced this theory. His major contribution to the theory is the concept of authority, structure and its inter relationship. According to him legal authority indicates that a person holds authority based on legal position or a rank within the hierarchy. On the other hand traditional authority, employees obey a person because he comes from a traditionally recognized power holding family or a person belonging to a royal family. Charismatic authority indicates special power or an appeal that a leader possesses.

III. Neo classical theories / Behavioral approach

This theory gives greater importance to individual and group relationship in the work place. It uses the theories of Psychology and sociology for understanding individual and group behavior. Elton Mayo is the main contributor of this school of management thought.

Hawthorne Studies of Elton Mayo: Elton Mayo and his team from Harvard University, carried out investigation in human problems at the Hawthorne Plant of Western Electrical company

at Chicago. They conducted some experiments and investigated informal grouping, informal relationship, patterns of communication, patterns of informal leadership etc. The Hawthorne experiments brought out that the productivity of the employees is not the function of only physical conditions of work and money wages paid to them. Productivity of employees depends heavily upon the satisfaction of the employees in their work situation. Moreover, all the human factors influencing employee behavior, the most powerful were those emanating from the worker's participation in social groups. Therefore he concluded that work arrangements in addition to meeting the objective requirements of production is a must, but at the same time it is necessary to satisfy employee's social satisfaction requirements. Mayo's contribution will ever be remembered for its contribution to the behavioral approach to management.

IV. Modern theory or system approach :

Modern theory considers an organization as an adaptive system which has to adjust to changes in its environment. A system is a set of interconnected and inters related elements or component parts to achieve certain goals. A system consists of several subsystem and each system or subsystem has its own objective and various processes.

JAPANESE MANAGEMENT SYSTEM

Japan is considered as one of the developed county in the world and the management practices followed by Japan is something different from other parts of the world. There are basically two aspects which are related to Japanese management system are its people orientation and work orientation.

Features of Japanese Management system:

1. Life time employment: They provide permanent and life time employment to workers. It create a sense of security among the workers.
2. No discrimination: Japanese ideology does not promote discrimination among the employees on the basis of gender.
3. Recruitment: Because of higher level of educational qualifications, the recruitment procedure for new employees are more rigorous to ensure the cream of the crop are identified and utilized.
4. Seniority wage principle: The wages of employees are linked to the number of years he has worked in the organization.
5. Employee involvement in decision making: In Japanese system employees are encouraged in the decision making process.

6. **Employee welfare:** They provide complete welfare packages for the employees such as health care, subsidized food, free housing etc.
7. **Supporting internal labour market:** Japanese system always encourages the recruitment of employees from within the organization, if there is a vacancy arises.
8. **Communication:** They believe that effective communication is the essence of every organization and they always focus on effective communication between management and employees.

Total Quality Management (TQM)

TQM is a management method by which management and employees can become involved in the continuous improvement of the production. In other words, TQM is a firm wide management philosophy of continuously improving the quality of the products and services by focusing on the customer's needs and expectations to enhance customer satisfaction and firm performance.

Principles of TQM

1. **Employee involvement :** Employee involvement in the development of products or services of an organization largely determines the quality of their products or services.
2. **Process centered:** Process thinking and process handling are the basic part of total quality management. The steps required to carry out the process are defined and performance measures are continuously monitored in order to detect unexpected variation.
3. **Customer focus:** Under TQM, customers are considered very important and it is the customers who determine the level of quality.
4. **Decision making based on facts:** All decisions are taken purely on the basis of facts and figures and not on the basis of opinion or emotions.
5. **Continuous improvement:** Continuous improvement is very necessary for the success of an organization. Innovative thinking and creativity are achieved only through continuous improvement.
6. **Integrated system:** TQM is possible only there is an integration in the organizational system. Although an organization may consist of many different functional specialties, an integration among these departments is necessary.
7. **Avoid numerical targets:** Emphasis has to be placed on providing workers with the means to achieve customer satisfaction

Benefits of TQM

It is a management approach to long term success through customer satisfaction. Its benefits include:

1. Improvement in product quality
2. Improvement in product design and production flow
3. Improvement in employee morale and product service
4. Reduction in operating cost
5. Reduction in field service cost and operating losses

Quality circle:

It is a group of employees who perform similar duties and meet at periodic intervals, often with management, to discuss work related issues and to offer suggestions and ideas for improvements, as in production methods or quality control. These employees usually work in the same area, and voluntarily meet on a regular basis to identify, analyse and solve their problems.

Features

1. Membership of a circle is voluntary
2. Members should meet regularly in a common place
3. Members are specially trained in problem solving and analysis techniques in order to play their role effectively.
4. Circle works on a systematic basis
5. A circle usually consists of 6 – 8 members.

SIX SIGMA

It is a disciplined, statistics based, data driven approach and continuous improvement methodology for eliminating defects in a product, process or services. The focus is on performance throughout the organisation

Characteristics of Six sigma

1. Leadership commitment: Six sigma requires serious commitment of the management in the form of time, effort, and resources.
2. Managing decisions with data: Every decision must be based on data, and should not be on the basis of mere opinion. It properly uses the data to measure, analyse, improve and control performance.
3. Training and cultural change: For getting improved performance, high caliber training is required.

KAIZEN

It is a Japanese concept for continuous improvement. It is actually a life philosophy assuming that every aspect of life deserves to be constantly improved. In kaizen, an involved leadership guides

people to continuously improve their ability to meet expectations of high quality, low cost and on time delivery. The key elements of kaizen are quality, effort, willingness to change and communication.

Types of Kaizen

There are two types of kaizen. They are

1. Gemba kaizen : It is an action oriented approach and refers to improvement activities that are performed in the actual work place, such as on the shop floor or on the manufacturing line.
2. Teian kaizen; It represent a theory based approach and refers to strategic improvements that are influenced by top management. Here, the implementation of new processes and practices play the most dominant role.

Benefits of Kaizen:

1. Speedy realization of results
2. Empowerment of the work force
3. Encourages healthy communication among employees
4. Makes team more cohesive
5. It helps in managing creativity for the benefit of the organization.

BENCH MARKING

It is the process of identifying, learning and implementing the best practices of world class organizations. In other words it is the process of legally stealing the competitor's best ideas. It is a systematic and continuous measurement improvement process.

Types

1. External benchmarking
2. Internal benchmarking
3. Functional bench marking
4. Operational bench marking
5. Strategic bench marking
6. International bench marking

CORE COMPETENCE

It is a concept in management theory introduced by C. K. Prahalad and Gary Hamel.

It says that the core capabilities helps to provide sustainable competitive advantages to the firm. It can be defined as "a harmonized combination of multiple resources and skills that distinguish

a firm in the marketplace". In other words a firm's core competencies are defined as a set of problem defining and problem solving insights that helps the development of a strategic growth alternatives. Core competencies are related to a firm's product portfolio via core products. Prahalad and Hamel defined core competencies as the engines for the development of core products and services. Competencies are the roots of which the corporation grows, like a tree whose fruit are end products.

Firms' competencies can be classified into five generic groups:

1. **Cost efficiency:** It is the ability of a firm to be cost efficient. To become a cost efficient, a firm should direct all its operations towards achieving low cost.
2. **Reliable systems:** It aims at delivering an expected result quickly, consistently and efficiently with least inconvenience and disruptions to the customers. It is valuable when conducting business in a global context.
3. **Innovation:** Intelligent innovation is an essential feature of a firm having core competencies.
4. **Close external relationship:** Close relationship with various parties like suppliers, regulators, other bodies and customers give much more benefits to a core competitive firm.
5. **Agility:** To become more competitive, speed is an important factor. The best way to increase the efficiency, is by shortening the processing time.

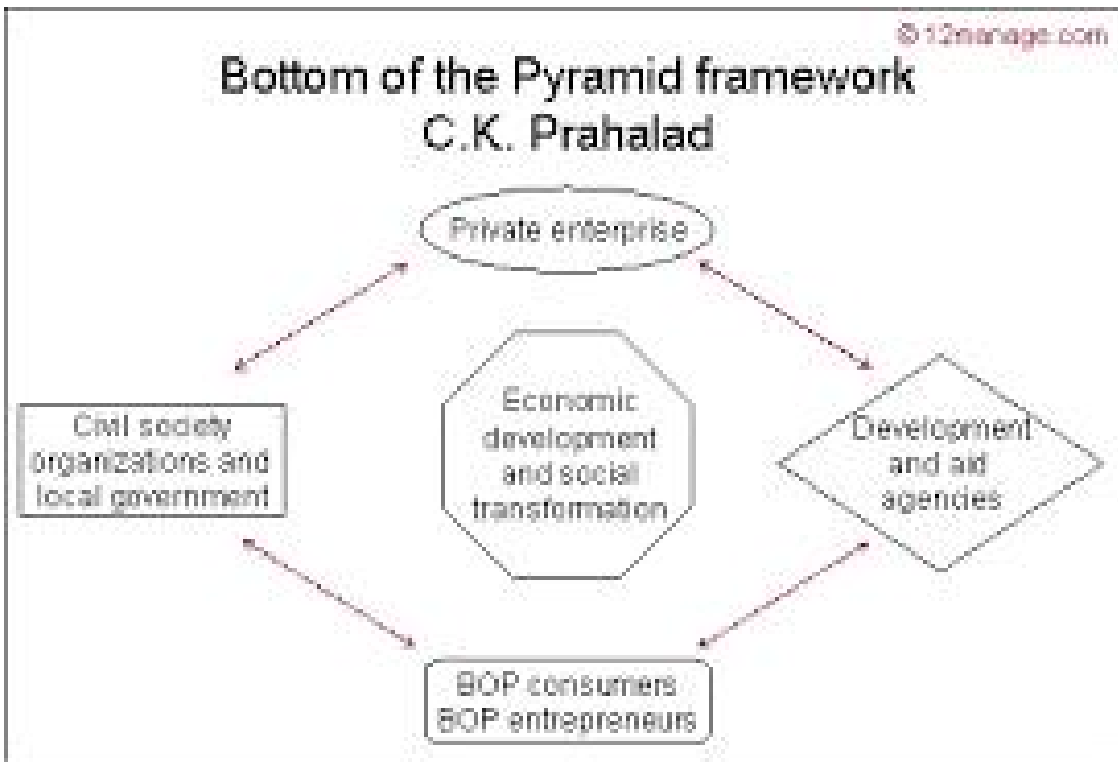
BOTTOM PYRAMID APPROACH

The BOP is a concept of dividing the world into an economic pyramid by keeping the privileged on the top and unprivileged poor at the bottom. Businesses need to adopt innovative ways of doing businesses in a market consisting of billions of underprivileged poor consumers. The organisms that make up the base level of the pyramid vary from community to community. In terrestrial communities, multicellular plants generally form the base of the pyramid, whereas in freshwater lakes a combination of multicellular plants and single-celled algae constitute the first trophic level.

The BOP is defined as those people that earn less than \$ 8 per day. They are value demanding consumers, resilient and creative entrepreneurs, producers, business partners and innovators

On-the-ground engagement with BoP organizations and markets provides a powerful source of staff development and social impact. Programs like IBM's Service Corps take corporate leaders to

base of the pyramid markets for service trips, which provide unique leadership development opportunities



MDP(Management Development Programme)

Management Development is a systematic process of training and growth by which individuals gain and apply knowledge, skills, insights, and attitudes to manage work organizations effectively. ... Management development is the systematic process of training and growth with the ultimate purpose of organizational growth. It is concerned with improving the performance of managers in their present roles and preparing them to take on greater responsibilities in the future. It is an attempt to improve managerial efficiency through learning process. It begins with the top managements recognition of the need for MDP.

Definition:

“Management development includes the process by which managers and management acquire not only skills and competency in their present jobs but also capabilities for future managerial tasks of increasing difficulty and scope.” —Flippo

MDP is the process adopted to supply knowledge, skills, attitudes, and insights to managerial personnel, and help them manage their work effectively and efficiently

Features of management development programme:

1. Future oriented: The main objectives of MDP is to develop the human competencies for the future responsibilities.
2. Educational process: It is considered as a educational programme which stands in learning progress.
3. Focus to managerial employees: It always focused on managerial level employees for improving interpersonal skill, decision making skills, and technical skills.
4. Self motivation: It act as element of self motivation, and there is no need of any external motivation.
5. Continuous process: It is a continuous process, and starts with the analysis of organizational objectives continues with giving sufficient training program to managerial people.

Methods of MDP

I. On-the-job techniques: These methods comprise of

- (a) The coaching method,
- (b) Understudy method,
- (c) Job rotation
- (d) Special projects,
- (e) Committee assignments, and
- (f) Selective

ii. Off-the job methods These methods include

- (a) Case studies,
- (b) Role playing,
- (c) In-basket methods,

- (d) Business games
- (e) Sensitivity training,
- (f) Simulation,
- (g) Incident method,
- (h) Conferences,
- (i) Lectures, and
- (j) Syndicate method.

KOREAN MANAGEMENT SYSTEM

The relationship between government and business is a unique feature in the Korean management system. The Government is capable of leading business. The management system is culturally bounded. It shares the characteristics with the Japanese management system. It used Japanese-style management methods as a model.

The features of Korean management system include:

Corporate culture: The corporate culture of Korean companies is often referred to as Sagoon, which can be translated as Company credos. In Korean companies, the sahoon is written with beautifully crafted calligraphy, nicely framed and hung on the walls of executive offices, conferences rooms, training centers and major work areas.

Organisation structure:

Formal structure: The organizational structure of many Korean companies is characterized by a high degree of centralization and formalization. Authority is concentrated in senior levels of managerial hierarchies, with major decision, especially financial decision requiring a formal procedure of approval from top levels of management which involves receiving personal approval.

Informal structure: The concentration of authority has resulted partly from the fact that ownership and management are not separated in most Korean companies. The owner family actively participated in the management of most Korean companies as family. There is a fundamental difference in the concept of 'family members' between the Japanese and Koreans.

Professional executives: Professional executives and managers also form an important power in Korean companies. In some Korean companies, top management positions are predominantly filled by those who are from the same geographical area.

Leadership: A common characteristics of the Korean management style is authoritarian but paternalistic leadership. The authoritarian style of the Korean manager is rarely autocratic, Corporate leadership in Korean companies is heavily influenced by a key value of Korean behavior.

Employee motivation: Korean employees are highly motivated and are well known for enduring long workdays. The motivation of Korean employees is influenced by traditional values as well as realistic needs.

Human resource management: Traditionally Korean business firms depended heavily on relation based recruiting. The primary source of recruitment was the owner's family members, School alumni etc. However in order to meet the increased demand for human resource, they opened the market for others also.

LEADERSHIP AND MANAGEMENT

Leadership refers to the process of influencing the activities of an individual or group in efforts towards the achievement of organizational goals.

According to Koontz and O' Donnell," Leadership is defined as the ability to exert interpersonal influences by means of communication towards achievement of goals."

According to GR Terry, "Leadership is the activity of influencing people to strive willingly for group objectives."

Characteristics of Leadership:

1. It is a personal quality of behavior
2. Leadership demands a high quality of Endeavour from the followers
3. It is the process of articulating a vision, and then directing and motivating the subordinates towards the actualization of that vision.
4. It is the process of guiding and influencing the people to their best
5. It involves the qualities of sharing and caring between the leader and his followers
6. Leadership is all about anticipation, communication, motivation and action

Elements of Leadership

1. Followers: A person becomes a leader when he has so many followers. Therefore it is very essential to understand the feelings, human nature, needs and motivation etc.

2. **Leader:** To be successful, a leader who have to convince his followers, not himself or his superiors, that he is worthy of being followed.
3. **Communication:** Effective leading takes place only through communication. Communication may be of verbal or non verbal.
4. **Situation:** The action of a leaders depends upon the situation. No leader takes same decision in all situations.

Leadership styles

In simple words, leadership style is the typical approach adopted by the leader to lead people. Following are the important leadership styles:

1. **Authoritarian/Autocratic style:** This style involves retention of full authority by the leader. The leader takes the decision and communicates the same to the subordinates. This type of leadership is found in the defence force. There are three type of autocratic leaders.
 - a. **Strict autocrat:** Here leader influence subordinate through negative motivation. Eg. Imposing penalty or criticizing subordinates etc
 - b. **Benevolent autocrat:** Here the leader influences his subordinates through positive motivation. Eg. By using reward and incentives directing subordinates
 - c. **Manipulative autocrat:** Here the leader creates a feeling in the mind of subordinates that they are actually participating in the decision making, even though he had already taken the decision.
2. **Free rein/ Laissez faire leadership:** It means giving complete freedom to subordinates. This style is suitable if the subordinates are highly matured, self actualized and capable of planning and execution of their jobs. The main advantages of this style lies in the fact that it can make the subordinates self reliant, and which leads to motivation.
3. **Democratic or participative style:** It is also called consultative or ideographic style. Decentralisation of authority is vested with this type of leadership. The manager decentralizes his decision making process. Here the subordinates are consulted and their participation in formulation of policies are ensured.
4. **Paternalistic leadership style:** Here, the leader assumes that his function paternal or fatherly. The relationship between the leader and his group is he same as the relationship between father and his family. He guides and protect the interest of the members.

Management and Leadership:

Leadership and management are two terms which are used interchangeably. But in reality these two terms are different. According to Warren Bennis, The manager administers, the leader innovates. The manager is a copy, the leader is an original. The manager maintains, the leader develops. The manager accepts reality, the leader investigates it. The manager focuses on systems and structure, the leader focuses on people. The manager relies on control, the leader must trust. The manager has a short range view, the leader has a long rang perspective. The manager asks how and when, the leader asks what and why. The manager accepts the status quo, the leader challenges it. The manager is the classic good soldier, the leaders is his or her own person.

Theories of leadership:

The following are the important theories of leadership:

1. Trait theories
2. Behavioral theories
3. Contingency theories
4. Transformational theories

Trait theories of leadership:

The Trait Theory of Leadership is considered the first modern theory of leadership. It became popular at the end of the twentieth century, and remains popular to this day. The theory identifies the specific personality traits that distinguish leaders from non-leaders. It is based on the premise that leaders are “born, not made,” rather than being developed through learning. This theory also focuses on characteristics that are linked to successful leadership across a variety of situations. They strive to believe that it is almost entirely on innate traits. Trait theory also focuses on the difference between leaders and followers. With the assumption that people in leadership positions would display more traits than those in subordinate positions.

Behavioural theories:

It do not seek inborn traits or capabilities of leaders. Rather, they look at what leaders actually do. The main assumption of this theory is leaders can be made, rather than are born. It is believed that leadership capability can be learned, rather than being inherent. The behavioural theorists identified determinants of leadership so that people could be trained to be leaders.

Contingency theory

The Contingency Theory of Leadership states that a leader's effectiveness is contingent upon with how his or her leadership style matches to the situation. According to this theory there is no one best style of leadership, a leader is effective when his or her style of leadership fits with the situation.

How Fiedler's Contingency Theory Works

The Contingency theory is not concerned with having the leader adapt to a situation, rather the goal is to match the leader's style with a compatible situation (Gupta, 2009). To make best use of this theory, it is important to find what style a leader has (Gupta, 2009). This is done through the **Least Preferred Coworker Scale (LPC)**

The LPC is a list of questions designed to find out what kind of employee a leader would most like to work with, and in turn shows the leaders style (Gupta, 2009). Fiedler's Contingency Model attempts to match the leader's style using LPC to the situation in which they would thrive (Gupta, 2009).

- **High LPC Score**– leader with good personal skills and relies on relationships with others to accomplish tasks (Fiedler's, n.d); **people-oriented**
- **Low LPC Score**– leader that accomplishes goals through focus on the task and positional power (Fiedler's, n.d); **task-oriented**

Task-oriented leaders are most effective when their positional power is high, as well as the task structure (Gupta, 2009). People or relation-oriented leaders perform their best when the relationship levels between themselves and followers are at their greatest. After finding the style of the leader, Fiedler's Model states that finding the best situation for the leader, also known as "situational favorableness".

A situation is defined by three factors in the contingency theory:

Leader-Member Relation- how the leader interacts with employees

Task Structure- how tasks are set up by the leader.

Positional Power- the amount of power a leader has over followers

These three factors combine to form the situation in which a leader's style is effective or ineffective. If the three factors match up to the style of the leader, success is projected (Gupta, 2009). It is important to remember that the opposite can happen as well. If a leader is put into a situation opposite of his or her favored task structure, member relation, and level of power, then failure is to ensue (Gupta, 2009). The three factors of contingency situation have less of an impact on leaders who

are task-oriented, or score low LPC's, than leaders who are people-oriented and score high LPC's (Fiedler's, n.d). By using the results from the LPC to find a person's leadership style, and analyzing their preferred leader-member relation, task structure, and positional power, finding the right job or position for someone can be more accurately accomplished (Fiedler's Contingency Model, n.d).

Transformational leadership theories

Transformational leadership is a style of leadership in which the leader identifies the needed change, creates a vision to guide change through inspiration, and executes the change with the commitment of the members of the group. Transformational Leadership is ideal when a leader wants to improve how an organization is run. By utilizing this theory, the leader is able to make the most of their team's efforts and capabilities, increasing the overall efficiency of their company. Leaders who are seeking to change the foundation on which their business is run utilize this theory.

Transactional leadership

The Transactional Leadership Theory is a very popular and commonly used theory when trying to promote great leadership qualities. Essentially, this theory can be defined as, leaders or managers motivating the group to perform based off of punishments and incentives. This can be achieved by forming the right set of rewards and punishments that will persuade the group to perform at an exceptional level.

Leader Member Exchange theory (LMX)

Leader-Member exchange theory focuses on the relationship between managers and workers on how they should interact with each other to reach a successful workplace environment. The theory explains that the relationship must go through three important phases that every leader and member will experience. The three stages involved are *Role-Taking*, *Role-Making*, and *Routinization*. **Role-taking** is when team members first join the group and when managers use their time to assess new member's skills and abilities. **Role-Making** is when new team members begin to work together on goals and assignments. In this stage managers generally expect that new team members will work hard, be loyal and prove themselves trustworthy as they get used to their new role. Routinization is a process of developing it into a regular procedure.

Servant Leadership theory: It is a leadership theory that requires leaders to put others first. It is a view of leadership that emphasizes the positive development of the follower as a mean to attain organizational goals. This is demonstrated the most when leaders truly understand the effects their

decisions have on their employees and when they make sure that their employees have all the resources they need to succeed.

Path goal theory: The path goal theory has a contingency approach. It focuses on the situation and leader behavior rather than leader personality traits. It believes that a leader can change a subordinate's expectancy by clarifying the paths between the subordinates action and the outcome, which is the goal the employee wants to achieve. According to this theory, the main function of a leader is to clarify and set goals with subordinates, to help them to find the best path for achieving goals and remove the obstacles to their performance.

Charismatic leadership theory: It is one of the more recent theories on leadership. Charisma is a special characteristic of some leaders. People usually feel personally attracted to a charismatic leader. The attraction can lead to a powerful leadership. Charismas are a special quality that people possess that serves as a magnet.

ORGANISATIONAL BEHAVIOUR

Definition of Organisational Behaviour (OB)

” Organizational Behaviour is the study of human behavior in the workplace, the interaction between people and the organization, and the organization itself.”

Keith Davis and John Newstrom (1985) have defined O.B. as "the study and application of knowledge how people act or behave within organization. It is a human tool for human benefit. It applies broadly to the behaviour of people in all types of organizations such as business, government, schools and service organizations."

In the opinion of Robbins, "O.B. is a field of study that investigates the impact that individuals, groups and structure have on behaviour within organizations for the purpose of applying such knowledge towards improving an organization's effectiveness".

Organizational behaviour in the words of Keith Davis may be defined as - "Organizational behaviour is the study and application of knowledge about human behaviour in organizations as it relates to other system elements, such as structure, technology and the external social system.

To sum up, O.B. is concerned with the study of how and what people act in organizations and also how their acts affect the performance of the organization. It also applies the knowledge gained about individuals, groups and the effect of structure on human behaviour in order to make organizations work more effectively.

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

An organization is a collection of people who work together to achieve a wide variety of goals, both goals of the various individuals in the organization and goals of the organization as a whole. Organizations exist to provide goods and services that people want. These goods and services are the products of the behaviours of workers.

Organizational behaviour is the study of the many factors that have an impact on how individuals and groups respond to and act in organizations and how organizations manage their environments. Although many people assume that understanding human behaviour in organizations is intuitive, many commonly held beliefs about behaviour in organizations, such as the idea that a "happy worker is a productive worker," are either entirely false or true only in specific situations. The study of organizational behaviour provides a set of tools—concepts and theories—that help people understand, analyze and describe what goes on in organizations and why. How do the characteristics of individuals, groups, work situations and the organization itself affect how members feel about their organization?

The ability to use the tools of organizational behaviour to understand behaviour in organizations is one reason for studying this subject. A second reason is to learn how to apply these concepts, theories and techniques to improve behaviour in organizations so that individuals, groups and organizations can achieve their goals. Managers are challenged to find new ways to motivate and coordinate employees to ensure that their goals are aligned with organizational goals.

NATURE AND SCOPE OF ORGANIZATIONAL BEHAVIOUR

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

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

2. An Interdisciplinary Approach

Organizational behaviour is essentially an interdisciplinary approach to study human behaviour at work. It tries to integrate the relevant knowledge drawn from related disciplines like

psychology, sociology and anthropology to make them applicable for studying and analysing organizational behaviour.

3. An Applied Science

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

4. A Normative Science

Organizational Behaviour is a normative science also. While the positive science discusses only cause effect relationship, O.B. prescribes how the findings of applied researches can be applied to socially accepted organizational goals. Thus, O.B. deals with what is accepted by individuals and society engaged in an organization.

5. A Humanistic and Optimistic Approach

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

6. A Total System Approach

The system approach is one that integrates all the variables, affecting organizational functioning.

The systems approach has been developed by the behavioural scientists to analyse human behaviour in view of his/her socio-psychological framework. Man's socio-psychological framework makes man a complex one and the systems approach tries to study his/her complexity and find solution to it.

NEED FOR THE KNOWLEDGE OF OB

- Organizational behavior studies the factors that impact individual and group behavior in organizations and how organizations manage their environments. Organizational behavior provides a set of tools—theories and concepts—to understand, analyze, describe and manage attitudes and behavior in organizations.

- The study of organizational behavior can improve and change individual, group and organizational behavior to attain individual, group and organizational goals.
- Organizational behavior can be analyzed at three levels: the individual, the group and the organization as a whole. A full understanding must include an examination of behavioral factors at each level.
- A manager's job is to use the tools of organizational behavior to increase effectiveness, an organization's ability to achieve its goal. Management is the process of planning, organizing leading and controlling an organization's human, financial, material and other resources to increase its effectiveness.

As a manager, the teachings of OB can significantly increase one's personal sensibilities and outlook on these attributes;

1. Working with people from different cultures:

What might seem motivating to a manager might not appeal to his workforce at all. Or a manager's style of communication may be straightforward, but the workforce may find

It threatening and uncomfortable. As a manager one must learn how to adapt his managerial style to their cultural, geographic and religious disparities.

2. Workforce diversity:

Organizations are increasingly becoming a more heterogeneous mix of people in terms of gender, race, age, ethnicity and sexual orientation. No longer can these disparities and clichés be ignored, these people are in the real world educated and ready to work. So managers must recognize the fact that they don't leave their lifestyles, cultural values and perception at home, so we as managers must learn to accommodate this diverse group of people by addressing their different lifestyles, family needs and work styles.

3. Customer Service:

Many an organization has failed because its employees failed to please its customers. Management needs to create a customer-responsive culture. OB can provide considerable guidance in guidance in helping managers create such cultures- cultures in which employees are friendlier and courteous, accessible, knowledgeable and prompt in responding to customer needs, in order to please the patron.

4. Ethics:

Today's manager needs to create an ethically healthy climate for his employees, where they can work productively and confront a minimal level of uncertainty regarding what constitutes right

and wrong behavior. Organizational behavior is the path to understanding how elements of the work place fall into place. As a nascent manager one can develop the self with the help of these learning's and partake in managerial roles confidently.

NEED FOR CONTINGENCY APPROACH TO THE STUDY OF OB

Organizational behaviour is a field of business or management studies that looks at the relationships between individuals and the factors that motivate them, both intrinsically and extrinsically. The contingency approach focuses on the various factors, or contingencies, that have an impact on an organization's behaviour.

There should be a fit between organisation's structure, size, technology and the requirements of its environment. This perspective is known as contingency theory and the contrasts with the perspective of classical theorists of Weber, Taylor, Fayol etc., who thought that there probably was one way to run organisations that was the best, Contingency theory of management is an extension of system approach to management. There cannot be suitable management solutions for all problems. External and internal factors keep changing. Since systems approach cannot appropriately suggest relationship between organization and environment, the gap so created has been fulfilled by contingency approach. Traditional management relies on one basic principle that there is one best way of managing things and these things can be applied across the organisation in all the situations. The situational effect will be totally ignored in this traditional management. Situations are much more complex than first perceived and the different variables may require different behaviour for effectiveness. Each situation must be analysed carefully to determine the significant variables that exist in order to establish the kinds of practices that will be more effective.

The fundamental basis of contingency theory is that there is no best way to manage a corporation or to deal with employees. Such activities cannot be planned, because so many things change so quickly in the business world. Rather than being proactive, managers and business leaders must be reactive to the various changes and contingencies they face on a day-to-day basis. The contingency theory of leadership holds that the success of a business leader or manager is contingent on numerous internal and external factors facing him. Internal factors include the character and quality of his subordinates, the level of support received from superiors within the organization and the tasks assigned to him. External factors include economic concerns, the level of competition in the marketplace and relationships with channel partners and business partners, among others.

The contingency rules theory suggests that rules, consequences and their impact on the behaviour of individuals or groups of individuals depend upon the context in which they exist. For example, the influence of some rules might be more significant in situations in which a member of senior management is present or on the level of importance placed on the potential benefit of disobeying a rule. Environmental change and uncertainty, work technology, and the size of a company are all identified as environmental factors impacting the effectiveness of different organizational forms. According to the contingency perspective, stable environments suggest mechanistic structures that emphasize centralization, formalization, standardization, and specialization to achieve efficiency and consistency. Certainty and predictability permit the use of policies, rules, and procedures to guide decision making for routine tasks and problems. Unstable environments suggest organic structures which emphasize decentralization to achieve flexibility and adaptability. Uncertainty and unpredictability require general problem solving methods for non routine tasks and problems.

However, there are certain draw backs in this approach. It is not considered as a unified theory of management because there is inadequate literature. It does not suggest any action in a contingency. Management actions depends upon the situation is not adequate and this theory is difficult forempirical testing. It is complex because there are large number of variables and large number of managerial actions involved. This theory is not proactive, it is reactive.

CHALLENGES FOR OB

Modern organisations are deeply affected by the external environment. These need to maintain a good fit with their external environment by continuously monitoring and adjusting to the changes over the past decade and decade to come, are more profound than others. Some critical OB issues confronting the managers today are as follows:-

1. Managerial challenges
 2. Work place issues and challenges
 3. Organisational challenges
 4. Global challenges
 5. Environmental challenges
1. Managerial challenges

1. Managers of modern organisation faces the following managerial challenges:-

a. Workforce diversity.- Organisations are becoming more heterogeneous in terms of gender ,race and ethnicity. There can be employees who are Physically handicapped, lesbians, gays, elderly or others who are different in some way or others. The managers must learn to respect the diversity. They have to shift their philosophy from treating everyone alike to recognizing differences and responding to those differences in a way that will ensure employee retention and greater productivity while at the same time not discriminating. An increasingly diverse workforce presents both opportunities and challenges for the organisation. If diversity is not properly managed, it can lead to higher employee turnover, more difficult communications and more interpersonal conflicts.

b. Changing demographics of workforce- it includes dual career couples, where both partners are actively pursuing professional careers. They limit the individual flexibility in accepting important assignments and this hinders the organisational flexibility in acquiring and developing talent.

c. Growing number of youngsters- these employees are fresh, ambitious, enthusiastic and innovative. These people do not “Live to work but work to Live” choosing a life that they want to have as opposed to just bringing home a pay check.

d. Gender factor- women gradually moved into professions previously dominated by male and in the same way men also moved to professions previously dominated by females. These developments have their own implications for human resource managers in organisations.

2.Workplace issues and challenges- these issues also have behavioural implications. Major Issues under these are:-

a. Employee Privacy- employers have started to intrude and encroach into the personal lives of the employees. Managers need to be very sensitive to this issue since this trend creates resentment among employees.

b. Employee rights- it involve controversies involve issues associated with job ownership and individual rights while at work.

c. Unionism- recently union membership has been steadily declining. As a result, organisations carry the burden of providing services to the employees which were previously provided by the union . Organisations need to take extra precautions to ensure that workers are treated fairly, otherwise, union membership will start increasing once again.

d. Changed Employee expectations- Traditional motivators like job security, attractive pay, additional perks etc do not attract present day employees and they demand empowerment, and expect

quality of status with the management. Participative management instead of authoritative leadership, flexi-timings, opportunities to work from home, leading by example are the more recent trends.

3.Organisational challenges

a. Improving quality and productivity – Due to the changed circumstances [LPG] managers have to think seriously about improving the quality and productivity measures like Total Quality Management [TQM] and Reengineering Programme. TQM is a philosophy of management for attainment of customer satisfaction through the continuous improvement of all organisational processes. Engineering means radically thinking and redesigning those processes by which they create value for customers and do their work.

b. Managing technology and innovations- success will come only to those organizations that maintain their flexibility continually improve their quality and out beat their competitors with innovative products and services. The challenge for managers is to stimulate employee creativity and tolerance for change

c.Coping with temporariness – the concept of continuous improvement means constant change. Managers face a stage of permanent temporariness. The actual jobs that workers perform are in a state of flux they have to continuously update their knowledge and skills to perform new job requirements.

d.Ethical behaviour- it is the duty of managers to create an ethically healthy climate for their employees, where they can do their work productively and with clean conscience. Social responsibility is the organisational, obligation to protect and contribute to social environment with which they function

4.Global Challenges

a. Managing global environment- Internationalism of business has transformed the world into a global village. Managers have to cope with this internationalism and must change to acquire a global perspective.

b. Managing cultural diversity- Managers in India as well as abroad has to work with people from other countries having different cultures. They have to work effectively with these people and understand their culture and learn to adapt management styles to these different cultures.

5. Environment Challenges- Organisations exist within an external environment. It must adapt itself with the continuously changing and dynamic environment. Managers of an organisation must be responsive to a large number of environmental challenges like:-

a. Ecology- it is concerned with the relationship of living things with their environment. Every organisations must face the challenge to maintain and even create ecological standards.

b- Air, Water and soil Pollution- the general concept recommended nowadays is that development should be sustainable in the long run and every project should cater to maintain if not mend the direct harm to the environment resulting from the development measures.

c. Personnel Policies- It must not be discriminatory towards any particular caste, creed, religion, sex or nationality. There should be equal pay for equal work.

d. Consumerism- It call for a revised marketing concept. Marketing concept has to be broadened to include societal marketing concept, where the long run consumer welfare is important.

e. Research and development- To keep pace with global challenges, the organizations must take technical and scientific research.

f. International and National Economic Policies – The organisations must keep in mind the International as well as National Legislations as well as the rising inflationary trends.

ORGANISATION AS A SYSTEM

Whatever the nature of change, many people find it helpful to view the organisation as a system to help them manage the change effectively. A system is made up of separate components which all work together to achieve a task. If you take away or change a component it affects the whole system. So, for example, a car is a system. It is a collection of components which put together in a particular way, will transport you. Individually these components cannot achieve much if anything - a spark plug or petrol tank on its own will not take you far. Similarly, if one component tis faulty or stops working then this can have a massive impact on the whole system. If you've ever experienced a flat tyre, you'll know this.

In the same way, you could view the organisation as a system - made up of components which work together to achieve an overall goal. These components can be defined in any number of ways, but you could see them as different functions. So, for example, the HR team could be one component. The service delivery staffs another component. The volunteers another and so on. All these different functions are dependent on each other. A great HR team on its own does notmake a great organisation in the same way that a petrol tank on its own does not make a car. Youmay have a great team of staff delivering services, but if your finance processes and procedures stop working the hole organisation suffers.

The systems perspective was introduced by Ludwig Von Bertalanffy who proposed that all systems have predictable tendencies of behaviours. It includes

1. Open/Closed exchange - This implies responsiveness to information about the system that

is internal or external to the system

2. Interdependence- systems are divided into many small parts known as sub systems. These subsystems are interacting each other simultaneously, and each part is affected by the actions of the other parts.

3. Homeostasis-systems adjust their communications and other behaviours to achieve or retain equilibrium

4. Non summativity – the whole system equals more than the sum of its parts.

System approach to Organisational Behaviour

Systems Approach to OB views the organisation as a united, purposeful system composed of interrelated parts. This approach gives managers a way of looking at the organisation as a whole, whole person, whole group, and the whole social system. In so doing, systems approach tells us that the activity of any segment of an organisation affects, in varying degrees the activity of every other segment. A systems view should be the concern of every person in an organisation. The clerk at a service counter, the machinist, and the manager-all work with the people and thereby influence the behavioural quality of life in an organisation and its inputs. Managers, make majority are people-oriented. The role of managers, then, is to use organisational behavior to help build an organisation culture in which talents are utilized and further developed, people are motivated, teams become productive, organisations achieve their goals and society reaps the reward.

More recently, attention has been focused on the analysis of organisations as ‘systems’ with a number of interrelated sub-systems. The classical approach emphasized the technical requirements of the organisation and its needs – ‘organisations without people’; the human relations approaches emphasized the psychological and social aspects, and the consideration of human needs – ‘people without organisations’.

Organisation composed of three basic elements

1. **Components-** there are five basic, interdependent parts of the organising system, namely

a. The individual

b. The formal and informal organisation

c. Patterns of behaviour emerging from role demands of the organisation

d. Role comprehension of the individual and

e. The physical environment in which individuals work

2. **Linking Processes** – the different components of an organisation are required to operate in an organised and correlated manner. The interaction between them is dependent upon the linking processes, which consist of communication, balance and decision making.

Communication is a means of initiating action exerting control and effecting coordination to link decision centers in the system in a composite form. Balance is the equilibrium between different parts of the system so that they keep a harmoniously structured relationship with one another.

Decision analysis is also considered to be a linking process in the systems approach. Decisions may be to produce or participate in the system. Decision to produce depends upon the attitude of the individual and the demands of the organisation. Decision to participate refers to the individual's decisions to engross themselves in the organisation process. That depends on what they get and what they are expected to do in participative decision making.

3. **Goals of organisation** – it may be growth, stability and interaction. Interaction implies how best the members of an organisation can interact with one another to their mutual advantage.

MANAGERIAL FUNCTIONS

Management is the process of designing and maintains an environment for the purpose of efficiently accomplishing selected objectives. Managers carry out the functions of planning, organising, staffing, leading and controlling. Managing is an essential activity at all organisational level. Henry Fayol proposed that all managers are required to perform five management functions in order to execute their day – to – day activities.

Planning

The planning function of management controls all the planning that allows the organization to run smoothly. Planning involves defining a goal and determining the most effective course of action needed to reach that goal. Typically, planning involves flexibility, as the planner must coordinate with all levels of management and leadership in the organization. Planning also involves knowledge of the company's resources and the future objectives of the business. The four steps in planning are

1. Establish a goal or set of goals
2. Define the present situations
3. Identify the aids and barriers to the goals
4. Develop a plan or set of actions for reaching the goals

Organizing

The organizing function of leadership controls the overall structure of the company. The organizational structure is the foundation of a company; without this structure, the day-to-day operation of the business becomes difficult and unsuccessful. Organizing involves designating tasks and responsibilities to employees with the specific skill sets needed to complete the tasks. Organizing also involves developing the organizational structure and chain of command within the company.

Staffing

The staffing function of management controls all recruitment and personnel needs of the organization. The main purpose of staffing is to hire the right people for the right jobs to achieve the objectives of the organization. Staffing involves more than just recruitment; staffing also encompasses training and development, performance appraisals, promotions and transfers. Without the staffing function, the business would fail because the business would not be properly staffed to meet its goals.

Coordinating

The coordinating function of leadership controls all the organizing, planning and staffing activities of the company and ensures all activities function together for the good of the organization. Coordinating typically takes place in meetings and other planning sessions with the department heads of the company to ensure all departments are on the same page in terms of objectives and goals. Coordinating involves communication, supervision and direction by management.

Controlling

The controlling function of management is useful for ensuring all other functions of the organization are in place and are operating successfully. Controlling involves establishing performance standards and monitoring the output of employees to ensure each employee's performance meets those standards. The controlling process often leads to the identification of situations and problems that need to be addressed by creating new performance standards. The level of performance affects the success of all aspects of the organization.

ORGANISATION AND PEOPLE

An organisation is a deliberate arrangement of people to accomplish some specific purpose.

Organisations share three common characteristics

1. Each has a distinct purpose
2. Each is composed of people

3. Each develops some deliberate structure so members can do their work

The person who does not consider the needs of people as consumers of organizational output while fighting for employee needs is not applying the ideas of organizational behaviour correctly. It is a mistake to make an assumption that the objective of organizational behavior is as simple as to create a satisfied employee-base, as that goal will not automatically turn into new products and stellar customer service. It is also a fact that the person who pushes production outputs without regard for employee needs is also not applying organisational behaviour in the right fashion. The most effective OB dwells, acknowledges and appreciates a social system that consists of many types of human needs that are served in many ways.

People make up the internal social system of the organisation. They consist of individuals and groups, and large groups as well as small ones. It exists to achieve their objectives. Organisations exist to serve people. People do not exist to serve organisations. The work force is one of the critical resources that need to be managed, In managing human resources managers have to deal with

1. Individual employee who are expected to perform the tasks allotted to them
2. Dual relationships such as superior-subordinate interactions
3. Groups who work as teams and have the responsibility for getting the job done
4. People outside the organisation system such as customers and government officials

Organisation is a purposeful system with several subsystems where individuals and activities are organised to achieve certain predetermined goals through division of labour and coordination of activities. Division of labour refers to how the work is divided among the employees and coordination refers to how all the various activities performed by the individuals are integrated or brought together to accomplish the goals of the organisations. The term organising is used to denote one aspect of the managerial activities when he is preparing and scheduling the different task that needs to be completed for the job to be done.

Review questions:

1. Explain the characteristics of management
2. Who are the major contributors to the scientific management
3. What is bench marking
4. What is kaizen? What are its objectives
5. Explain the salient features of Japanese management system

6. Discuss various theories of management
7. What is MDP, Explain the steps in involved in MDP
8. What do you mean by organizational behavior
9. Discuss the contributing disciplines of OB
10. Explain the system theory of organization
11. Explain the contingency approach to the study of OB
12. Discuss the various challenges and opportunities for organizational behaviour

MODULE II

BASIC PSYCHOLOGICAL PROCESS

Modern discipline of psychology primarily tries to understand and explain the various psychological processes involved in making human actions possible. Even a simple behavior or activity of human being involves a series of activities. Every human being exist as a part of a person-environment system. Psychology can include many things, from how children learn a native language to how one finds a scooter in a crowded parking lot.

Sensation: The Most Basic Psychological Process

We have five senses: sight, sound, smell, taste, and touch. Everything we know about the world around us comes through those five senses. It is easy to fall under the impression that the mind is an open window to the world around it. In fact, the sensory information that our minds receive undergoes a significant degree of processing before it resembles the world as we know it. The sensory information for sight consists of light particles that travel in waves. Once those light waves reach our eyes, the information contained in the waves is transformed into electrical signals carried by the nervous system, a process called transduction.

All sensory information is transduced into electrical signals, the language of the brain. For this reason, the process of sensation can be defined as the act of receiving physical information from the environment and the initial transformation of that information into the nervous system. Once sensory information is transduced into the electrical signals of the nervous system, the perceptual system works to interpret the sensory information. Perception is the process of identifying and understanding sensory information. For example, have you ever heard an odd buzzing sound only to realize a few seconds later that it is the hum of a bee? That is your perceptual system making sense of the sensory information it is receiving. Most of the time, it works lightning fast; however, because the sensory information we take in is in such an elementary form, our perceptual systems have to do a lot of translating work, and every once-in-a-while, we experience a sort of perceptual hiccup.

Everyday different stimuli around us will be stimulating our sense organs. Many of these stimuli are received by our sense organs and are converted into sensations. These sensations are transmitted to the concerned parts of brain. In turn the brain will interpret these sensations. It is only after such interpretation we understand what the stimulus is.

Hence in understanding the world around us, attention occurs first, followed by sensation and finally interpretation by brain. This process of 'interpretation of stimulus is known as perception'. So perception involves two processes: sensation interpretation. But interpretation of any stimulus requires past experience also. For example, a child who has not seen an elephant earlier either in photo or directly cannot identify that animal, whereas another child who has seen earlier will identify the animal easily. Hence, perception may be defined as "a process of interpretation of a present stimulus on the basis of past experience".

Levels of psychological processes:

Human behavior and activities vary in nature, complexity and duration. They may be physiological, linguistic or motor in nature. They may involve one aspect of a person, the whole person, a group or an organization. One way to classify them is to put them in terms of distinct activities that emphasize different levels of functioning as given below:

1. **Physical and physiological activities:** Our body has many internal activities and that are related to various organs such as brain, heart and liver. Brain activities are related to almost all psychological processes including thinking, imagination, memory, perception etc.
2. **Motor behavior:** The visible human behavior is largely in terms of motor activities and verbal responses. When we walk, run, jump sit and work on table, we are showing various types of motor behavior.
3. **Psychological processes:** While performing any kind of activity individual uses various processes like thinking., remembering problem solving etc
4. **Language and communication:** People communicate with others and convey their intentions and meanings through language and gestures. Use of language, which is symbolic in nature, is one of the main characteristics of being human.
5. **Interpersonal behavior:** Individuals interact with fellow beings and make efforts to achieve goals. He like and dislike others and co operate with them and develop negative attitude and prejudice may lead to discriminatory behavior.
6. **Group and intergroup level behavior:** Groups and the social life emerging from participating in group is significant for human life. Social interaction can take different forms such as occupation and competition and have significant consequences for our behavior at individuals and group levels.

Perception:

It refers to the way we try to understand the world around us. The process of perception is essentially subjective in nature, as it is never an exact recording of the event or the situation. Perception vary from person to person. Different people perceive different things about the same situation. But more than that, we assign different meaning to what we perceive. It is common that the same object is understood differently by different people. It is a strong component of human organism.

Definitions

According to B.Von Haller Glimmer, “ Perception is a process of becoming aware of situations of adding meaningful associations to sensations”

According to Engel, “ Perception is the process whereby stimuli are received and interpreted by the individual and translated into a response”

Perceptual Process

Perceptual Process is mainly comprised of five processes namely receiving, selecting, organising, interpreting and behavior response to stimuli. These Process are influenced by perceiver and the situation.

1. **Receiving** Stimuli – A stimulus is any unit of output of any of the senses. Sensory reception is taking place through human organs such as eyes, ears, nose mouth and skin. Picking up all external and internal factors is in this stage.
2. **Selecting** Stimuli – After receiving stimuli from the environment, some are to be selected for further processing and some are screened out. Selecting the stimuli which will be most important – This is where the introduction of new employees is important, they need to be presented in a way where the selected stimuli are positive.
3. **Organising** – Grouping and selecting which are the perceptions to keep. The stimuli received from the environment must be organised so as to assign some meaning to them. This aspect of forming bits of information into meaningful ones is called the perceptual organisation.
4. **Interpreting** –After the data have been received and organised, the perceiver interprets orassign meaning to the information. People will interpret data on the basis of their assumptions of people and events and attributions about causes of behaviour and feelings. Interpretation of stimuli is affected by characteristics of stimuli, situations under which perception take place and the characteristics of perceiver. Fundamental Attribution Error, stereotyping, Halo Effect and projection occurs at this stage.

5. **Response** – In this stage the response of the perceiver takes on both implicit and explicit characteristics. Implicit or concealed response will be reflected in the attitudes, motives, and feelings of the perceiver and explicit responses will be reflected in the actions of the individual. The perception is then turned into attitudes, motivation, feelings and beliefs, which will change the behaviours of the individuals.

Factors influencing Perception

a. Perceptual learning:

Based on past experiences or any special training that we get, every one of us learns to Emphasize some sensory inputs and to ignore others. For example, a person who has got training in some occupation like artistry or other skilled jobs can perform better than other untrained people. Experience is the best teacher for such perceptual skills. For example, blind people identify the people by their voice or by sounds of their footsteps.

b. Mental set:

Set refers to preparedness or readiness to receive some sensory input. Such expectancy keeps the individual prepared with good attention and concentration. For example, when we are expecting the arrival of a train, we listen to its horn or sound even if there is a lot of noise disturbance.

c. Motives and needs:

Our motives and needs will definitely influence our perception. For example, a hungry person is motivated to recognize only the food items among other articles. His attention cannot be directed towards other things until his motive is satisfied.

d. Cognitive styles:

People are said to differ in the ways they characteristically process the information. Every individual will have his or her own way of understanding the situation. It is said that the people who are flexible will have good attention and they are less affected by interfering influences and to be less dominated by internal needs and motives than or people at the constricted end.

e. Extrasensory Perception (ESP):

There are some instances reported by people that they have experienced some perceptions without the aid of their sense organs. Psychologists have named the perception that occurs without sensory stimulation as ‘Extrasensory perception’ (ESP). This is otherwise known as sixth sense in common man’s view. Some of the common phenomenon ESP are clairvoyance, telepathy, meeting the souls, precognition, psycho-kinesis, reincarnation, etc. Though research is going on, the

researchers are unable to confirm them, because these experiences are not repeatable for verification. In many instances they remain as coincidences.

f. Errors in Perception:

As seen above perception is process of analysing and understanding a stimulus as it is. But it may not be always possible to perceive the stimuli as they are. Knowingly or unknowingly, we mistake the stimulus and perceive it wrongly. It may be due to defect in our sense organs or defective functioning of the brain. Many times the prejudices in the individual, time of perception, unfavourable background, lack of clarity of stimulus, confusion, conflict in mind and such other factors are responsible for errors in perception. There are two kinds of errors:

f. a. Illusion:

Illusion is a false perception. Here the person will mistake a stimulus and perceive it wrongly. For example, in the dark, a rope is mistaken as a snake or vice versa. The voice of an unknown person is mistaken as a friend's voice. A person standing at a distance who is not known may be perceived as a known person.

f. b. Hallucination:

Sometimes we come across instances where the individual perceives some stimulus, even when it is not present. This phenomenon is known as hallucination. The person may see an object, person, etc. or he may listen to some voice though there are no objects and sounds in reality. Hallucinations pertain to all the sensations appear in people, but visual and auditory hallucinations are more common. Usually persons with unsound mind, emotionally disturbed, alcoholics and those who are in confused states may experience hallucinations. However, among abnormal people and intoxicated persons hallucinations are very common.

In addition to these errors, there are some abnormalities in our sense perceptions called anesthesia (no sensation), hyperesthesia (excessive sensitivity) and paraesthesia (distorted or Wrongly localized sensation). In these cases the tactile (skin) sensation is wrongly perceived.

g. Characteristics of the Perceiver

Several characteristics of a perceiver define one's perception of another person. Familiarity with the person being perceived leads the perceiver to believe that he or she understands the intentions of the individual. Attitudes and moods also affect one's impressions of others. The perceiver's self-concept leads to a more negative or positive view of the attributes of others. Finally, a person's cognitive structure, or pattern of thinking, affects his or her perception of others.

h. Characteristics of the Target

The person being perceived influences the social perception process through a combination of physical appearance, verbal and nonverbal communication, and apparent intention.

i.Characteristics of the Situation

The social context in which you meet an individual has a great deal to do with perceiving the individual positively or negatively. The strength of the situational cues also affects person perception. Strong situational cues lead to the assumption that the situation prompts a person's behavior rather than his/her own personality.

Attribution Theory

One of the concepts used in organization behavior to help improve perception and attribution is attribution theory. Attribution is the process by which we make sense of our environment through our perceptions of causality. An attribution, therefore, is a belief about the cause or causes of an event or an action. Our understanding of social world is based on our continual attempts at causal analysis based on how we interpret our experience.

Attribution theory is an important theory for the organizations, because it can assist the top management in understanding the reasons behind the employee's behavior. It can also help the employees in understanding the thoughts about their own behaviors. Research has revealed patterns in our attributions. For instance, when we are explaining our personal achievements, we point to our capabilities. But when we are explaining our lack of success, we blame our circumstances.

LEARNING THEORIES

Meaning of learning: Learning is the process of acquiring new knowledge, skills and values which relatively changes the behavior of individuals. In organizations, various people with varieties of skills, knowledge and perception need to work jointly to learn from each other. The consequences of learning include productivity, profitability, quality of work life, modified attitude, acceptable behavior, readiness to change etc.

Definitions:

According to NI Munn, "learning is described as the process of having one's behavior modifies, more or less permanently of his action or by what he observes"

According to Mitchal, "It is the process by which new behavior are acquired".

Theories of learning:

There are three theories which explain how learning occurs. They are :-

1. Behavioural theories
 1. Classical conditioning
 2. Operant conditioning
2. Cognitive theory
3. Social learning theory

1. Behavioural theory:

It concerns itself with the way behaviours are learned, and subsequently unlearned. It includes

- a. Classical conditioning, and
- b. Operant conditioning

Classical conditioning is based on the premise that a physical event – termed a stimulus – that initially does not elicit a particular response gradually acquires the capacity to elicit that response as a result of repeated pairing with a stimulus that elicits a reaction. Learning of this type is quite common and seems to play an important role in such reactions as strong fears, taste aversions, some aspects of sexual behaviour and even racial or ethnic prejudice. Despite the theoretical possibility of the widespread applicability of classical conditioning, most theorists agree that it represents only a very small part of total human learning. Skinner, in particular, felt that classical conditioning explains only respondent (reflexive) behaviours. These are the involuntary responses that are elicited by a stimulus. Skinner felt that the more complex human behaviours cannot be explained by classical conditioning alone. He felt that most human behaviour affects, or operates on, the environment. The latter type of behaviour is learnt through operant conditioning. In an organizational setting we can see classical conditioning operating. For example, at one manufacturing plant, every time the top executives from the head office would make a visit, the plant management would clean up the administrative offices and wash the windows. This went on for years. Eventually, employees would turn on their best behaviour and look prim and proper whenever the windows were cleaned even in those occasions when the cleaning was not paired with visit from the top brass. People had learnt to associate the cleaning of the windows with the visit from the head office. The first model, classical conditioning, was initially identified by Pavlov in the salivation reflex of dogs. Salivation is an innate reflex, or unconditioned response, to the presentation of food, an unconditioned stimulus. Pavlov

showed that dogs could be conditioned to salivate merely to the sound of a buzzer (a conditioned stimulus), after it was sounded a number of times in conjunction with the presentation of food. Learning is said to occur because salivation has been conditioned to a new stimulus that did not elicit it initially. The pairing of food with the buzzer acts to reinforce the buzzer as the prominent stimulus. Classical conditioning can be summarised as follows:-

Unconditioned stimulus [US] like food which invariably causes to react in a certain way , i.e., Salivation. Unconditional response take place whenever the US is presented i.e., whenever the organism [dog in the original experiment] is given food [US], it salivates.

Conditioned stimulus [CS] – the object that does not initially bring about the desired response like the sound of a bell. Conditioned stimulus [CS] a particular behaviour that the organism learns to produce to the salivation

2. Cognitive theory of learning

Contemporary perspective about learning is that, it is a cognitive process. Cognitive process assumes that people are conscious, active participants in how they learn. Cognitive theory of learning assumes that the organism learns the meaning of various objects and event and learned responses depending on the meaning assigned to stimuli. Wolfgang Köhler showed that a protracted process of trial-and-error may be replaced by a sudden understanding that grasps the interrelationships of a problem. This process, called insight, is more akin to piecing together a puzzle than responding to a stimulus. Edward Tolman (1930) developed this theory. Tolman tested this theory through controlled experiments using rat in the laboratory. He trained a rat to turn in a ‘T’ maze in order to obtain food. Then he started the rat from the opposite part of the maze; according to operant conditioning theory. The rat should have turned right because of past conditioning.

Edward Tolman found that unrewarded rats learned the layout of a maze, yet this was not apparent until they were later rewarded with food. Tolman called this latent learning, and it has been suggested that the rats developed cognitive maps of the maze that they were able to apply immediately when a reward was offered. The cognitive theory of learning is relevant in the contemporary managerial practices. Many motivation theories centered around the concept of cognition. Expectations, attributions and locus of control are all cognitive concepts requiring attention while motivating employees.

3. Social learning theory

Also called observational learning, social learning theory, emphasizes the ability of an individual to learn by observing others. The important models may include parents, teachers, peers, motion pictures, TV artists, bosses and others. An individual acquires new knowledge by observing what happens to his or her model. This is popularly known as vicarious learning. A learner acquires tacit knowledge and skills through vicarious learning. Social learning has considerable relevance in organizational behaviour. A great deal of what is learned about how to behave in organizations can be explained as the result of the process of observational learning. A new hire acquires job skills by observing what an experienced employee does. Observational learning also occurs in a very informal, unarticulated manner. For instance, people who experience the norms and traditions of their organizations and who subsequently incorporate these into their own behaviour may be recognized as having learnt through observation. Social learning is also valuable because it enhances the self-efficacy of the learner. Self-efficacy refers to a person's belief that he or she has the ability, motivation and situational contingencies to complete a task successfully. People strong in self-efficacy have a 'can do' attitude towards a specific task and, more generally, with other challenges in life. Social learning increases self efficiency because people gain greater self-confidence after observing someone else do it than if they are simply told what to do. Managers can shape employee behaviour by systematically reinforcing each successive step that moves the individual closer to the desired response. If an employee, for example, who has been chronically a half-hour late for work comes in only twenty minutes late, the boss can reinforce that improvement. The influence of the model is the centre to the social learning view point.

Four Processes have been found to determine the influence of a model on an individual.

1. **Attention Process** – people learn from a model only when they recognise and pay attention to its critical features
2. **Retention Process** – A model's influence will depend on how well the individual remembers the models action after the model is no longer readily available.
3. **Motor reproduction process** – after a person has seen a new behaviour by observing the model, the watching must be converted to doing. This process then demonstrates that the individual can perform the modeled activities.
4. **Reinforcement Process**- Individual will be motivated to exhibit they modeled behaviour if positive incentives or rewards are provided. Behaviour that is positively reinforced will be given more attention, learned better and performed more often.

USING LEARNING CONCEPTS FOR SELF MANAGEMENT

Self-Management, simply stated, is an organizational model wherein the traditional functions of a manager (planning, coordinating, controlling, staffing and directing) are pushed out to all participants in the organization instead of just to a select few. Each member of the organization is personally responsible for forging their own personal relationships, planning their own work, coordinating their actions with other members, acquiring requisite resources to accomplish their mission, and for taking corrective action with respect to other members when needed. Self management means the methods, skills, and strategies by which individuals can effectively direct their own activities towards the achievement of objectives and include goal setting, decision making, focusing, planning, scheduling, task tracking, self evaluation, self intervention and self development. Self management may also refer to a form of workplace decision making in which the employees themselves agree on choices instead of the supervisor telling workers what to do, how to do it and where to do it, in the traditional way. The concept of learning can be used to allow individuals to manage their own behaviour. In such cases the need for managerial control can be reduced. This is called self management. Self management requires an individual deliberately manipulate stimuli internal processes and responses to achieve personal behaviour outcomes, the basic process involve on serving one's own behaviour, compare the behaviour with the standard and regarding oneself if the behavior meets the standard. In many organisations, performance management is based on principles of self management. In such situations employees themselves set personal goal of performance and identify performance measurement techniques. In such a way, they learn how to self monitor their performance to establish whether individual and organisational goals is being achieved. Individuals are self managing when they accept a high degree of responsibility for their work and for making decisions on their won. Employees are encouraged to do this on the assumption that if selection and training has been appropriate, individuals know best how to perform their jobs and are qualified to make decisions about how those jobs are performed. Self management models encourage training and development of employees who act as their own bosses by individually and independently solving their own problems.

Self-Management is an alternative to the traditional, hierarchical method of organizing we see most often in modern organizations. There are a few key ideas that are central to the Self-Management philosophy, namely that:

-People are generally happier when they have control over their own life (and work)

-It doesn't make a lot of sense to give the decision-making authority to the person that furthest (literally) away from the actual work being done.

-When you give good people more responsibility, they tend to flourish

-The traditional hierarchical model of organizations is not scalable—in fact, it's a recipe for a slow painful death

-There's an undeniable link between freedom and economic prosperity in nations around the world—and, further, an undeniable link between lack of freedom and corruption at the national level. The same is true of human organizations in general.

IMPLICATIONS FOR PERFORMANCE AND SATISFACTION

Individual self-management will also likely affect job satisfaction. Job satisfaction has been identified as a positive outcome of self-managing activity because it gratifies demands for interesting and challenging work and the desire for self-control. Promoting individual self management will enrich employees' job situations and offer them many opportunities for growth and satisfaction. However, whether individuals will respond positively to self-managing activities depends on individual differences. For example, individuals with high need achievement, high growth need strength, or high self-esteem should be more receptive to increased responsibility and challenge than those low on such traits. Since individual self-management is proposed to fit better in functional units in terms of effectiveness, when such units have members with high levels of individual self-management, these units should report more job satisfaction. Cross-functional settings are proposed to be less suitable for individual self-management in terms of work unit effectiveness. Thus, because of the potential conflict between the requirements of cross-functional teams and the focus of individual self-management, the strength of the relationship between levels of self-management in the units and job satisfaction was expected to be less for the cross-functional teams than for the functional.

work units:

Self managing activities reduce bureaucratic obstacles by empowering individuals with greater decision-making authority. Individuals who are rated high on self management will likely perceive bureaucracy, lack of authority, and lack of support are not big problems than will those lower on self management. On the other hand, in an organisation promoting self management would also likely perceive greater opportunities for upward mobility and less resistance to change. Those using less individual self management would likely perceive less authority to do their jobs right and a lack

of upward mobility, as well as greater problems with bureaucracy, red tape, managerial incompetence, and communication. Thus teams with high level of individual self management face less severe job problems arising from organisational systems and structures.

Bureaucratic obstacles in discharging their duties may not be as strong for those teams, if offers implications for managing within team- based designs. Self management can have beneficial effects, but it is not a universal remedy. Transitions to self managing designs should not be taken lightly; rather, organisational support for self management should clearly be considered relative to the context in which it occurs and the type of self management desirable. In the right situation, individual self management can substantially benefit team performance, team work effectiveness and employee attitudes.

Remembering

Psychologists consider memory and learning to be different processes, though, both are closely related. Learning regress to the acquisition of new behaviours through experience. On the other hand, memory refers to the process of storing of information that can be retrieved when required.

Cognitive psychologists define memory as a perceptually active mental system that received, encodes, modifies and retrieves information. We cannot directly conserve the process of memory. It can be studies indirectly by way of measuring retention.

The direct methods of assessing memory are: (i) recall, (ii) recognition, (iii) relearning, and (iv) reconstruction. The indirect method focuses on the amount of transfer of previous learning to a subsequent learning situation.

Recall

The most widely used method of testing memory or measuring retention is the method of recall. It is a passive, but direct method of measuring retention. Reproduction of learnt materials after a time span is recall. It is actually repetition of learned material, i.e., verbatim (word for word) recitation. For example, one may recall a poem by reciting it even if he does not remember the circumstances under which he had learned.

Recognition

Recognition is considered as a sensitive method of measuring retention It is an active process where identification of elements takes place. Recognition is a common experience which refers to the fact that once the remembered event or word is in front of us, we know that we have stored it away

before is familiar to us. Guilford (1917) viewed that recognition means knowing again. Further, the essential difference between recall and recognition is that in first case, the stimulus is not there for one's identification, whereas it is there in the second case.

Relearning

The method of relearning is the most sensitive among all measures of retention. This method is otherwise known as the method of 'saving', which was introduced by Ebbinghaus (1885) for measuring the quantitative aspect of memory. In this method, a list of materials is presented to the subject up to perfect learning, and after a time gap, she/he is presented with the same list to relearn. The experimenter records the number of trials and time taken by the subject in relearning condition.

Reconstruction

Reconstruction involves the reproduction of the learned materials. Reconstruction technically means rearranging the parts of an original task, presented randomly. In this method, the stimuli are first presented in a certain arrangement, then this arrangement is broken up and the stimuli are handed over to the subject with instruction to reconstruct the original order.

Suppose the parts of a plastic doll are joined to get a full figure of a doll, then the experimenter breaks it into pieces and asks the subject to rearrange the items to form a doll. If the subject can rearrange, then she/he gets the full credit for the test. Similarly while writing an essay on Second World War, we recall that the United States entered the war in 1941 after the attack on Pear Harbour, and an atom bomb was dropped on Hiroshima in 1945. Hence, we are able to reconstruct the events that took place between these two times.

Strategies for enhancing memory

1. **Deep Processing** –if you want to learn something and wish to enter information into long- term memory you have to think about it. You need to consider its meaning and examine its relationship to information you already have. Careful planning and considering the meaning of information, and relating to your knowledge is helpful in learning it and remembering it later.
2. **Careful Attention**- whatever we want to learn and ensure its retention in long term memory there should be a conscious effort to attend to the material carefully. So , it is essential to provide full attention to information that we want to remember.
3. **Reduce interference**- interference is a major cause of forgetting and we should try to reduce it as much as possible. Learning of similar material will produce interference. Thus, it is better to avoid learning similar material one right after the other.

4. **Distributed practice**- while learning some material it is beneficial to learn it using distributed practice in which there is gap between trails. That is, if the material is lengthy, divide it into two or three parts and learn a part in one attempt. After mastering one part then go to the second and so on.

5. **Using memory aids** – people use various cues, indicators and signs to connect events. This often facilitates remembering. It is called memories. We can use visual imagery to remember objects and places.

6. **Shorthand codes**- we can develop our own shorthand codes to memorise long list of items. We can use the first letter of each word or item and construct a unique word.

MOTIVATION THEORIES

Motivation means inspiring the personnel with enthusiasm to do work for the accomplishment of objectives in the organization. Motivation is derived from the word ‘motive’, which means idea, need, emotion or organism state which promotes a man to an action. In other words motivation is a process of getting the needs of people realized to induce them to work for the accomplishment of organizational objectives.

Definitions:

According to Edwin B Flippo, ” motivation is the process of attempting to influence other to do their work through the possibility of gain or reward.”

In the words of Dubin, “ motivation is the complex of forces starting and keeping a person at work in an organization.”

Importance of motivation: The following points reveals the importance of motivation

1. It helps in the effective utilization of resources
2. It helps to improve the employee commitment
3. Helps to make employees quality oriented
4. Helps to maintain good human relations
5. It act as a basis for good co-operation
6. It helps to create better image about the organization among the public
7. Helps to reduce absenteeism
8. Helps to improve skill and knowledge.

Theories of motivation

Motivation theories can be classified into content theories and process theories.

Content theories of motivation

The content approach to motivation focuses on the assumption that individuals are motivated by the desire to fulfill inner needs. Content theories focus on the needs that motivate people.

1. Maslow's need hierarchy theory

This theory was propounded by Abraham Harold Maslow. It is the simple and widely accepted theory. Abraham Maslow's hierarchy of needs is the most well-known theory of motivation. Maslow's need theory has received wide recognition, particularly among practicing managers. Research does not generally validate the theory. Maslow provided no empirical substantiation, and several studies that sought to validate the theory found no support for it. If motivation is driven by the existence of unsatisfied needs, then it is worthwhile for a manager to understand which needs are the more important for individual employees. In this regard, Abraham Maslow developed a model in which basic, low-level needs such as physiological requirements and safety must be satisfied before higher-level needs such as self-fulfillment are pursued. In this hierarchical model, when a need is mostly satisfied it no longer motivates and the next higher need takes its place. Maslow's hierarchy of needs is shown in the following diagram:

Maslow's Hierarchy of Needs

Physiological Needs

Physiological needs are those required to sustain life, such as:

- air
- water
- nourishment
- sleep

According to Maslow's theory, if such needs are not satisfied then one's motivation will arise from the quest to satisfy them. Higher needs such as social needs and esteem are not felt until one has met the needs basic to one's bodily functioning.

Safety

Once physiological needs are met, one's attention turns to safety and security in order to be free from the threat of physical and emotional harm. Such needs might be fulfilled by:

- Living in a safe area

- Medical insurance
- Job security
- Financial reserves

According to Maslow's hierarchy, if a person feels that he or she is in harm's way, higher needs will not receive much attention.

Social Needs

Once a person has met the lower level physiological and safety needs, higher level needs become important, the first of which are social needs. Social needs are those related to interaction with other people and may include:

- Need for friends
- Need for belonging
- Need to give and receive love

Esteem

Once a person feels a sense of "belonging", the need to feel important arises. Esteem needs may be classified as internal or external. Internal esteem needs are those related to self-esteem such as self-respect and achievement. External esteem needs are those such as social status and recognition. Some esteem needs are:

- Self-respect
- Achievement
- Attention
- Recognition
- Reputation

Maslow later refined his model to include a level between esteem needs and self-actualization: the need for knowledge and aesthetics.

Self-Actualization

Self-actualization is the summit of Maslow's hierarchy of needs. It is the quest of reaching one's full potential as a person. Unlike lower level needs, this need is never fully satisfied; as one grows psychologically there are always new opportunities to continue to grow. Self-actualized people tend to have needs such as:

- Truth
- Justice
- Wisdom

-Meaning

Self-actualized persons have frequent occurrences of *peak experiences*, which are energized moments of profound happiness and harmony. According to Maslow, only a small percentage of the population reaches the level of self-actualization.

Implications for Management

If Maslow's theory holds, there are some important implications for management. There are opportunities to motivate employees through management style, job design, company events, and compensation packages, some examples of which follow:

-Physiological needs: Provide lunch breaks, rest breaks, and wages that are sufficient to purchase the essentials of life.

-Safety Needs: Provide a safe working environment, retirement benefits, and job security.

-Social Needs: Create a sense of community via team-based projects and social events.

-Esteem Needs: Recognize achievements to make employees feel appreciated and valued.

Offer job titles that convey the importance of the position.

-Self-Actualization: Provide employees a challenge and the opportunity to reach their full career potential.

However, not all people are driven by the same needs - at any time different people may be motivated by entirely different factors. It is important to understand the needs being pursued by each employee. To motivate an employee, the manager must be able to recognize the needs level at which the employee is operating, and use those needs as levers of motivation.

Drawbacks and Criticism on Maslow's Theory of Motivation:

Although Maslow's theory of motivation is still referred by practicing managers and students, it received severe criticism on its several aspects. To fully learn about Maslow's hierarchy of needs theory, it is equally important to know its drawbacks and criticisms, which are as follows:

1. The theory lacked empirical data and statistics – which are essential for any organizational behaviour theory.
2. It could not be validated in practice or real life.
3. There is nothing that supports the idea of a hierarchy in real life. In other words, these needs do not need to be in the same hierarchical order.
4. Different people require different types of motives. All such people cannot be generalized in a single hierarchical model of five common needs.

5. According to Maslow, when a need is significantly satisfied, the next need becomes the more dominating motivation factor. However, most of these needs simultaneously demand attention. Furthermore, no need is fully satisfied. For example, the physiological needs will be there throughout the day, every day.
6. There is no set criterion as to when a need is satisfied. Moreover, even after a need is satisfied, it does not fully cease to be a motivating force.
7. Different situations force individuals to change their decisions and their needs, too. The fixed hierarchical model does not accommodate this important fact.

HERZBERG'S TWO FACTOR THEORY

In 1959, Frederick Herzberg, a behavioural scientist proposed a two-factor theory or the motivator-hygiene theory. According to Herzberg, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. According to Herzberg, the opposite of "Satisfaction" is "No satisfaction" and the opposite of "Dissatisfaction" is "No Dissatisfaction".

Herzberg classified these job factors into two categories

A. Hygiene factors- Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent at workplace, then they lead to dissatisfaction. In other words, hygiene factors are those factors which when adequate/reasonable in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work. Hygiene factors are also called as dissatisfiers or maintenance factors as they are required to avoid dissatisfaction. These factors describe the job environment/scenario. The hygiene factors symbolized the physiological needs which the individuals wanted and expected to be fulfilled. Hygiene factors include:

- a. Pay - The pay or salary structure should be appropriate and reasonable.
It must be equal and competitive to those in the same industry in the same domain.
- b. Company Policies and administrative policies - The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks, vacation, etc.
- c. Fringe benefits - The employees should be offered health care plans (mediclaime), benefits for the family members, employee help programmes, etc.

- d. Physical Working conditions - The working conditions should be safe, clean and hygienic. The work equipments should be updated and well maintained.

B. Motivational factors- According to Herzberg, the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit. Motivational factors include:

- a. Recognition - The employees should be praised and recognized for their accomplishments by the managers.
- b. Sense of achievement - The employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job.
- c. Growth and promotional opportunities - There must be growth and advancement opportunities in an organization to motivate the employees to perform well.
- d. Responsibility - The employees must hold themselves responsible for the work. The managers should give them ownership of the work. They should minimize control but retain accountability.

Alderfer ERG motivation theory

Clayton P. Alderfer's **ERG theory** from 1969 condenses Maslow's five human needs into three categories: **Existence, Relatedness** and **Growth**.

1. Existence Needs

Include all material and physiological desires (e.g., food, water, air, clothing, safety, physical love and affection). Maslow's first two levels.

2. Relatedness Needs

Encompass social and external esteem; relationships with significant others like family, friends, co-workers and employers. This also means to be recognized and feel secure as part of a group or family. Maslow's third and fourth levels.

3. Growth Needs

Internal esteem and self actualization; these impel a person to make creative or productive effects on himself and the environment (e.g., to progress toward one's ideal self). Maslow's fourth and fifth levels. This includes desires to be creative and productive, and to complete meaningful tasks.

Even though the priority of these needs differ from person to person, Alderfer's ERG theory prioritizes in terms of the categories' concreteness. Existence needs are the most concrete, and easiest to verify. Relatedness needs are less concrete than existence needs, which depend on a relationship between two or more people. Finally, growth needs are the least concrete in that their specific objectives depend on the uniqueness of each person.

Relationships between Alderfer's ERG theory concepts

There are three relationships among the different categories in Alderfer's ERG theory:

1. Satisfaction-progression

This moves up to higher-level needs based on satisfied needs. With Maslow, satisfaction progression plays an important part. Individuals move up the need hierarchy as a result of satisfying lower order needs. In Alderfer's ERG theory, this isn't necessarily so. The progression upward from relatedness satisfaction to growth desires does not presume the satisfaction of a person's existence needs.

2. Frustration-regression

If a higher level need remains unfulfilled, a person may regress to lower level needs that appear easier to satisfy. Frustration-regression suggests that an already satisfied need can become active when a higher need cannot be satisfied. Thus, if a person is continually frustrated in his/her attempts to satisfy growth, relatedness needs can resurface as key motivators.

3. Satisfaction-strengthening

Iteratively strengthening a current level of satisfied needs. Satisfaction-strengthening indicates that an already satisfied need can maintain satisfaction or strengthen lower level needs iteratively when it fails to gratify high-level needs.

Differences between ERG theory and Maslow's model

Alderfer's ERG motivation theory differs from Maslow's theory in three ways:

1. A lower level need does not have to be gratified (i.e., a person may satisfy a need at hand, whether or not a previous need has been satisfied);
2. If a relatively more significant need is not gratified, the desire to gratify a lesser need will be increased (i.e., the frustration in meeting high-order needs might lead a person to regress to a more concrete need category);
3. Alderfer's ERG theory allows the order of the needs to differ for different people (e.g., it accounts for the "starving artist" who may place growth needs above existence ones).

McClelland achievement motivation theory

In his 1961 book 'The Achieving Society', David McClelland expounds on his acquired needs theory. He proposed that an individual's specific needs are acquired over time and are shaped by one's life experiences. He described three types of motivational need. A person's motivation and effectiveness in certain job functions are influenced by these three needs.

1. Need for affiliation
2. Need for power
3. Need for achievement

1. Need for Affiliation

The n-affil person is 'affiliation motivated', and has a need for friendly relationships and is motivated towards interaction with other people. They need harmonious relationships with other people and need to feel accepted by other people. The affiliation driver produces motivation and need to be liked and held in popular regard. These people are team players. They tend to conform to the norms of their work group. High n-affil individuals prefer work that provides significant personal interaction. They perform well in customer service and client interaction situations.

2. Need for Power

The n-pow person is 'authority motivated'. This driver produces a need to be influential, effective and to make an impact. There is a strong need to lead and for their ideas to prevail. There is also motivation and need towards increasing personal status and prestige. A person's need for power can be one of two types - personal and institutional. Those who need personal power want to direct others, and this need often is perceived as undesirable. Persons who need institutional power (also known as social power) want to organize the efforts of others to further the goals of the organization. Managers with a high need for institutional power tend to be more effective than those with a high need for personal power.

3. Need for Achievement [n-ach]

The n-ach person is 'achievement motivated' and therefore seeks achievement, attainment of realistic but challenging goals, and advancement in the job. There is a strong need for feedback as to achievement and progress, and a need for a sense of accomplishment. People with a high need for achievement seek to excel and thus tend to avoid both low-risk and high-risk situations. Achievers avoid low-risk situations because the easily attained success is not a genuine achievement. In high-risk projects, achievers see the outcome as one of chance rather than one's own effort. High n-ach individuals prefer work that has a moderate probability of success, ideally a 50% chance. They prefer

either to work alone or with other high achievers. McClelland's achievement motivation theory suggests that a strong n-affil 'affiliation-motivation undermines a manager's objectivity, because of their need to be liked, and that this affects a manager's decision-making capability. A strong n-pow 'authority-motivation' will produce a determined work ethic and commitment to the organisation, and while n-pow people are attracted to the leadership role, they may not possess the required flexibility and people-centered skills.

McClelland's motivation theory argues that n-ach people with strong 'achievement motivation' make the best leaders, although there can be a tendency to demand too much of their staff in the belief that they are all similarly and highly achievement-focused and results driven, which of course most people are not.

Theory X and Theory Y

In his 1960 book, *The Human Side of Enterprise*, Douglas McGregor proposed two theories by which to view employee motivation. He avoided descriptive labels and simply called the theories **Theory X** and **Theory Y**. Both of these theories begin with the premise that management's role is to assemble the factors of production, including people, for the economic benefit of the firm. Beyond this point, the two theories of management diverge.

Theory X

Theory X assumes that the average person:

- Dislikes work and attempts to avoid it.
- Has no ambition, wants no responsibility, and would rather follow than lead.
- Is self-centered and therefore does not care about organizational goals.
- Resists change.
- Is gullible and not particularly intelligent.

Essentially, Theory X assumes that people work only for money and security.

Theory X - The Hard Approach and Soft Approach

Under Theory X, management approaches can range from a *hard approach* to a *soft approach*. The hard approach relies on coercion, implicit threats, close supervision, and tight controls, essentially an environment of command and control. The soft approach is to be permissive and seek harmony with the hope that in return employees will cooperate when asked to do so. However, neither of these extremes is optimal. The hard approach results in hostility, purposely low-output, and hard-line union demands. The soft approach results in ever-increasing requests for more rewards in exchange for ever-decreasing work output.

The optimal management approach under Theory X probably would be somewhere between these extremes. However, McGregor asserts that neither approach is appropriate because the assumptions of Theory X are not correct. Under Theory X, people use work to satisfy their lower needs, and seek to satisfy their higher needs in their leisure time. But it is in satisfying their higher needs that employees can be most productive.

McGregor makes the point that a command and control environment is not effective because it relies on lower needs as levers of motivation, but in modern society those needs already are satisfied and thus no longer are motivators. In this situation, one would expect employees to dislike their work, avoid responsibility, have no interest in organizational goals, resist change, etc., thus making Theory X a self-fulfilling prophecy. From this reasoning, McGregor proposed an alternative: Theory Y.

Theory Y

The higher-level needs of esteem and self-actualization are continuing needs in that they are never completely satisfied. As such, it is these higher-level needs through which employees can best be motivated.

Theory Y makes the following general assumptions:

- Work can be as natural as play and rest.
- People will be self-directed to meet their work objectives if they are committed to them.
- People will be committed to their objectives if rewards are in place that address higher needs such as self-fulfillment.
- Under these conditions, people will seek responsibility.
- Most people can handle responsibility because creativity and ingenuity are common in the population.

Under these assumptions, there is an opportunity to align personal goals with organizational goals by using the employee's own quest for fulfillment as the motivator. McGregor stressed that in Theory Y management does not imply a soft approach. McGregor recognized that some people may not have reached the level of maturity assumed by Theory Y and therefore may need tighter controls that can be relaxed as the employee develops.

THE PROCESS THEORIES OF MOTIVATION

Whereas the content theories concentrate on the question of 'what' motivates, the process theories address more the issues relating to how the process works and sustains itself over time,

such as factors that determine the degree of effort, the continuation of effort, the modification of effort, etc.

As with content theory, there are a number of process theories. These include:

- Equity theory
- Expectancy theory
- The Porter-Lawler Model

1.Adams' equity theory

John Stacey Adams, a workplace and behavioral psychologist, put forward his Equity Theory on job motivation in 1963. The Equity theory argues that motivation arises out of simple desire to be treated fairly. Equity can be defined as an individual's belief that he is being treated fairly relative to the treatment of others. The Adams' Equity Theory model therefore extends beyond the individual self, and incorporates influence and comparison of other people's situations - for example colleagues and friends – informing a comparative view and awareness of Equity, which commonly manifests as a sense of what is fair. When people feel fairly or advantageously treated they are more likely to be motivated; when they feel unfairly treated they are highly prone to feelings of disaffection and de motivation. The way that people measure this sense of fairness is at the heart of Equity Theory. John Stacey Adams' equity theory helps explain why pay and conditions alone do not determine motivation. It also explains why giving one person a promotion or pay-rise can have a de motivating effect on others.

Advantages of Equity theory

1. The theory makes the managers to realize that equity motive tends to be one of the most important motives of the people of the organisation. So equity concept must be considered while designing a good motivation system in an organisation
2. The theory is based on the principle of “equal pay for equal work”
3. The theory recognises the influence of social comparison process
4. It is realistic approach to motivation

Limitations of Equity theory

1. It is difficult to assess the perception or misconception of people about input/outcome relationships
2. Equity is a matter of comparison. But there is difficult to chooses a person for comparison purpose
3. It is difficult to apply this theory in certain circumstances. The feeling of inequity may

force employees to leave that job.

4. The perception of employees behaviour is a difficult task

5. The theory does not mention the actions which an individual will take to re-establish

Equity

2. VROOM EXPECTANCY MOTIVATION THEORY

The expectancy theory was proposed by **Victor Vroom** of Yale School of Management in 1964. Vroom stresses and focuses on outcomes, and not on needs unlike Maslow and Herzberg. The theory states that the intensity of a tendency to perform in a particular manner is dependent on the intensity of an expectation that the performance will be followed by a definite outcome and on the appeal of the outcome to the individual.

Vroom's expectancy theory assumes that behaviour results from conscious choices among alternatives whose purpose it is to maximize pleasure and to minimize pain. Vroom realized that an employee's performance is based on individual factors such as personality, skills, knowledge, experience and abilities. He stated that effort, performance and motivation are linked in a person's motivation. He uses the variables Expectancy, Instrumentality and Valence to account for this.

Expectancy is the belief that increased effort will lead to increased performance i.e. if I work harder than this will be better. This is affected by such things as:

1. Having the right resources available (e.g. raw materials, time)
2. Having the right skills to do the job
3. Having the necessary support to get the job done (e.g. supervisor support, or correct information on the job)

Instrumentality is the belief that if you perform well that a valued outcome will be received. The degree to which a first level outcome will lead to the second level outcome. i.e. if I do a good job, there is something in it for me.

Valence is the importance that the individual places upon the expected outcome. For the valence to be positive, the person must prefer attaining the outcome to not attaining it. For example, if someone is mainly motivated by money, he or she might not value offers of additional time off.

The three elements are important behind choosing one element over another because they are clearly defined: effort-performance expectancy (E>P expectancy) and performance-outcome expectancy (P>O expectancy).

Outcomes and valences

Expectancy theory recognises that an individual may experience a variety of outcomes as a consequence, of behaviour in an organisational environment. A high performer, for example, may get big pay rises, fast promotions and praise from the boss. However, he may also be subject to a lot of stress and incur resentment from co-workers. Each of these outcomes has an associated value or valence that is, an index of how much an individual desires a particular outcome. If an individual wants an outcome, its valence is positive. If an individual does not want an outcome, its valence is negative. If an individual is indifferent to an outcome, its valence is zero. It is this advantage of expectancy theory that goes beyond the need based approaches of motivation.

Thus, Vroom's expectancy theory of motivation is not about self-interest in rewards but about the associations people make towards expected outcomes and the contribution they feel they can make towards those outcomes.

3.PORTER AND LAWLER MODEL OF MOTIVATION

Lyman Porter and Edward Lawler came up with a comprehensive theory of motivation, combining the various aspects. Porter and Lawler's model is a more complete model of motivation. This model has been practically applied also in their study of managers. This is a multivariate model which explains the relationship that exists between job attitudes and job performance. This model is based on four basic assumptions about human behaviour :

- (i) As mentioned above, it is a multivariate model. According to this model, individual behaviour is determined by a combination of factors in the individual and in the environment.
- (ii) Individuals are assumed to be rational human beings who make conscious decisions about their behaviour in the organizations.
- (iii) Individuals have different needs, desires and goals.
- (iv) On the basis of their expectations, individuals decide between alternative behaviours and such decided behaviour will read to a desired outcome.

In fact, Porter and Lawler's theory is an improvement over Vroom's expectancy theory. They say that motivation does not equal satisfaction or performance. The model suggested by them encounters some of the simplistic traditional assumptions made about the positive relationship between satisfaction and performance. They proposed a multivariate model to explain the complex relationship that exists between satisfaction and performance. What is the main point in Porter and Lawler's model is that effort or motivation does not lead directly to performance. It is, in fact,

mediated by abilities and traits and by role perceptions. Ultimately, performance leads to satisfaction.

The Various Elements of Porter and Lawler Model

1. Effort,
2. Performance and
3. Satisfaction.

1. Effort :Effort refers to the amount of energy an employee exerts on a given task. How much effort an employee will put in a task is determined by two factors: (i) value of reward and (ii) perception of effort-reward probability.

2. Performance :One's effort leads to his/her performance. Both may be equal or may not be. However, the amount of performance is determined by the amount of labour and the ability and role perception of the employee. Thus, if an employee possesses less ability and/or makes wrong role perception, his/her performance may be low in spite of his great efforts.

3. Satisfaction :Performance leads to satisfaction. The level of satisfaction depends upon the amount of rewards achieved. If the amount of actual rewards meet or exceed perceived equitable rewards, the employee will feel satisfied. On the contrary, if actual rewards fall short of perceived ones, he/she will be dissatisfied.

4. REINFORCEMENT THEORY

Reinforcement theory of motivation was proposed by BF Skinner and his associates. It states that individual's behaviour is a function of its consequences. It is based on "law of effect", i.e., individual's behaviour with positive consequences tends to be repeated, but individual's behaviour with negative consequences tends not to be repeated. Reinforcement theory of motivation overlooks the internal state of individual, i.e., the inner feelings and drives of individuals are ignored by Skinner. This theory focuses totally on what happens to an individual when he takes some action. Thus, according to Skinner, the external environment of the organization must be designed effectively and positively so as to motivate the employee. This theory is a strong tool for analyzing controlling mechanism for individual's behaviour. However, it does not focus on the causes of individual's behaviour. The managers use the following methods for controlling the behaviour of the employees:

Positive Reinforcement- This implies giving a positive response when an individual shows positive and required behaviour.

Negative Reinforcement- This implies rewarding an employee by removing negative undesirable consequences. Both positive and negative reinforcement can be used for increasing desirable / required behaviour.

Punishment- It implies removing positive consequences so as to lower the probability of repeating undesirable behaviour in future.

Extinction- It implies absence of reinforcements. In other words, extinction implies lowering the probability of undesired behaviour by removing reward for that kind of behaviour.

Financial and non-financial motivators

Motivating staff is an integral part of every organisation. People usually need to work in order to make money. Although it is a strongest incentive, it is not the only one. People will enjoy their job and gain satisfaction from it, if they know that they are achieving results. Motivation can be categorised into Financial Motivation and Non-Financial Motivation.

Financial motivators

Though Monetary Motivators have many criticisms, money is still used by many firms as a major incentive or motivator. It includes

1.Wages and Salaries

Often paid every week, sometimes in cash or sometimes into a bank account. It is a common way of remuneration for manual workers those who work in factories and warehouse. It can be calculated in **two** ways:

-Piece Rate: this is where the workers are paid depending on the quantity of products made. The more they make the more they get paid. This system of wages is followed where the output can be counted.

-Time Rate: This payment by the hour. The longer you work the more you get paid. This system of wages is followed where the output cannot be measured.

2.Commission: It is often paid to sales staff. The certain percentage of commission is paid to sales person who exceed a certain level of sales. It motivates the sales staff to sell more.

3.Profit Sharing: Employees receive a share of the profits in addition to their basic salary.

4.Bonus: Extra amount is paid to workers once a year or at intervals during the year as an appreciation of their hard work.

5.Performance related pay: Employee pay is linked to their performance in work. An Appraisal is carried out for the employee and they get paid according to their appraisal.

6.Share ownership: As a gesture of appreciation for the hard work of the employees a business

might offer stock options to its employees. This motivates them to work even harder because they are also the owners of the company.

Non-Financial Motivation Methods

Most businesses recognize the need for non-financial methods of motivation. The main ones are described briefly below:

1. Job enlargement

Job enlargement involves adding extra, similar, tasks to a job. In job enlargement, the job itself remains essentially unchanged. However, by widening the range of tasks that need to be performed, hopefully the employee will experience less repetition and monotony. With job enlargement, the employee rarely needs to acquire new skills to carry out the additional task. A possible negative effect is that job enlargement can be viewed by employees as a requirement to carry out more work for the same pay!

2. Job rotation

Job rotation involves the movement of employees through a range of jobs in order to increase interest and motivation. Job rotation may offer the advantage of making it easier to cover for absent colleagues, but it may also reduce productivity as workers are initially unfamiliar with a new task. Job rotation also often involves the need for extra training.

3. Job enrichment

Job enrichment attempts to give employees greater responsibility by increasing the range and complexity of tasks they are asked to do and giving them the necessary authority. It motivates by giving employees the opportunity to use their abilities to the fullest. Successful job enrichment almost always requires further investment in employee training.

4. Teamworking and empowerment

Empowerment involves **giving people greater control over their working lives**. Organising the labour force into **teams** with a high degree of **autonomy** can achieve this. This means that employees plan their own work, take their own decisions and solve their own problems. Teams are set targets to achieve and may receive rewards for doing so. Empowered teams are an increasingly popular method of organising employees at work.

HRM approach to managing and controlling performance

A major activity of a traditional human resource management approach is monitoring and supervision of the workforce to ensure compliance to the established rules, procedures, guidelines,

and contracts, The HR traditional approach aims at motivating the workforce through direct methods such as pay, incentives rewards, job simplification, and the like to drive performance.

Elements of performance management

It includes the following three broad elements:

1. **Goal setting:** It is a process of establishing objectives to be achieved over a period of time. Individual goals of each employee should be related with the organizational goals. Common types of goals include job description goals, project goals, behavioural goals and stretch goals.
2. **Performance review:** It is the process of assessing an employee's progress toward goal. Strength and weaknesses of all employees are recorded regularly so that the organization can make accurate decision regarding an employee's contribution, career development, training needs, promotional opportunities, and other topics.

There are different performance review systems are available. Each system has its own merits and demerits. It includes, Ranking system, forced distribution system, 360 degree feedback system, competency based system, management by objective(MBO), graphic rating scale and behaviourally anchored rating scale.

3. **Performance improvement plans:** A performance improvement plan used as a tool to facilitate the performance through discussions, recording the areas of concern and ways to correct them etc. A PIP should include the following components
 1. Employee information
 2. Description on performance discrepancy
 3. Description of actual performance
 4. Plan of action
 5. Signature of the manager and employee

Behavioural aspects of Control

Management control involves individuals and their behaviour within organisations. Controls seek to influence individual behaviour in order to achieve organisational objectives. Control aims at producing goal-congruent behaviour. Management control ensures that organisational behaviour of the individuals effectively contributes towards the realisation of the objectives of the organisation.

Resistance to control

There are different reasons from the part of employees or common people to resist control of any kind. It includes the following reasons.

- a. It limits freedom of employees
- b. Usually it gives no role to employees for setting control standards
- c. It affect the capacity of an individual to take initiative
- d. Tendency to finding faults with people
- e. Many of the cases, the standards will be unrealistic.

How to overcome resistance to controlling

- 1. Ensure active involvement of workers in setting control standards
- 2. Ensure inbuilt flexibility in the control system
- 3. Give more emphasis on human development rather than fault finding
- 4. Give support and encourage workers
- 5. There must be a philosophy of moral persuasion to accept control
- 6. Give training frequently to employees for their better performance.

Review questions

- 1. What is perception
- 2. Explain various levels of psychological process
- 3. What are the factors influencing perception
- 4. Explain the attribution theory of perception
- 5. Define motivation
- 6. State the importance of motivation
- 7. Explain McGregor's Theory X and theory Y
- 8. Discuss the various financial and non financial motivators
- 9. What are the different types of needs according to Maslow?

MODULE III

PERSONALITY

The term personality has been derived from Latin word 'persona' which means "to speak through". It traditionally refers to how people influence others through their external appearances more precisely. According to S.R. Maddi, "personality is a set of characteristics and tendencies that determine those commonalities and differences in the behavior of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment."

In the words of K. Young, "personality is a patterned body of habits, traits, attitudes and ideas of an individual's, as these are organized externally into roles and statuses and as they relate internally to motivation, goals and various aspects of selfhood."

Thus we can say that personality is a sum of physical, mental and social qualities in integrated manner. Personality can be defined as the sum total of all the tendencies that an individual has inherited and that has acquired by experience.

To sum up we would say that:

1. Personality is not related to bodily structure alone. It includes both structure and dynamics
2. Personality is an indivisible unit
3. Personality is neither good nor bad
4. Personality is not a mysterious phenomenon
5. Every personality is unique
6. Personality is acquired
7. Personality is influenced by social interaction
- 8.

Determinants of Personality

There are various determinants of personality and these have categorized in different ways. We can classify it into Biological factors, family and social factors, cultural factors and situational factors.

- I. **Biological factors:** The study of biological factors to personality can be divided into three broad categories viz, physical features, brain and heredity.
 - a. Physical features: An individual's external appearance is proved to be having tremendous effect on personality. A person's physical characteristics may be related to his approach to the social environment, to the expectancies of others and to their reactions, to him. These may have impact on personality development.
 - b. Brain: It is proved that brain has a great impact on personality. Physiologists and psychologists have studied the structure of human brain. They divided the human brain into two divisions. An individual's personality is developed on the basis of the structure of the brain.
 - c. Heredity: It refers to those factors that were determined at conception. It plays an important role in one's personality. It varies from one personality traits to another. Physical structure, intelligence etc are generally inherited by all human beings.
- II. **Family and social factors:** It includes
 - a. Socialisation process: It starts with initial contact between mother and infant and later on from the family members and social group. The person and groups influences the personality of an individual.
 - b. Identification process: This process occurs when a person tries to identify himself with some person whom he feels ideal or model in the family. For eg. A child in the family tries to behave like his father or mother.

Socialisation and identification process are influenced by home environment, family members and social groups. The overall home environment created by parents, in addition to their direct influence, is critical to personality development. In addition to that family members also contributing to personality. It is the first factor affecting personality development. Children nurtured under a warm, loving environment are positive and active as compared to children neglected by their parents.
- III. **Cultural factors:** Culture was traditionally considered as the major determinant of personality. The ideology of culture is imitated by the following generations. Every

culture has its own sub culture; each with its own views about such qualities has moral values, standards of cleanliness, style of dress, and definitions of success. The cultural sub groups exert its influence on personality.

- IV. Situational factors: An individual's personality does change in different situations. Different demands in different situations call forth different aspects of one's personality. It is noticed that many arrogant employees become humble and disciplined in a particular situation.

Personality theories

Researchers have developed a number of personality theories. These theories can be classified into Trait theory, Freud theory, Adler and Jung theories, Social learning theories and Holistic theories.

1. Traits Theory

The traditional approach of understanding personality was to identify and describe personality in terms of traits. In other words, it viewed personality as revolving around attempts to identify and label permanent characteristics that describe an individual's behaviour.

Popular characteristics or traits include shyness, aggressiveness, submissiveness, laziness, ambition, loyalty, and timidity. This distinctiveness, when they are exhibited in a large number of situations, are called personality traits. The more consistent the characteristic and the more frequently it occurs in diverse situations, the more important that trait is in describing the individual.

The trait theory is based on three assumptions;

1. Traits are common to many individuals and vary in absolute amount between individual
2. Traits are relatively stable and exert fairly universal effects on behaviour regardless of environmental situation.
3. Traits can be inferred from the measurement of behavioural indicators

Among the personality theories, Allport and Cattell trait theories are most popular. Allport bases his theory on the distinction between common traits and personal dispositions. He identifies six categories of values such as religious, social, economic, political, aesthetic and theoretical for comparison purposes. These are the common traits. He also identifies personal dispositions which are unique. These are cardinal [most pervasive], central [unique and limited in number] or secondary [peripheral].

Cattell developed a similar set of traits through the construction of tests and the determination of factors or trait families which may emerge from this psychological measure. Cattell identifies two sets of traits such as surface traits and source traits. He determined five surface traits which are correlated e.g., affectionate-cold, honest-dishonest. Such traits lie on the surface of the personality of the individual. These are largely determined by underlying source traits. Cattell identifies twelve source traits, it includes affecto-thymia (good nature and trustfulness) vs. Sizo-thymia (critical and suspicious) ego strength (maturity and realism) vs. Emotionality and neuroticism (immaturity and evasiveness) dominance vs. Submissiveness; surgency (cheerfulness and energy) vs. desurgency (depressed and subdued feelings).

2. Freud Theory

Sigmund Freud's psychoanalytic theory of personality argues that human behavior is the result of the interactions among three component parts of the mind: the *id*, *ego*, and *superego*. This theory, known as Freud's structural theory of personality, places great emphasis on the role of unconscious psychological conflicts in shaping behaviour and personality. Dynamic interactions among these fundamental parts of the mind are thought to progress through five distinct psychosexual stages of development. Over the last century, however, Freud's ideas have since been met with criticism, in part because of his singular focus on sexuality as the main driver of human personality development. According to Freud, our personality develops from the interactions among what he proposed as the three fundamental structures of the human mind: the *id*, *ego*, and *superego*. Conflicts among these three structures, and our efforts to find balance among what each of them "desires," determines how we behave and approach the world. What balance we strike in any given situation determines how we will resolve the conflict between two overarching behavioural tendencies: our biological aggressive and pleasure-seeking drives vs. our socialized internal control over those drives.

The Id

The *id*, the most primitive of the three structures, is concerned with instant gratification of basic physical needs and urges. It operates entirely unconsciously (outside of conscious thought). For example, if your *id* walked past a stranger eating ice cream, it would most likely take the ice cream for itself. It doesn't know, or care, that it is rude to take something belonging to someone else; it would care only that you wanted the ice cream.

The Ego

In contrast to the instinctual id and the moral superego, the *ego* is the rational, pragmatic part of our personality. It is less primitive than the id and is partly conscious and partly unconscious.

It's what Freud considered to be the "self," and its job is to balance the demands of the id and superego in the practical context of reality. So, if you walked past the stranger with ice cream one more time, your ego would mediate the conflict between your id ("I want that ice cream right now") and superego ("It's wrong to take someone else's ice cream") and decide to go buy your own ice cream. While this may mean you have to wait 10 more minutes, which would frustrate your id, your ego decides to make that sacrifice as part of the compromise—satisfying your desire for ice cream while also avoiding an unpleasant social situation and potential feelings of shame.

The Superego

The *superego* is concerned with social rules and morals—similar to what many people call their "conscience" or their "moral compass." It develops as a child learns what their culture considers right and wrong. If your superego walked past the same stranger, it would not take their ice cream because it would know that that would be rude. However, if both your id *and* your superego were involved, and your id was strong enough to override your superego's concern, you *would* still take the ice cream, but afterward you would most likely feel guilt and shame over your actions.

Freud believed that the id, ego, and superego are in constant conflict and that adult personality and behaviour are rooted in the results of these internal struggles throughout childhood. He believed that a person who has a strong ego has a healthy personality and that imbalances in this system can lead to neurosis (what we now think of as anxiety and depression) and unhealthy behaviours.

4. Adler and Jung theory

According to Adler the thrust of superiority is the drive which motivates the individual. He developed the concepts like compensation and inferiority complex based on the drive for power. He gave stress on social relationship instead of innate or biological factors. He stressed on individual uniqueness, style of life, and the creative.

Jung stressed on unconscious aspect of psycho analysis. According to him personality is based on pre-disposing pattern borrowed by persons from his ancestors. Jung asserted that the operation of an individual's personality is as much future oriented as rooted in the past.

4.Social Learning theory

According to this theory situation is an important determinant of human behaviour. An individual's action in a given situation, individual's appraisal of the situation, and post reinforcement to behaviour is somewhat similar. When the situation, they encounter are similar and stable, individuals behaviour also will be more or less consistent.

5.Holistic theories

Kolasa has grouped several theorists under one group namely holistic theories, they include holistic, organismic and field theorists. They stress on the totality and interrelatedness of all kinds of human behaviour. Maslow, Rogers , Herzberg, Lewin and Festinger are the main contributors of these theories.

MAJOR PERSONALITY ATTRIBUTES INFLUENCING ORGANISATION BEHAVIOUR

There are several attributes that influence behaviour in organisations. Among the most important are locus of control, self efficacy, authoritarianism, Machiavellianism, self esteem, and risk propensity.

1.Locus of control

It is the degree to which an individual believes that they are masters of their own fate. A person's perception of the source of his/her fate is termed locus of control. There are two types of people in this category :

- a. Internals: People who believe that they are masters of their own fate.
- b. Externals: People who believe they are pawns of fate.

Individuals who rate high in externality are less satisfied with their jobs, have higher absenteeism rates, are more alienated from the work setting, and are less involved on their jobs than are internals. Internals, facing the same situation, attribute organizational outcomes to their own actions. Internals believe that health is substantially under their own control through proper habits; their incidences of sickness and, hence, of absenteeism, are lower. There is not a clear relationship between locus of control and turnover because there are opposing forces at work. Internals generally perform better on their jobs, but one should consider differences in jobs.

Internals search more actively for information before making a decision, are more motivated to achieve, and make a greater attempt to control their environment, therefore, internals do well on sophisticated tasks. Internals are more suited to jobs that require initiative and independence of action.

Externals are more compliant and willing to follow directions, and do well on jobs that are well structured and routine and in which success depends heavily on complying with the direction of others

2.Machiavellianism

Named after Niccolo Machiavelli, who wrote in the sixteenth century on how to gain and use power. An individual high in Machiavellianism is pragmatic, maintains emotional distance, and believes that ends can justify means. High Machs manipulate more, win more, are persuaded less, and persuade others more. High Mach outcomes are moderated by situational factors and flourish when they interact face to face with others, rather than indirectly, and when the situation has a minimum number of rules and regulations, thus allowing latitude for improvisation. High Machs make good employees in jobs that require bargaining skills or that offer substantial rewards for winning.

3.Self-esteem and self-concept

Self-esteem is the degree to which people like or dislike themselves. (SE) is directly related to expectations for success. It denotes the extent to which individuals consistently regard themselves as capable, successful, important and worthy individuals. Individuals with high self-esteem will take more risks in job selection and are more likely to choose unconventional jobs than people with low self-esteem. The most generalizable finding is that low SEs are more susceptible to external influence than the high SEs. Low SEs are dependent on the receipt of positive evaluations from others. In managerial positions, low SEs will tend to be concerned with pleasing others. High SEs are more satisfied with their jobs than are low SEs.

4.Self-monitoring

It refers to an individual's ability to adjust his or her behaviour to external, situational factors. Individuals high in self-monitoring show considerable adaptability. They are highly sensitive to external cues, can behave differently in different situations, and are capable of presenting striking contradictions between their public persona and their private self. Low self-monitors cannot disguise themselves in that way. They tend to display their true dispositions and attitudes in every situation resulting in a high behavioural consistency between who they are and what they do. The research on self-monitoring is in its infancy, so predictions must be guarded.

5.Type A Personality and Type B Personality

A Type A personality is "aggressively involved in a chronic, incessant struggle to achieve more and more in less and less time, and, if required to do so, against the opposing efforts of other things or other persons. "They are always moving, walking, and eating rapidly, are impatient with

the rate at which most events take place, are doing two or more things at once and cannot cope with leisure time. They are obsessed with numbers, measuring their success in terms of how many or how much of everything they acquire.

Type Bs never suffer from a sense of time urgency with its accompanying impatience and feel no need to display or discuss either their achievements or accomplishments unless such exposure is demanded by the situation. Play for fun and relaxation, rather than to exhibit their superiority at any cost and can relax without guilt. Type A's operate under moderate to high levels of stress. They subject themselves to continuous time pressure, are fast workers, quantity over quality, work long hours, and are also rarely creative. Their behaviour is easier to predict than that of Type Bs. Type A's do better in job interviews; more likely to be judged as having desirable traits such as high drive, competence, and success motivation

6.Risk taking

The propensity to assume or avoid risk has been shown to have an impact on how long it takes managers to make a decision and how much information they require before making their choice. High risk-taking managers made more rapid decisions and used less information in making their choices. Managers in large organizations tend to be risk averse especially in contrast with growth-oriented entrepreneurs. They make sense to consider aligning risk-taking propensity with specific job demands.

7.Work ethnic Orientation

Some individuals are highly work oriented while others try to do the minimum work that is necessary to get by without being fired on the job. The extremely work oriented person gets greatly involved in the job. Extreme work ethic values could lead to traits of "work holism" where work is considered as the only primary motive for living with very little outside interests. A high level of work ethic orientation of members is good for the organisation to achieve goals. Too much work holism will destruct both organisation and individual.

Attitude, values and Job satisfaction

Attitude is defined as "a learned predisposition to respond in a consistently favorable or unfavorable manner with respect to a given object." That is, attitudes affect behavior at a different level than do values. An attitude is a fairly stable emotional tendency to respond consistently to some specific object, situation, person or category of people.

Features of Attitude

1. Attitudes are learned from personal experience, information provided by others and market controlled sources, in particular exposure to mass media.
2. Attitudes are pre-dispositions. A predisposition is an inclination or tendency towards something; attitudes have motivational qualities
3. Attitudes have a relationship with behavior.
4. Attitudes are consistent. However, this does not necessarily mean that they are permanent. Attitudes can change
5. Attitudes are directed towards an object and are very specific reasons to that object.

Values

Generally, value has been taken to mean moral ideas, general conceptions or orientations towards the world or sometimes simply interests, attitudes, preferences, needs, sentiments and dispositions. But sociologists use this term in a more precise sense to mean “the generalized end which has the connotations of rightness, goodness or inherent desirability”.

It is important and lasting beliefs or ideals shared by the members of a culture about what is good or bad and desirable or undesirable. Values defined in Organizational Behavior as the collective conceptions of what is considered good, desirable, and proper or bad, undesirable, and improper in a culture. Some common business values are fairness, innovations and community involvement.

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

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

Building and maintaining self-values, attitudes and job satisfaction

Values are important to study of organisational behaviour because they lay the foundation for the understanding of attitudes and motivation. Values are the basis of human personality and are a powerful but silent force affecting human behaviour. Values are so much embedded in the personalities of the people that they can be inferred from people’s behaviour and their attitudes. If we search for the source of values, we see a significant portion is genetically determined. The rest is attributable to factors like national culture, parental dictates, teachers, friends and similar environmental influences. Majority of variation in values is due to environmental factors.

TYPES OF WORK RELATED ATTITUDES

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

1. Job Satisfaction

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

Research results revealed that the job satisfaction has a tremendous impact on improving productivity, enhancing quality requirements, and reduced absenteeism rate and employee turnover.

Organisational factors that influence employee satisfaction include pay, promotion, policies and procedures of the organisations and working conditions. Group factors such as relationship with co-workers and supervisors also influence job satisfaction. A person with positive attitude is likely to have more job satisfaction, while a person with negative attitude is likely to have job dissatisfaction towards his job. Job satisfaction is one of the major determinants of an employees’ organisational citizenship behaviour. Satisfied employees would seem more likely to take positively about the organisation, help others and go beyond the normal expectation in their job.

2. Job Involvement

Job involvement is the measure of the degree to which a person identifies psychologically with his/her job and considers his/her perceived performance level important to self-worth. High levels of job involvement are thought to result in fewer absences and lower resignation rates. Job involvement more consistently predicts turnover than absenteeism. It is the Psychological empowerment—employees’ beliefs in the degree to which they impact their work. Employees with a high level of job involvement strongly identify with and really care about the kind of work they do in their job.

3. Organisational commitment

A state in which an employee identifies with a particular organization and its goals.

Commitment may be

1. Affective Commitment—emotional attachment to the organization and belief in its values and
2. Continuance Commitment—value of remaining with an organization compared to alternatives
3. Normative Commitment—obligation to remain with the organization for moral or ethical reasons

ETHICAL ISSUES IN ORGANISATIONAL BEHAVIOUR

Ethics involves the study of moral issues and choices. It is concerned with right or wrong. They are the principles and values an individual uses to govern his activities and decisions. An ethical issue is a problem, situation or opportunity requiring an individual or organization to choose among several actions that must be evaluated as right or wrong ethical or unethical. Many ethical issues faced by managers relate to how the organization treats its employees, how employees treat the organization and how employers and employees treat other outside economic agents.

- a. Treatment towards employees by organization: This area includes policies such as hiring and firing, wages and other working conditions and employee privacy and respect.
- b. Wage and reward system: If an organization paying a lesser amount of wages to its employees just because of knowing that he never quits the organization or may not question the decision.
- c. Protection of privacy of employees: It is the duty and responsibility of the management to maintain secrecy relating to individuals private activities
- d. Treatment towards organization by employees: If an employee act against the interest of the organization, then it is considered as unethical, even it is beneficial to the employee.
- e. Treatment towards economic agents by employees: The interaction between organization and employees with customers, suppliers, competitors and trade unions etc. involve ethical issues in the form of advertisement, promotional activities etc.
- f. Working conditions: It is the duty of the company to provide healthy working conditions to employees working in their organization.

Mental and health problems in organizations

Mental and health problems of employees in organizations affect many employees. Mental health problem is a fact that is usually overlooked because these disorders seem to be hidden at work. Following are the most common mental health problems in the work place.

1. Depression

The low mood is a symptom of depression in the workplace and this disorder is more likely to reflect in behaviours – such as nervousness, restlessness or irritability and in physical complaints, such as pre occupation with aches and pains. Employees may become passive, withdrawn, aimless and unproductive. They also may be fatigued at work, partly as a result of the mood disorder or because they are having trouble sleeping at night. Depression may also harm judgments or decision

making. Research has found that employees with depression are more likely than others to lose their jobs and to change jobs frequently. When lack of treatment or inadequate treatment was taken into account, only about one in four employees with major depression received adequate treatment for the disorder.

2. Bipolar disorders

It is characterized by a midway between elevated (maniac) and depressed moods. In a maniac phase, employees may appear highly energetic and creative, but actual productivity may suffer. Maniac may become disruptive, disobey work rules, be excessively aggressive and make mistakes in judgments. During the depressive phase, an employee may exhibit depressive symptoms, but can damage performance more than the maniac phase. Although bipolar disorder may be more disabling to employees on an individual level, the cost to employers is still less than that attributed to depression, because the latter is more common in population.

3. Anxiety disorders

Anxiety disorders in the workplace may reflect as restlessness, fatigue, difficulty concentrating, and excess worrying. Employees may require constant reassurance about performance. Sometimes, as with depression, physical symptoms or irritability may be noticeable. People with anxiety disorders face problems like gastrointestinal distress, sleep disturbances or heart trouble. It may cause significant work reduction. It is probably not surprising, then, that anxiety disorders cause significant work impairment. Generalized anxiety disorder, for example, results in work impairment (as measured by sick days and lost productivity) similar to that attributed to major depression.

4. ADHD

ADHD is often considered a problem only in childhood, but it also affects adults. In the workplace, symptoms of ADHD may manifest as disorganization, failure to meet deadlines, inability to manage workloads, problems following instructions from supervisors, and arguments with co-workers.

CONSEQUENCES OF MENTAL HEALTH PROBLEMS IN THE WORKPLACE

The consequences of mental health problems in the workplace are:-

1. Absenteeism

Employees overall sickness absence increases, particularly frequent short periods of absence. It causes poor health (depression, stress, burnout) and the physical conditions (high blood

pressure, heart disease, ulcers, sleeping disorders, skin rashes, headache, neck- and backache, low resistance to infections)

2. Work performance: Health problems results in reduction in productivity and output increase in error rates, increased amount of accidents, poor decision making and deterioration in planning.

3. Staff attitude and behavior: Loss of motivation and commitment, burnout, poor time keeping and labour turn over etc.

4. **Relationship at work:** Tension and conflicts between colleagues, poor relationship with clients, and increase in disciplinary problems.

Physical health problems

Every management should also take appropriate action to protect the physical safety of employees. It may include policy to protect employees' physical safety, training in safety related protocols, rapid and appropriate response to physical accidents or situations identified as risky.

Protection of physical safety is especially important in workplaces with high levels of safety sensitivity. Safety climate is consistent with, and part of, the larger culture or climate of the organization. Workplace that fails to protect physical safety are likely to be more dangerous. Also workers who do not see the workplace as protecting physical safety will feel less secure and less engaged, and this will increase their vulnerability to psychological distress and potential mental health problems.

Role of counseling

Counseling is a confidential dialogue and it is a intervention to deal with feelings. It can be used as a strategy to develop personal plans of life. It helps to drive away fears and to diminish anxiety, anger or paralyzing frustration. Workplace counseling may be defined as the provision of brief psychological therapy for employees of an organization, which is paid for by the employer.

Types of counseling

1. **Individual counseling:** Here, the person meets one –on-one with the consellor. Counseling often takes place in the privacy of the counsellor's office. If individual is experiencing depression, anxiety or grief in dealing with his problem, this may be appropriate.
2. **Group counseling:** In group conselling, people find out that they are not alone . They meet other people who are in different stages of growth but are on the same road to emotional wellbeing. The group as a whole discusses issues to which all group members can relate and from which they can learn. A counselor guides the session The group session provides a place where people can confide with others who understand their struggles.

3. **Family counseling:** It includes members of the immediate family. Family counseling is based on the concept that an individual is greatly influenced by his or her family's belief system and culture. It can help family members to resolve issues among each other.
4. **Couples counseling:** It is usually in between spouses. Here, the counselor will be an objective listener to both participants and help to identify how certain thoughts and behaviors may contribute to conflict between the couples.
5. **Crisis counseling:** In this case, Counselling is done by counselors to assess psychological emergencies that warrant immediate intervention.

Skill for the counselors

In order to counsel effectively, a counselor or manager has to possess the following qualities:

1. **Respect for employees:** The counselor has to be aware of an employee's individuality, must recognize his skills, special attributes, values etc. Mistakes and imperfections from the part of employee must be accepted as a human being. Being open and genuine is often an expression of respect for the disturbed employee.
2. **Empathy:** Empathetic understanding has long been recognized as an important element in counseling. It makes a leader to understand his employee's situation.
3. **Winning trust:** Every counselor can win the trust of his client with his honesty in his statements and actions. The counselor/manager has to understand that this is not a onetime event but a continuous process.
4. **Understanding of self:** The leader, before counselling, has to understand himself first. He should be aware of his own values, needs and prejudices so that he will be careful before projecting his feelings onto his employees. He has to understand that counselling is not a trick nor it is simple. It is not easy to See things from another person's point of reference.
5. **Communication Skill:** Effective communication will enable a manager with better understanding of why employees behave as they do. This will help him identify the factors that motivate and prevent the undesirable behaviour and interaction of an employee. This also improves communication and essential feedback mechanisms that allow employees to communicate with managers.
6. **Establish a Connection:** In counselling, what matters most is the extent of help a manager-cum-counsellor can show to establish a connection with the troubled employee. As a practical matter he/she is trying to figure out what is going on in the other person's head without

worrying or assigning any psychological labels during the process of counselling. Counselling can be fruitful only when the troubled employee feels a connection with the manager.

7. **Questioning and Listening Skills:** Since problem employees are often emotionally troubled, supervisors or managers should allow them to verbalize or talk out their problems, thus providing them the opportunity to open up with their concerns. The manager should use the counselling session as an opportunity to sharpen his understanding of what is going on in his mind. Both the parties, in this sense, use questioning and listening skills during the process of counselling.

Review questions

1. Define personality
2. Discuss the various stages of personality formation
3. Discuss the different personality traits
4. Discuss the ethical issues in organizational behavior
5. Define counseling ? What are the different types of counseling.

MODULE IV

GROUP DYNAMICS AND INTER GROUP RELATIONSHIPS

Meaning and Definition of Group

A group consists of two or more persons who interact with each other, consciously for the achievement of certain common objectives. Group consists in every organization and they affect the behavior of their members.

According to Stephen Robbins, “A group may be defined as two or more individuals, interacting and interdependent, who have come together to achieve particular objectives”.

According to Marvin Shaw, “A group comprises, of two or more persons who interact with one another in such a manner that each person influences and is influenced by each other persons”.

Nature of Group

1. Two or more persons
2. Collective Identity
3. Interaction
4. Shared goal interest

Need or Benefits for Forming a Group

1. Security
 2. Empowerment through sharing of resources
 3. Becoming a leader
 4. Synergy
 5. Goal achievement
 6. Status
 7. Affiliation needs
 8. Self-esteem
- Types of Groups

TYPES OF GROUPS

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

1. Primary and secondary groups: Primary groups consist of people in a close and face-to face relationship over a period of time. It is considered as intimate group. Intimate interactions take place in a family, neighborhood or work group when the inter-relationship are remote and general, such group can be called secondary groups according to Cooley, a sociologist.

2. Formal and informal group: Formal groups are the ones, which are formally designed and organized, which have formal organisation and formally set goals and objectives. Groups, which are established under legal and formal authority to achieve a specific end result or to undertake delegated tasks, can be called formal groups. Informal groups are a common feature of work life. There are many needs and desires of individuals, which cannot be satisfied without their affiliation and association with the respective groups. In fact, informal groups are part and parcel of human life and endeavor.

4. Membership groups and reference groups: Membership groups are those to which the individual actually belongs. Reference group, on the other hand, is the one, which the individual identifies for reference purposes. He may like to belong to the reference group also.

5. Peer- Group: In the work life, peer-group is another effective form of group making. It is a sense of belonging among the workers towards one another, irrespective of their attitudes toward their superiors. On the basis of their membership in a particular work group. High peer-group loyalty is not necessarily associated with high productivity.

6. Command group and Task group: A command group is determined by the organization chart. It is composed of the subordinates who report directly to a given manager. An elementary school principal and her twelve-teachers form a command group.

Task Group, also organizationally determined, represents those working together to complete a job task. However, a task group's boundaries are not limited to its immediate hierarchical superior.

REASONS FOR JOINING GROUPS:

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

Protection of common and individual Interest:

By joining a group, members can reduce the insecurity of being alone. The membership will make them feel stronger, gaining resistant to threats, having fewer self-doubts etc. New employees are particularly vulnerable to a sense of isolation and turn to the group for guidance and support. Employees develop a sense of security at personal as well as professional front by joining groups.

Status:

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

Self-Esteem:

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

Affiliation:

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

Power:

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

Goal Achievement:

There are times when it takes more than one person to accomplish a particular task- there is a need to pool talents, knowledge in order to complete a job. In such instances, management will rely on the use of a formal group.

STAGES OF GROUP DEVELOPMENT:

i) Forming:

At this stage, group members try to comprehend where they stand in the group and how they are being perceived by others in the group. The members are very cautious in their interactions with each other and the relationships among the group members are very superficial. Members' seldom express their feelings in the group and the individual members who are trying to understand who they are in the group have concerns about how they will fit in the group as permanent group members. This is characterized by much uncertainty about group's purpose, structure and leadership. Members are 'testing the waters' to determine what types of behavior are acceptable. This stage is complete when members have begun to think of themselves as part of a group.

ii) Storming:

At this stage, disagreement tends to get expressed among the group members, and feelings of anxiety and resentment are also expressed. Some power struggle may ensue at this stage to determine who should assume the informal leadership role in the group. This storming stage is also known as the sub-grouping and confrontation. This group is characterized by intra- group conflict. Members accept the existence of the group, but there is resistance to the control the group imposes on individuality. There is sometimes conflict over who will control the group. When this stage is complete, there will be a relatively clear hierarchy of leadership within the group.

iii) Norming:

This stage is characterized by close relationships and cohesiveness. The group sets norms, tries to attain some degree of cohesiveness, understands the goals of the group, starts making good decision, expresses feelings openly and makes attempts to resolve problems and attain group effectiveness. At this stage, members' roles get defined, and task and maintenance roles are assumed by group members. Group members' also begin to express satisfaction and confidence about being members of the group.

iv) Performing:

This stage is characterized by collaboration and integration. The group members evaluate their performance so that the members develop and grow. The group relationships and structures are set and accepted. Group energy has moved from getting to know and understand each other, to performing the task at hand. Feelings are expressed at this stage without fear, leadership roles shared among the members, and the group members' activities are highly co-coordinated. The task and

maintenance roles are played very effectively. The task performance levels are high and member satisfaction, pride and commitment to the group also high. Both performance and members' satisfaction are sustained indefinitely;

v) Adjourning: This stage is characterized by concern with wrapping up activities rather than task performance. The group prepares for its disbandment. High task performance is no longer the group's top priority. Instead, attention is directed towards finalizing activities. As the group approaches the terminal phase, members break off their bonds of affection and stop interaction with each other. Responses of group members vary in this state. Some feel pride in what the group has accomplished. Others may be negative and critical of the way the organization has treated the group and others may be sad over the loss of friendship gained during the life of the work groups. These five stages of group development are only a suggestive and not prescriptive. Sometimes, groups do not always proceed clearly from one stage to the next. Sometimes, several stages go on simultaneously as when groups are storming and performing at the same time. Under some conditions, high levels of conflict are conducive to high group performance.

GROUP DYNAMIC

The term group dynamics means the study of forces within a group. Since human beings have an innate desire for belonging to a group, group dynamism is bound to occur. Group dynamics can be studied in business settings, in volunteer settings, in classroom settings, and in social settings. Any time there are three or more individuals interacting or talking together, there are group dynamics.

Group dynamics involve the study and analysis of how people interact and communicate with each other in face-to face small groups. The study of group dynamics provides a vehicle to analyse group communications with the intent of rendering the groups more effective.

In its most basic sense, Group dynamics is used to describe something that is happening in all groups at all times, whether anyone is aware of it or not. "Group dynamics" used in this way refers to the complex forces that are acting upon every group throughout its existence which cause it to behave the way it does. We can think of every group as having certain relatively static aspects – its name, constitutional structure, ultimate purpose, and other fixed characteristics. But it also has dynamic aspects -- it is always moving, doing something, changing, becoming, interacting, and reacting. And the nature and direction of its movement is determined by forces being exerted on it from within itself and from outside. The interaction of these forces and their resultant effects on a

given group constitute its dynamics. In this sense, “group dynamics” is to groups what “personality dynamics” is to individuals. It is a phenomenon that occurs naturally; nobody invents it.

Dynamics of Group formation

There is no single reason why individuals join groups. Different groups offer different benefits to their members. The most popular reason for joining a groups are:

1. Proximity, Interaction and Influence: One of the most common reasons why people join groups is because they work near each other. Informal groups seem to form among those who are in close proximity. When people have frequent interaction or contact with one another, there is likelihood that they will form a group. Finally, if the behaviour of one individual influences that of others, they are likely to form a group.

2. Security: Probably the strongest reason to join the group is the need for security. By joining a group we can reduce our insecurity – we feel stronger. New or experienced, no employee likes to stay alone. We derive reassurance from interacting with others and being part of a group. This often explains the appeal of unions – if management creates an environment in which employees feel insecure, they are likely to turn to unionization in order to reduce their feelings of insecurity.

3. Affiliation:-people join the groups because it provides them an opportunity to have regular company with those with whom they share something common. Individuals may seek out others at work who shares common hobbies or common back grounds.

4. Power: Membership of groups offers power to members in at least two ways. First, there are sayings such as “United we stand, divided we fall” and “there is strength in number.” Secondly, leadership of an informal group enables an individual to use power over group members, even if he does not enjoy a formal position of authority in the organization.

5. Esteem: An individual can increase his self-esteem through group membership. One may gain esteem by becoming a member of a high status group. Associating with high status people is reinforcing

6. Task functions

- a. Generating new ideas or creative solution requires inputs from a large number of individuals.
- b.Co-ordination of several groups

- c. Teaching methods to new comers
- d. Facilitate the implementation of complex decisions
- e. A complex task which cannot be performed individually

GROUP NORMS

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

Group norms are the informal guidelines of behaviour and a code of conduct that provides some order and conformity to group activities and operations. These rules are expected to be followed by all the group members. These norms and rules usually develop gradually and informally as group members learn as to what behaviours are necessary for the group to function effectively.

Performance norms determine how quickly members should work and how much they should produce. They are created in an effort to determine levels of individual effort.

Reward-allocation norms determine how rewards are bestowed upon group members. For example, the norm of equality dictates equal treatment of all members. Every member shares equally so rewards are distributed equally to everyone. Equity norms suggest that rewards are distributed according to the member's contribution.

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

Types of Group Norms

1. Behaviour Norms

These are rules and guidelines defining the day-to-day behaviour of people at work. This behaviour pattern may include punctuality as a habit, completing any given assignments within the required time framework, not losing temper, showing respect for other member's opinions, not monopolizing the conversation and so on. Certain professionalism is expected from all members and this professionalism is predictable form of behaviour.

2. Work Norms

Work norms regulate the performance and productivity of individual members. An overly ambitious worker who produces more is considered as much a deviate from the norms as a worker who is an under producer. Work norms usually put an acceptable level of productivity, within reasonable tolerances so that comparatively poor performers can also be accommodated and that they do not become a burden on their peers

GROUP COHESION:

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

Factors increasing Cohesiveness:

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

i) Common consent on Group Goals: If the group agrees on the purpose and direction of its activities, this will serve to bind the group together and structure interaction patterns towards successful goal accomplishment.

ii) Frequent Interactions: When group member have the opportunity to interact frequently with each other, the probability for closeness to develop will increase. Managers can provide opportunities for

increased group interaction by calling frequent formal and informal meetings, providing a common meetings place or physically designing the facilities so that group members are within sight of one another.

iii) Personal Attractiveness: Cohesiveness is enhanced when members are attractive to one another if mutual trust and support already exists. Personal attraction also helps group members to overcome obstacles to goal accomplishment and personal growth and development.

iv) Inter-group Competition: Competition with other groups, both written and external to the organization is a mechanism that acts to bring groups closer together for attaining a common purpose.

v) Favorable Evaluation: If a group has performed in an outstanding manner, some recognition for its performance by management serves to elevate the prestige of the group in the eyes of the group members and other members of the group. Favorable evaluation helps make group members feel proud about being members of the group.

vi) Group Size: As the size of the group increases, the frequency of interaction between members decreases, thus decreasing the probability of maintaining cohesiveness. Past studies have shown the groups of four to six members provide the best opportunity for interaction.

ii) Pleasant experiences with the group: When group members are attracted to each other or there is a full trust and cooperation, interaction may become a pleasant experience resulting in high level of cohesiveness in the group.

viii) Lack of Domination: When one or few members dominate the group, cohesiveness cannot adequately develop. Such behavior can create smaller “cliques” within the group or identify individual members as isolates or deviates.

ix) Gender of Members: It is reported that women tend to have greater cohesion than men. A possible reason is that women are more likely to be feeling types than thinking types.

x) Previous Success: If a group has a history of success, it builds an esprit de corps that attracts and unites members. Successful organizations find it easier to attract and hire new employees than unsuccessful ones.

xi) Humor: Humor has been linked to increased cohesion in several studies. It is reported that the greater the cohesion, the greater the influence of the group over the behavior of members and

subsequently group performance. As groups are composed of individuals who are attracted to the goals of the group and to each other, one would expect to find a strong relationship between cohesiveness and group performance. The major difference between highly cohesive and low cohesive groups would be how closely members conformed to the group norms. Further, the group performance would be influenced not only by cohesion, but by the level of group norms.

GROUP DECISION MAKING:

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

Strengths of Group Decision-making:

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

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

Weakness of group decision making:

Some of the main disadvantages are:

- i) Time-consuming: It takes time to assemble a group.
- ii) Pressures to conform: The desire by group members to be accepted and considered as an asset to the group can result in squashing any overt disagreement, thus encouraging conformity among viewpoints.

iii) Domination by the few: Few people will try to dominate the group discussion. If such people are happened to be mediocre, the group overall effectiveness will suffer.

iv) Ambiguous responsibility: In group decision, the responsibility of any single member is reduced.

TEAM MANAGEMENT

TEAM – Definition

A group of people with different skills and different tasks, who work together on a common project, service, or goal, with a meshing of functions and mutual support

COMMON CHARACTERISTICS OF EFFECTIVE TEAMS

1. The purpose, mission, or main objective is known and understood by all team members.
2. Communication in the team is open, direct and honest.
3. Sufficient leadership is available in the team.
4. There is regular review of how well the team is performing toward achieving its purpose.
5. There is an agreed organizational structure to the team.
6. Adequate resources are available to permit the team to perform its function, including skills, tools, facilities, and budgets.
7. Synergy exists, so the team performs in a way that is greater than the sum of its parts.

Types of Teams

There are four common types of teams:

i) Problem-solving Teams:

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

ii) Self-managed Teams:

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

iii) Cross-functional Teams:

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

iv) Virtual Teams:

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

Difference between Groups and Teams:

Group: A group that interacts primarily to share information to make decision to help each group member perform within his or her area of responsibility. Work groups have no need or opportunity to engage in collective work that requires joint effort.

Team: A group whose individual effort results in a performance that is greater than the sum of the individual inputs. A team gets a greater degree of individual commitment towards the common shared goal. The efforts of the team members result in more synergy and may achieve a better total performance.

TEAM BUILDING:

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

i) Interpersonal Process: The resolution of conflicts between and among the team members by creating a system of open communication by providing training on listening skills, negotiation skills etc.

ii) Goal Setting: Focusing on shared understanding of the mission and goals of the team. During this activity the team members clarify general goals and define specific tasks and sub goal to be accomplished within a specific time with set measurement criteria and reporting mechanisms.

iii) Defining Roles: The members must define the roles without any ambiguity and ensure that instructions are very clear. The responsibilities, norms and expressions and requirements of each role are clarified.

iv) Problem Solving: The member must identify the problem and must follow steps such as gathering and analyzing data, finding causes, understanding solutions, choosing solutions, planning an action and implementing and evaluating the action.

ON-THE-JOB ACTIONS OF SUCCESSFUL TEAMS

1. Seeking opinions and input before finalizing decisions or plans.
2. Being available to help teammates.
3. Volunteering information to teammates who need it.
4. Providing contributions on time.
5. Acknowledging other team members contributions to those outside the team.
6. Being non-defensive and receptive to ideas, opinions, and needs of teammates.
7. Considering the impact of the team's plans on the rest of the organization (administration, accounting, etc.).
8. Not criticizing teammates when they are not present.

9. Coming to meetings prepared.
10. Expressing appreciation for helpful teamwork extended by another.
11. Identifying and helping with loose ends, even in someone else's area of responsibility.
12. Keeping teammates advised of changes, developments and new information.
13. Being supportive of the team's objectives, once they are set.
14. Pitching in when the whole team needs help in meeting a deadline, even if it is outside of your area of responsibility.
15. Trusting the team to be able to develop consensus, even though it takes extra time.

WHY USE TEAMS

1. More knowledge and skill is brought to the problem.
2. Information flow is more effective.
3. More people are aware of the full breadth of the problem.
4. Meetings are more productive and goal-oriented.
5. Better decisions are made.
6. Team problems are identified sooner and more clearly.
7. Team members learn from each other.
8. The team becomes more cohesive and develops a stronger sense of belonging to the organization.
9. Overall morale improves.
10. More is accomplished than is possible by equivalent individual efforts.
11. Productivity and time savings are achieved by eliminating duplication of efforts.
12. Absenteeism and missed deadlines are reduced.
13. Team members understand organizational issues better.
14. Management work is shared.

15. Teams set and achieve tougher goals than individuals.

STEPS IN TEAM MANAGEMENT

There are some basic steps in the team management process. While each team will respond to their own work process and priorities, at some point in the process each team should do the following:

1. Define Team Principles:

All groups, whether families, athletic teams or work teams function well when they have common understanding priorities and principles. Define your team's principles around your organization's vision and how you want to work as a team. Principles may include things such as the agreement to conduct discussions with absolute frankness and honesty; to agree to adhere to decision in unity as if they were your own; to listen to all input with respect; and to maintain a constant focus on the requirements of customers.

2. Clarify Roles and Responsibilities:

One of the most common misunderstandings of team management is that teams reduce responsibility and result in the chaos unclear roles. If one had never seen a basketball game and walked into the arena it might appear to be chaos with players running every which way in apparent disorder. However, the more one understands the sport, the more one understands that there are very clear roles and responsibilities, designed plays and discipline. The same is true with management and work teams. Roles may include facilitation, data collection and presentation, customer and supplier communication, training, and responsibility for specific process steps.

3. Define Key Customers and Requirements:

Reports that "quality is dead" are premature. Without a doubt one of the most useful concepts to come out of the quality movement is the focus on customers and their requirements. The team management process institutionalizes this focus as a routine responsibility of every employee on every team. Each team will decide how best to define their customers and how to gather data on requirements. They may interview their customers, gather survey or telephone information, and will seek to develop ongoing customer feedback on their performance. They will also define their suppliers and share their requirements with their suppliers.

4. Develop a Balanced Scorecard:

The purpose of the team management process is to improve business performance. Each and every team should know their data. They should define measures that reflect the output of their work process as well as measures of customer satisfaction. Measures typically include productivity, quality, costs and cycle time. It is generally the practice to develop a visual scoreboard so that every team member can see the graphs moving toward their goal and experience the emotional impact of improved (or the reverse!) performance. Scorecards are generally reviewed at each team meeting and form the basis for ongoing problem solving and performance improvement efforts.

5. Analyze the Work Processes:

Teams are formed around responsibility for specific work processes. The processes may be assembling a certain product in a manufacturing environment, servicing a group of customers, selling to a defined market group, or for a senior management team, developing business strategy. Each team should be expert in those processes for which it is responsible. To be expert in a work process that process must be defined, its course mapped, its cycle time measured and alternatives considered.

6. Prioritize Problems:

Problems are a normal part of all work environments. It is the purpose of teams to assume ownership of all problems related to their work process and to solve those problems in the most effective and rapid manner. Teams are trained in data analysis and problem solving techniques.

7. Recognize Contributions:

In past years managers were encouraged to “catch someone-doing-something-good-today” on the assumption that it was they who were responsible for the performance of their people. While that is still true, it is also true in a high performing organization that all employees share in the responsibility to celebrate success, to recognize the accomplishments of their peers and teams. Many teams include recognition as a regular item on their meeting agendas. One results of the team process is to make the work place a more satisfying place of employment.

8. Evaluate:

Evaluation of the entire process, from customer requirements, to work process, to results, to the functioning of the group as a team is an ongoing responsibility of the team. By periodic evaluation the team develops the sensitivity and flexibility to make adjustments as they develop greater skill and as circumstances change.

Meaning and Concept of QWL

The phrase 'Quality of Work Life' (QWL) connotes different meanings to different people. Some consider it an industrial democracy or co-determination with increased employee participation in the decision making process. For others, particularly managers and administrators, the term denotes improvement in the psychological aspects of work to improve productivity. Unions and workers interpret it as more equitable sharing of profits, job security, healthy and congenial working conditions. Still others view it as improving social relationship at workplace through autonomous work groups. Finally, others take a broader view of changing the entire organizational climate by humanizing work, individualizing organizations and changing the structural and managerial systems. Management considers it as a broader view of changing the entire organizational climate by humanizing work, individualizing organizations, and developing the structural and managerial systems.

QWL is the favorableness or unfavorableness of a job environment for people; it refers to the quality of relationship between employees and the total working environment. According to Harrison QWL is the degree to which the working organization contributes to material and psychological well-being of its members. The QWL as "a process of joint decision making, collaboration and building mutual respect between management and employees"; it is concerned with increasing labour management co-operation to solve the problems, improving organizational performance and employee satisfaction.

Broadly, the concept of QWL involves four major aspects:

- (i) safe work environment,
- (ii) occupational health care,
- (iii) suitable working time,
- (iv) appropriate salary.

The safe work environment provides the basis for a person to be happy at work. The work should not pose a health hazard for the person. The employer and employees are aware of their risks and rights, and could achieve a lot for their mutual benefit. The working time has been indicated by the State according to the legislation. The concept of QWL is based on the assumption that a job is more than just a job; it is the centre of a person's life.

The concept of QWL is gaining increasing attention in the area of Human Resource Management. The QWL encompasses the sum of total healthy experience of individual's experience in various facets of the work life or life at work. The reaction of employees to work depends upon three factors:

- i) the personality traits and individual characteristics such as need pattern, tolerance for ambiguity, locus of control, work ethics, values, abilities and skills of the employees.
- ii) characteristics of the job, such as the amount of challenge it offers, the extent of autonomy one has in doing the job, the extent of skills used in performing the job, and the like.
- iii) facilities offered by the organization at the work place such as reward systems and training facilities.

Factors Influencing the Quality of Working Life

1. Job satisfaction refers to how far the individuals are satisfied with their position of employment. Factors such as workplace environment, peers, income and work duties influence how satisfied an employee is with the job.
2. Workplace-stress refers to the amount of stress experienced by an employee in the work environment
3. Other factors which influence quality of working life are:
 - (i) individual employees wage,
 - (ii) their working hours,
 - (iii) workplace conditions,
 - (iv) fairness in the workplace,
 - (v) personal characteristics such as anxiety or depression

LEADERSHIP

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

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

Importance of Leadership

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

Qualities of a Leader

1. Intelligence
2. Sound Physique
3. Responsibility
4. Trustworthy
5. Spirit of Enthusiasm
6. Confidence
7. Must do Things in Systematic manner

8. Significant Level of Tolerance

9. Focused

10. Committed to Excellence

Nature of a Leadership

Function of Stimulation Relational and emotional

Continuous Process

Symbiotic Relationship

Related Situation

Community of Interests

Process of Influence

Art and Science

Leader's power

1) Reward power

2) Coercive power

3) Legitimate power

4) Expert power

5) Referent power

STYLES OF LEADERSHIP

Leadership is practiced by its styles which may be positive or negative. The style used by the military officers and traditional managers are mostly negatives whereas those of the modern and high technology organizations are positive.

A-Autocratic style

Autocratic style also known as authoritarian leadership, is a leadership style characterized by individual control over all decisions and little input from group members. Autocratic leaders

typically make choices based on their own ideas and judgments and rarely accept advice from followers. Autocratic leadership involves absolute, authoritarian control over a group.

Characteristics of Autocratic Leadership

Some of the primary characteristics of autocratic leadership include:

- Little or no input from group members
- Leaders make the decisions
- Group leaders dictate all the work methods and processes
- Group members are rarely trusted with decisions or important tasks

Advantages : Autocratic leadership can be beneficial in some instances, such as when decisions need to be made quickly without consulting with a large group of people. Some projects require strong leadership in order to get things accomplished quickly and efficiently. In situations that are particularly successful, such as during military conflicts, group members may actually prefer an autocratic style. It allows members of the group to focus on performing specific tasks without worrying about making complex decisions..

Disadvantages : While autocratic leadership can be beneficial at times, there are also many instances where this leadership style can be problematic. People who abuse an autocratic leadership style are often viewed as bossy, controlling, and dictatorial, which can lead to resentment among group members. Because autocratic leaders make decisions without consulting the group, people in the group may dislike that they are unable to contribute ideas.

B-Democratic style

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

Characteristics :

Some of the primary characteristics of democratic leadership include:

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

- Members of the group feel more engaged in the process.
- Creativity is encouraged and rewarded.

Advantages :

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

Disadvantages :

While democratic leadership has been described as the most effective leadership style, it does have some potential downsides. In situations where roles are unclear or time is of the essence, democratic leadership can lead to communication failures and uncompleted projects. In some cases, group members may not have the necessary knowledge or expertise to make quality contributions to the decision-making process. Democratic leadership works best in situations where group members are skilled and eager to share their knowledge. It is also important to have plenty of time to allow people to contribute, develop a plan and then vote on the best course of action.

C-Laissez-faire style

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

Characteristics :

- Very little guidance from leaders
- Complete freedom for followers to make decisions
- Leaders provide the tools and resources needed
- Group members are expected to solve problems on their own

Advantages

Laissez-faire leadership can be effective in situations where group members are highly skilled, motivated and capable of working on their own. While the conventional term for this style is

'laissez-faire' and implies a completely hands-off approach, many leaders still remain open and available to group members for consultation and feedback.

Disadvantages

Laissez-faire leadership is not ideal in situations where group members lack the knowledge or experience they need to complete tasks and make decisions. Some people are not good at setting their own deadlines, managing their own projects and solving problems on their own.

THEORIES OF LEADERSHIP

There are three major approaches to leadership:

a) Trait theories, b) Behavioral theories, c) Situational theories.

Trait theories highlight that there exists a finite set of individual traits or characteristics that distinguish successful from unsuccessful leaders.

Behavioral theories highlight that the most important aspect of leadership is not the traits of the leader, but what the leader does in various situations. Successful leaders are distinguished from unsuccessful leaders by their particular style of leadership.

Situational theories outline that the effectiveness of the leader is not only determined by his or her style of behavior, but also by the situation surrounding the leadership environment. Situational factors include the characteristics of the leader and the subordinates, the nature of the task and the structure of the group.

TRAIT THEORY:

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

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

The list of important leadership traits is endless and grows with each passing year. It has not yet been shown that a finite set of traits can distinguish successful from unsuccessful leaders. For example, successful research administrators are usually inquisitive, independent, perspective, and experts within their field. Successful sales managers are usually high-need achievers gregarious, enthusiastic and project a professional stature, What may be important traits for one occupation may not be important for other roles in the same organization. Uniformity of traits across all levels is thus questioned. Trait identifies who the leader is, not the behavioral patterns he or she will exhibit in attempting to influence subordinate actions.

BEHAVIOURAL THEORY:

The foundation for the style of leadership approach was the belief that effective leaders utilized a particular style to lead individuals and groups to achieving certain goals, resulting in high productivity and morale. Unlike trait theories, the behavioral approach focused on leader effectiveness, not the emergence of an individual as a leader. There are two prominent styles of leadership such as task orientation, and employee orientation. Task orientation is the emphasis the leader place on getting the job done by such actions as assigning and organizing the work, making decision, and evaluating performance. Employee orientation is the openness and friendless exhibited by the leader and his concern for the needs of subordinates. Two major research studies directed toward investigating the behavioral approach to leaderships is

- i) Ohio State University Studies and
- ii) University of Michigan Studies.

Ohio State Studies:

Initiating Structures and Consideration: They identified two independent leadership dimensions.

Initiating Structure:

This concerned the degree to which the leader organized and defined the task, assigned the work to be done, established communication networks and evaluated work- group performance.

Consideration,

Which was defined as behavior that involves trust, mutual respect, friendship; support and concern for the welfare of the employee. Consideration refers to an emphasis on an employee

orientation leadership style. Their findings indicated that a mixture of initiating- structure and consideration leader behavior, which are achieved the highest effectiveness, depends largely on situational factors.

Michigan State Studies:

Two distinct styles of leadership were developed from their studies: -

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

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

Managerial Grid:

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

Likert's System Four Model:

Rensis Likert suggests that managers operate under four different systems.

System I – Exploitative Authoritative:

The manager believes in very authoritarian manner and actually exploits the subordinates

System II – Benevolent Authoritative:

The manager takes a paternalistic approach while still being autocratic. Behaving as benevolent autocratic, the leader maintains strict control over the subordinates albeit in a paternalistic manner.

System III – Consultative:

The manager consults the subordinates and still maintains the right to make the final decision.

System IV – Participative Groups:

The manager uses a democratic style and makes decision by consensus and majority vote. Likert feels that the best way for all organizations to manage employees is to move towards System IV.

Situational Theory:

Situational approaches to leadership take the position that there is no “one best way to lead in all the situations. Effective leadership style will vary from situations to situation, depending on several factors such as the personality predisposition of the leaders, the characteristics of the followers, the nature of task being done and other situational factors. Tannenbaum and Schmidt reported that the use of authority by the manager (boss centered leadership style) or the area of freedom given to subordinates (subordinate centered leadership) is a function of the following factors such as

- i) forces in the manager – value system, confidence in subordinates, leadership predispositions and feelings of security and insecurity),
- ii) forces in the subordinates (their needs for independence or dependence, readiness to assume responsibility, tolerance for ambiguity, abilities, knowledge and experience and inclination to participate in decision making)
- iii) forces in the situation (type of organization, group effectiveness, time pressures and the nature of the problem itself)

Fiedler's Contingency Model of Leadership:

Fiedler developed a model to predict work group effectiveness by taking into consideration the best fit between the leadership style and the degree of favorableness of the situation. The following three factors are considered to check whether the situation will be favorable or unfavorable. These factors are i) Leader- Member relations,

ii) Task structure of the group,

iii) Perceived position power of the manager.

Leadership Style Assessment –

Least Preferred Coworkers Scale: Fiedler developed a scale to rate the type of relationship a supervisor holds towards the least preferred coworkers on a twenty-item questionnaire.

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

Favorable Situation:

The situation is considered as highly favorable if it possess a high level of positive interpersonal relations between leaders and members, a well-defined task structures and a leaders perceive that they are bestowed with strong perceived positional power. In such type of situation the leader will have a great deal of control over situations and will simply have to make sure that he gives the necessary instructions to get the task done. There is no need for him to waste time talking to each employee in order to be perceived as friendly. A task-oriented style will be effective in such situation.

Unfavorable Situation:

The situation is considered as highly unfavorable if it possesses a low level of interpersonal relationship between leaders and members, a poorly defined task and a relatively a weak perceived power. The leader of a task-force committee which is appointed to solve problems encountered in the work setting is likely to find him in such a situation. In such type of situation, the leader is in highly

vulnerable situations and there is no other way to enforce a strict discipline and order to bring the situation in normalcy than following relationship oriented style.

Moderately Favorable Situation:

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

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

Path-Goal Theory of Leader Effectiveness:

A second situational theory of leadership has been proposed by House and Evan. The principle function of the leader is facilitating to increase valence perception of their subordinates and clarify and increase expectancy probabilities of them. This will in turn make them to put greater amount of effort and derive higher level of satisfaction and performance in their work. The theory is composed of two basic propositions such as

i) role of the leader and ii) dynamics of the situation.

The two main aspects of this model are as follows:

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

- **Directive Leadership Behavior:** This deals with planning, organizing, controlling and coordinating of subordinates activities by the leader. It is similar to the traditional dimension of initiating structure in that the leader's emphasis is on letting the subordinates know what is expected of them.

- **Supportive Leadership Behavior:** This concerns giving support consideration to the needs of the subordinates, displaying concern for their well-being and welfare and creating a friendly and pleasant environment.

- **Participative Leadership Behavior:** This deals with sharing of information and an emphasis on consultation with subordinates and use of their ideas and suggestions in reaching group- related decision.

- **Achievement-Oriented Leadership Behavior:** This deals with setting challenging goals, expecting subordinates to perform at the highest level, continually seeking improvement in performance. The leader wants good performance, but at the same time displays confidence in the ability of his subordinates to do a good job.

Dynamics of Situation:

The leadership style is determined by the situation in which the leader functions. Two main factors that influence the situational effectiveness of the leader's behavior are:

a) the characteristics of the subordinates and

b) the characteristics of his work environment, including task, work group and other organizational factors. The theory proposes that leader behavior will be perceived as acceptable to subordinates to the extent that the subordinates see such behavior as either an immediate source of satisfaction or as needed for future satisfaction.

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

Ability: This refers to the subordinates perception of his or own ability - **Locus of Control:** This deals with the degree to which an employee believes that he or she has control of what happens to him. People who believe that they controlled their environment and who believe what happens to them occurs because of their behavior are called internal. People who believe what happens to them is not under their control and occurs because of luck or fate are externals. - **Need and Motives:** A subordinate's dominant needs may affect the impact of leader behavior. For example, individuals with high safety and security needs may accept an instrumental leader style, but employees with high affiliation and esteem needs may react more positively to a supportive leader.

Characteristics of Work Environment:

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

Path-Goal theory states that leaders can exercise four different kinds of styles such as directive leadership, supportive leadership, participative leadership and achievement oriented leadership.

The Path-Goal theory postulates that any of the four styles can be used effectively by the leader, depending upon situational factors such as subordinate characteristics (ability internal or external locus of control, needs and motives), and attributes in the work setting (task characteristics, authority system and the nature of the primary work groups). If there is a good fit between the leadership style and the situational factors in the work setting, then subordinates will experience job satisfaction, accept and value the leader as a dispense or valued rewards and will engage in motivated behavior because they will know that their effort will lead to performance and that performance will lead to valued rewards.

The rationale behind the theory is that leader can help the subordinates to achieve their goals by providing what is missing in the situation. Employees are helped by the leader to see the path by which their efforts will lead to performance and performance to desired rewards. The leader can take care of the missing links in the situation and facilitate to fulfill the needs of the subordinates. This suggests that leaders should involve their subordinates as much as possible in goal setting. This will enhance a person's sense of control over the organization's goal and have significant benefits in terms of job satisfaction, self-esteem and self-efficacy as well as productivity improvement for the

organization. Goals need to be difficult enough to be challenging and yet realistic and achievable. Goal setting needs to be consistent across everyone and over time.

Hersey and Blanchard's Life Cycle Model of Situation Leadership:

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

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

Directing, Coaching, Supporting and Delegating.

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

INSPIRATIONAL APPROACHES TO LEADERSHIP

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

A. Charismatic Leadership.

Charisma, as defined by Max Weber, is “a certain quality of an individual personality, by virtue of which he or she is set apart from ordinary people and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities. These are not assessable to the

ordinary person, but are regarded as of divine origin or as exemplary, and on the basis of them the individual concerned is treated as a leader.”

B. Transformational Leadership.

While transformational leadership does divide leadership into two categories, these are not opposites but complements. Transformational leadership builds on top of transactional leadership and produces levels of follower effort and performance that go beyond what would occur with a transactional approach alone. But the reverse is not true.

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

a. **Transactional Leaders:** those who guide or motivate their followers in the direction of establish goals by clarifying role and task requirements.

b. **Transformational Leaders:** those who inspire followers to transcend their own self-interests for the good of the organization and are capable of having a profound or extraordinary effect on their followers.

COMMUNICATION

Communication is an important aspect of human behaviour. Communication is central to everything that we do. Without communication an organization can't function at all. No managers can be successful without communicating effectively. Communication has been derived from the Latin word “communis” which means common. Communication stands for sharing of ideas in common.

According to Keith Davis, “communication is a process of information and understanding from one person to another.”

Elements of communication

The process models of communication contain six main elements such as i) sender, ii) message, iii) receiver, iv) feedback, v) channel, vi) noise or interference. As communication occurs, sender and receiver interact by encoding/sending and decoding/receiving messages. Encoding means putting the message into words or diagram or nonverbal signals so that it can be transmitted. The receiver hears, reads or looks in order to decode or interpret the message.

Sender:

Communication begins with sender, the individual who reacts to situations from a unique vantage point, interpreting ideas and filtering experiences through their own perception. Sender conceives his ideas based on the accumulated attitudes, experiences, skills and cultural conditioning.

Message:

Message is the idea of feeling transmitted from the sender to the receiver to achieve understanding. It makes a connection between the sender and the receiver and may be made up of signs, words and movement. The tone of voice, inflection, the rate of speech, facial expression, touching and body movement may be misinterpreted by the receiver, or poorly constructed message may lead to misunderstanding. The message the sender meant to send is not always the message received.

Receiver:

The receiver decodes or interprets the message to achieve understanding. In doing this, the receiver also acts as an individual from a unique vantage point, interpreting the idea according to a particular personal perception of the message. This perception is also the result of the receiver's unique background of experiences, beliefs and concerns. Interpretation of the same message may vary between people.

Feedback:

Feedback is an essential part of successful interpersonal communication. It is the receiver's response to the sender's message, telling the sender how their message is being received and helping the receiver confirm whether their perception of the message is correct. It can be intentional or unintentional. Feedback:

- Provides continuity in the communication
- Indicates effective understanding or misunderstanding of the message
- Stimulates further communication and discussion.

Channel:

A communication channel is the means of techniques used to signal or convey a message – for example, a conversation, letter, telephone call, e-mail or television program. Sometimes these channels are internal to the organization; other channels are outside the organization and are thus external channels. An appropriate channel suits the communication purpose, the need of the sender, the message and the needs of the receiver. Different lines or channels of communication are used

inside an organization. Horizontal channels operate between colleagues at the same level within the organization's structures, while vertical channels move communication up and down between different levels in the organization.

TYPES OF COMMUNICATION:

There are nine patterns of communication:

Downward communication:

It refers to the flow of communication from supervisor to the subordinate. To improve downward communication, managers can present job instructions clearly to subordinates, explain why things need to be done in a particular way so that people who perform the jobs understand better. For example, clear staff regulations, rules, handbooks, procedures manual etc. are the good examples of downward communication.

Upward communication:

It refers to the flow is from the subordinate to the superiors. To improve upward communication, screen upward messages so that the more relevant aspects of the information are received by top management, provide the climate in which members can communicate both positive and negative messages, detect biases when they occur, reduce status difference and wherever possible, require quantified data to be submitted rather than provide subjective information for decision making. For example, instituting suggestion scheme, union leader voicing their demands to management, etc.

Lateral/Horizontal Communication:

It takes place between or among members who are at the same level in the organization. For example, two supervisors of the same department or different department are discussing work matters with each other. To improve lateral communication, it is desirable to establish openness and trust among members of various department, develop reward systems that facilitate inter-departmental cooperation, learn that what the other departments are doing by getting involved in interdepartmental meetings and, if possible design the organization structure in such a way so that greater opportunities of interdepartmental contact exist.

Diagonal Communication:

It refers to the flow of messages between persons who are in position at different levels of the hierarchy and also in different departments. This type of communication takes place under special circumstances.

Formal Communication:

The channels of communication established formally by the management are called formal communication. These are used for the transmission of official messages within or outside organization. However it suffers from delay and also chances of distortion.

Informal communication:

Communication which takes place on the basis of informal or social relations among people in an organization is known as informal communication. It is otherwise known as grapevine communication. The grapevine has three main characteristics.

i) It is not controlled by management. ii) It is perceived by most employees as being more believable and reliable than formal communication issued by top management. iii) It is largely used to serve the self interests of those people within it and it is one of the quickest means of communication.

Verbal Communication:

When the message is conveyed orally, it is called verbal communication. It is most economical in terms of time and money.

Written Communication:

Communication that takes place between people in written form is called written communication. For e.g. memos, reports, bulletins etc. It is permanent, tangible and verifiable. But it is time consuming.

Nonverbal/Gestural communication:

Communicating nonverbally with body movements, with some gestures is known as nonverbal communication.

The types of nonverbal communication can be classified into seven categories:

- i) Body movements or kinesics ii) Physical characteristics iii) Ching behavior iv) Vocal qualities or paralanguage v) Use of space or proximity vi) Artifacts vii) Environment
- ii)

FUNCTIONS OF COMMUNICATION

There are four major functions of communication. They are: Emotive, Motivation, Information and Control.

Emotive:

Through communication, employees can express their frustrations and satisfactions to each other and to management. In addition, communication provides a mechanism for individuals to compare attitude and resolve ambiguous about their jobs, their roles and areas of conflict between groups and individuals. If an employee is dissatisfied with his pay, he will often communicate with others informally, to determine whether the feelings are justified or not.

Motivation:

A second major function of communication is to motivate, direct, control and evaluate the performance of organizational members. Leadership is an influence process by which supervisors attempt to control the behaviour and performance of subordinates. Communication is the major vehicle of such control available to leaders. Hence, leadership activities, such as issuing orders, rewarding behavior and performance, reviewing and evaluating performance, making job and task assignments, and training and developing subordinates all involve communication.

Information:

Communication serves a vital information function for decision-making. It is based on technological orientation and facilitates information processing activities and ways to improve the accuracy with which communication channels carry information going into individual, group and organizational decisions.

Control:

Organizations are attempting to control the activities of individuals through the design and use of formal communication channels. Most types of programs or standard operating procedures have a large communication component to them. Hence, formal communication channels represent a major structural means of control within organizations.

BARRIERS TO EFFECTIVE COMMUNICATION

Semantic Problems:

The use of inappropriate language, symbols, and words may affect the understanding capacity of the receiver. The sender must ensure that the proper words and language are chosen to communicate the intended message so that there is no room for misinterpretation or confusion as the receiver decodes the message exactly as it was encoded. Many words commonly used in communication carry quite different meanings for different people. Two general kinds of semantic problems present barriers to communication. i) Some words and phrases are so general or abstract that they invite varying interpretation. ii) Semantic problems arise when different groups develop their own technical language.

Status Effects:

Status effect also hinders communication in as much as people occupying higher positions in the organization have a tendency to tell a lot to the subordinates but not to listen. When people do not listen, they do not understand each other and thus effective communication is blocked. Thus, the superior-subordinate status comes in the way of effective communication taking place.

Physical Distraction:

When people communicate with each other, noise may also enter in the form of various types of distraction. Distractions may occur because of situational factors such as constant telephone interruptions, people walking in and out of the room, or loud noises in the background.

Information Overload:

This refers to too much volume of information which is beyond the level of a person to comprehend. Communication may be ineffective when too much information is transmitted at one time or when complex information is presented within a short time frame. This includes variety of information received from different modes such as e-mail, memos, official letters, reports, instructions, circulars, telephone, meetings etc. is required to attend.

Time Pressures:

Time is always short, and this fact often leads to distortion in communication. A major temptation when pressed for time is to short-circuit formal communication channels. Because of time pressures, many messages are hastily and inadequately communicated by managers, leaving the listener with much ambiguity and confusion as to what has been said and what action should be taken.

Cultural Differences:

Words, colors and symbols have different meanings in different cultures and sometimes even between sub-cultures within a national boundary.

Trust Level:

When there is lack of sufficient trust between the communicating parties, selective listening takes place, resulting in ineffective communication. Complete information is seldom exchanged under such circumstances and the withholding of information by one or both parties will further aggravate the trust issue and impersonal problems.

Selective Perception:

People have a tendency to listen to only part of a message and “block out” other information for a variety of reasons. One of the most important of aspect is a need to avoid or reduce cognitive dissonance. Thus, people have a tendency to ignore new information that conflicts with or denies already established beliefs, values, and expectations.

Self-Concept:

An individual’s motives and personality strongly influence the decoding or symbolic interpretation process. An employee who has a highly felt need for advancement in an organization and whose personality tend be to quite optimistic might read a smile and casual comment from a supervisor as an indication that he is being groomed for promotion.

Absence of Two-way Communication:

If communication is only one way – from top to bottom or from superior to subordinate – without any feedback, would hinder communication from taking place in an effective manner. For instance, the receiver might decode the message in a way that was not intended. Neither the receiver nor the sender will then realize that the message was misinterpreted until it becomes too late to rectify the situations.

OVERCOMING BARRIERS TO COMMUNICATION

There are number of ways managers can minimize a number of communication barriers. In general, communication can be improved in two ways. First, the manger must sharpen his or her skills in manipulating symbols, that is, process of encoding. This implies that the sender must take as much care as possible in choosing symbols and establishing the context within which the message is

transmitted. There are number of techniques that are commonly employed by managers to accomplish these ends.

- 1) Active listening:
- 2) Follow up and Feedback:
- 3) Parallel Channels and Repetition:
- 4) Timing:
- 5) Be patient and paying adequate attention:
- 6) Information Communication and Information Centers:
- 7) Exception principle and need to know:
- 8) Being empathetic in understanding:
- 9) Using feedback mechanisms:
- 10) Minimize Physical distraction:

POWER AND POLITICS IN ORGANISATION

Organisational Power

Power is a determinant of goals to be achieved and of how resources will be distributed. These, in turn, have far reaching implications for organisation members' performance, satisfaction and organisational effectiveness.

There is no universally accepted meaning of power. Power has more diverse meanings than any other concept in organisational behaviour. In general, it refers to a capacity that one has to influence the behaviour of another so that the other person does something which would not be done otherwise. However, few of the definitions on power are presented here to capture the wide range of the meanings it has assumed over a period of time.

The earliest definition of power is one given by Max Weber, the famous Sociologist. He defines power as "the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance".

Characteristics of Power

Definitions of power are related to the concepts of authority and influence. Chester Barnard defined power as "informal authority". Many modern organisational sociologists define authority as "legitimate power". To have better understanding of power, we bring out clearly the distinctions between power and authority and power and influence.

Power – Authority Distinctions

From the preceding discussion, it is clear that a person who possesses power has the ability to manipulate or influence others. Authority legitimizes and is a source of power in the organisation. In contrast, power need not be legitimate. Distinction can be made between top-down classical, bureaucratic authority and Barnard's acceptance theory of authority. To him, authority is "the character of a communication (order) in a formal organisation by virtue of which it is accepted by a member of the organisation as governing the action he contributes". Power is different from such acceptance theory of the authority in the words of Grimes who notes: "what legitimizes authority is the promotion of pursuit of collective goals that are associated with group consensus".

Power- Influence Distinction

Influence is broader than power in its scope. It is a process of affecting the potential behaviour of others. Power is the capacity of influence. Thus, authority is different from power because of former's legitimacy and acceptance, and influence, though broader than power, is closer to it conceptually. Hence, both are interchangeably used.

Sources of Organisational Power

French and Raven's Classification of sources of power includes reward power, coercive power, legitimate power, referent power and expert power. But sources of power are different from power bases. This distinction is not maintained by French and Raven. How power holders control power bases speaks about sources of power. In other words, sources of power tell us wherefrom the power holders get their power bases. There are four sources of power, namely, position power (legitimate power), referent power (personal powers), expert power and opportunity power.

Position Power

The source of position power is almost identical to authority. One's structural position in the formal group or organisation enables access to power bases i.e., what the power holder has that gives him power. According to French and Raven this power stems from the internalized values of the other persons which give legitimate right to the power holder to influence them. In other words, others feel that they have obligation to accept this power. Again there are three major source of legitimate power.

- One is prevailing cultural values of organisation or group which determine legitimacy. In organisational context, managers have legitimate power because employees believe in private property

laws and in the hierarchy where persons holding higher positions wield power over lower position holders.

- Second source of legitimacy is social structure. In an organisation, for example, when blue collar workers accept employment, they are in effect accepting its hierarchical structure and thereby granting legitimate power to their superiors.

- Being designated as the representative of a powerful person or a group is a third source of legitimate power. A member of the board of directors or management committee is examples of this source. These sources of legitimate power create an obligation to accept and be influenced.

Personal Power or Referent Power

One's personal characteristics can be a source of power. Articulation, domineering and charisma are personal characteristics that yield personal power. Others want to identify with a powerful person, regardless of consequences. In the organisational setting, a manager who depends on referent power must be personally attractive to his subordinates.

Expert Power

Expertise is the means by which the power holder controls specialized information. Others attribute knowledge and expertise to the power seeker. In a technology-oriented or knowledge society, expert power is one of the most powerful sources of influence. Credibility comes from having the right credentials, that is, the person must really know what he is talking about and be able to show tangible evidence of knowledge. Besides credibility, the person holding expert power must be trustworthy, that is, he must have reputation for being honest and straightforward.

Opportunity Power

Being in the right place at the right time can give a person the opportunity to gain power. One need not hold a formal position in an organisation to have access to information which others value most.

Other Sources of Power

Besides these four sources of power, there is yet another source arising out of task-interdependence. Though a superior has legitimate power over subordinate, he must depend on the subordinate to get the job done correctly and on time. Hence the latter has power over the former due to task interdependency.

Bases of Organisational Power

Coercive Power

The coercive power depends on fear. The person with the coercive power has the ability to inflict punishment or adverse consequences on the other person. One reacts to this power out of fear of the negative ramifications that might result from non-compliance. In the organisational context, managers frequently exercise coercive power as revealed from their actions such as dismissing, suspending or demoting their subordinates or withholding pay increases. In other words, managers control through force or hitting at the basic physiological or safety needs. Here it is to be noted that protective labour legislation and trade unions have stripped away some of this coercive power of managers.

Reward Power

Reward power is the opposite of coercive power. People comply with the wishes of another because it will result in positive benefits. The type of rewards includes material rewards like pay increase, fringe benefits, commissions, etc. Managers exercise this power since they have ability and resources to reward their subordinates. The strength of the reward power depends on whether the subordinates look at rewards offered to them as rewards or otherwise. Managers may offer what they think as rewards, but subordinates may not value them. The reverse may also be true.

Persuasive Power

This use of power rests on the allocation and manipulation of symbolic rewards. If a person can decide who is hired, control the allocation of resources, or influence group norms, he is said to have persuasive power. A few common symbols of manager's power in the organisation include: getting a favorable placement for a talented subordinate, getting approvals for expenditures beyond budget, getting items on agenda at policy meetings, getting fast access to top decision makers, getting early information about decisions and policy shifts, getting above-average salary increases for subordinates, etc.

Knowledge Power : Knowledge or access to information is the final use or base of power. When an individual in a group or organisation controls unique information needed to make decisions, then he processes knowledge-based power.

Influenceability of Targets of Power

So far our discussion has confirmed the unilateral influence of power from the agent (power holder) to targets (other persons). Power relationship as a reciprocal relationship can be better understood by focusing attention on characteristics of targets. Influenceability of targets depends on the following:

Dependency

Power is a function of dependency. The general dependence postulates that the greater the dependency of the target on the agent, the greater the power the agent has over the target. Dependency increases when the resources controlled by the agent are important, scarce and non-substitutable. The scarcity - dependency relationship can be clearly seen in occupational groups where supply of skills is low relative to demand for them.

Uncertainty

When people have a feeling of uncertainty about the correctness of their behaviour, they are more susceptible to influence.

Personality

Persons with personality characters like low tolerance for ambiguity and high anxiety (fear of failure) are more likely to be influenced.

Intelligence

Relationship between intelligence and influenceability is complex. In some cases it is positive whereas in other cases negative, since highly intelligent people being held in high esteem may resist being influenced.

Gender

It is traditionally believed that women are more likely to be influenced than men, because of the way the former are brought up. As the role of women is fast changing and they are more empowered now, there is a perceptible change, of late.

Culture

Western cultures that emphasize individuality, dissent and diversity tend to decrease influenceability whereas Asian cultures that emphasize cohesiveness, agreement and uniformity promote influenceability.

Power Tactics

Let us understand how employees in organisations translate their power bases into specific actions. Findings of research on managers identified seven power tactics:

- i. reason;
- ii. Friendliness
- iii. collation (getting the support of other people in the organisation to back up the support);
- iv. bargaining (negotiations for exchange of favours);
- v. assertiveness;
- vi. higher authority (gaining the support of higher levels in the organisation to back up requests);
- vii. sanctions (using organizationally derived rewards and punishments).

Manager's relative power in the organisation determines tactics selection. They also change their tactics depending upon their objectives in the upward and downward influences. Choice of tactics depends upon expectations of success. Assertiveness and sanctions are used when success is less predictable. Different cultures prevalent in the organisation also have significant bearing on the choice of power tactics.

Power Dynamics in Organisations

Power dynamics in organisation relate to political realities of power acquisition in organisations and the specific political strategies in power acquisition.

Political Behaviour

One perspective of political behaviour is, large organisations are like governments in the sense that they are fundamentally political entities. Political behaviour in the organisation refers to those activities not required by one's formal role definition in the organisation. Political perspective of organisation departs from the classical idealistic, rational organization. Four postulates of power by Walter Nod focus on political realities in the organisation. One, organisations are composed of competing coalitions. Second, various coalitions seek to protect their interests and positions. Third, unequal power distribution has dehumanizing effect. Fourth, exercising power within organisation.

Factors Contributing to Political Behaviour

Individual and organisational factors can increase political behaviour and provide favourable outcomes (rewards and averted punishments).

Individual Factors

High self-monitors being sensitive to social cues and social conformity, are more skillful in political behaviour than low self-monitors. Individuals with internal locus of control (those who believe they can control their environment) are proactive and manipulate situations in their favour. A person having high expectation of increased future benefits will lose if forced out; hence he is more likely to use illegitimate means (extreme political behaviour). More alternative job opportunities a person has, more likely he is to use legitimate means (normal every day politics).

Organisational Factor

(i) Resources

Degree of politics, criticality and scarcity of resources in organisation are directly related. Politics surface when the resources are declining and their existing pattern is changing. Infusion of new and unclaimed resources will lead to high political behaviour.

(ii) Trust Low trust in organisation results in higher political behaviour, that too illegitimate type

(iii) Cultural Factors Role ambiguity (lack of clarity in role definition), ambiguous decisions and decisions on which there is a lack of agreement and uncertain, long range strategic decision, zero-sum reward allocation practices (one man's gain is other man's loss), democratic decision-making, performance evaluation systems and self-seeking senior managers, will be sources of conflicts and thereby high politicking. Higher the pressure on performance employees feel, the greater the likelihood of their resorting to politics.

(iv) Technology and External Environment Complex technology and turbulent external environment lead to high political behaviour.

(v) Change Planned organisation change or unplanned change brought about by external environment forces will encourage political behaviour.

Specific Political Strategies for Power Acquisition

Organisational members adopt different strategies to acquire power. Durkin suggested strategies listed below help to gain deeper insights into power and politics in the organisations.

a. Maintain alliance with powerful people

Alliances with members of other important departments or of top management or with boss's secretary or staff assistant are critical to acquisition of power.

b. Embrace or Demolish

The guiding Machiavellian principle is that senior managers in the taken over firms should be welcomed and encouraged or sacked. To make them powerless it is better to sack them than to downgrade them. If downgraded, they combine and fight back.

c. Divide and Rule

This is a popular strategy based on the assumption though unwarranted, that persons divided will not themselves form coalition.

d. Manipulate classified information

Organisational members adept in politics control information so as to gain power.

e. Make a quick showing

Looking good on some project or task right at the beginning is to get the right people's attention. Once this positive attention is gained, power is acquired to do more difficult and long-range projects.

f. Collect and Use IOUs

Do favours to others with clear understanding that they should pay in return when asked.

g. Avoid decisive engagement

Also called Fabianism: Be slow, but sure to become entrenched and gain cooperation and trust of others.

h. Progress one step at a time

One small change can be a foothold for power seeker to use it as a basis to get other major things accomplished.

i. Wait for a crisis

It is based on the assumption things must get worse before they turn better. Crisis conditions bring more resources that facilitate tiding over crisis.

j. Take Counsel with Caution

This relates to how to retain power rather than how to acquire it. For example, prescriptions like participative management and empowerment are to be taken with caution as they erode the power base of managers.

CONFLICT

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

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

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

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

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

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

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

- a) Vertical Conflict-It refers to conflicts that occur between individuals at different levels. Conflict between the superior and subordinate is an example of vertical conflict.

b) Horizontal conflict-It refers to tensions between employees or groups at the same hierarchical level. Horizontal conflict occurs because of interdependence among the parties concerned in the work situation.

c) Line & Staff Conflict- It refers to the conflicts that arise between those who assist or act in an advisory capacity (staff) and those who have direct authority to create the products, process, and services of the organizing (line).

CONFLICT PROCESS

The conflict process can be categorized into five stages. They are as follows:

Stage I: Potential opposition or incompatibility:

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

Stage II: Cognition and personalization:

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

Stage III: Intentions:

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

Stage IV: Behaviour:

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

Stage V: Outcomes:

The outcomes of conflict may be functional or dysfunctional. Conflict is constructive when it improves the quality of decision, stimulates creativity and innovation, encourages interest and curiosity among group members, provides the medium through which problems can be aired and tensions released and fosters an environment of self-evaluation and change.

CAUSES OF INTER-GROUP CONFLICT:

There are three **basic** sources of inter-group conflict:

- i) goal incompatibility,
- ii) decision-making requirements and
- iii) performance expectations.

Interdependence:

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

1. Pooled interdependence—no direct interaction occurs between groups; interdependence exists because their pooled performance determines organizational performance (e.g., the Cadillac, Buick and Chevrolet divisions at General Motors). Creates relatively low conflict potential.
2. Sequential interdependence—Occurs when one group must complete its task before another group can complete its task (e.g., two groups on an assembly line). Makes conflict more likely because output (quality and quantity) of one group depends on the task input of another.
3. Reciprocal interdependence—the output of each group is the input for other groups and vice versa (e.g., the anesthesiology, nursing, and surgical teams in an operating room) creates high conflict potential. All organizations have pooled interdependence; complex organizations have sequential

interdependence; and the more complex organizations have reciprocal interdependence. The more complex the organization, the greater the conflict potential.

Conflict management Techniques:

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

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

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

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

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

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

MANAGING CHANGE

Management of change

We live in an age of transition. One of the few things of real permanence in our world is change. It has become an inescapable fact of life a fundamental aspect of historical evolution. The amount of technical information available doubles every ten years. Change is inevitable in a progressive culture. Change, in fact, is accelerating in our present day society. Revolutions are taking place in political, scientific, technological and institutional area. Sophisticated communication capabilities have also increased. Telemarketing, robotics etc are taking over some jobs currently performed by employees that bear testimony of the fast paced, rapidly changing organisation. Pressures for change are created both outside and inside the organisation. In fact, an organisation that refuses to adapt and adopt change cannot last longer.

Meaning of change

Change is to be initiated at various levels within the organisation system. Manager has to ensure that the individuals and groups in organisations and structures, processes and behaviour of sub-systems adopt to the changing external and internal environment. A manager can bring in the needed change in many ways. The individual can be made ready to accept the change by offering special training required to handle the new assignment. Groups can be helped through team building efforts to operate interactively in a smooth and harmonious fashion, so as to increase their effectiveness. Technological changes can be introduced with the change in the structures and the job can be redesigned or new policies initiated which serves the need of both employees and organisation. The changes at attitudinal, perceptual and behavioural level can be brought by changing the organisational climate.

Characteristics of organisational change:

1) Change basically results from stimuli from both outside and inside the enterprise;

2) Change takes place in all the organisations but at varying rates of speed and degrees of significance; 3) Finally, the enterprise changes in several ways. Its technology may change; its structure, people, procedures and other elements may also change.

Any alteration that occurs in the overall work environment is called change. Change requires new adjustments and new equilibrium. The nature of work change is so complicated that the management should gain acceptance for the change, and restore the group equilibrium and personal adjustment that change upsets.

Forces of change

a) Internal Forces: There are some internal forces that cause changes in the organisations. They relate to change in machinery, equipment, methods and procedures, work standards, change in the structure, changes in authority, status, and responsibility etc.

b) External forces: Outside the organisation, environmental conditions are becoming less and less stable day by day. They are even becoming turbulent. These pressures necessitate the organisation to change and adapt to meet the new demands and requirements. Organisation cannot afford to be rigid and inflexible in the wake of environmental pressures. They must be dynamic and viable, so that they can survive.

(i) Technology: Technology is the major external pressure of changes. It is perhaps the greatest factor that the organisation has to reckon has to with. The rate of technological changes is so fast that we have to run to be where we are. Technological changes are creeping in our private lives too. They are also responsible for changing the nature of jobs performed at all levels in the organisations. Knowledge explosion, more particularly the computer technology and automation have made a remarkable impact on the functioning of industries in recent times. Technology change has always been equated with the progress in society. Today's technology has outstripped the imagination of the science fiction writers of the last generation. Each technological alternative results in setting into motion a chain of changes. Technology necessitates an organisation to change its process of manufacturing, make line and staff adjustments etc. Organisations of to day must equip themselves to absorb rapid extensive changes in the technology and the resultant need to deal with the great ambiguity and uncertainty.

(ii) Economic Shocks: Increase in the purchasing power of the people has increased the demand for luxury goods. The consumer has also become quality conscious. a) Export/import policy of the

Government. b) Changes in the interest rates. c) The status of the economy. d) The status of money market.

(iii) Market Situation: Changing market situations is a seemingly ubiquitous phenomenon. The market changes include rapidly changing tastes of consumers, needs and desires of consumers, suppliers, etc. Competition for new products, designs, changes in quality are growing at a terrific pace. In a nutshell the entire complexion of the market is changing. Modern organisations are functioning in a highly competitive terrain. If they are to survive, they must adapt themselves to the change and adopt the change as well.

(iv) Social and Political Changes: Such environmental pressures as social and political changes, as well as the relations between government and business also influence the results of the organisational efforts. Many new legal provisions get introduced every time that affects the organisations. Organisational units literally have no control over these forces but in order to survive they must adapt to changes.

Resistance to change

Many a time change is resisted by employees, even if the change is for their benefit and the organisation. Resistance to change is perhaps one of the baffling problems a manager encounters because it can assume many forms. The effects of resistance may be overt or implicit, may be subtle and cumulative. Implicit resistance may be manifested in tardiness, loss of motivation to work, increased absenteeism and the requests for transfer etc. Overt resistance, on the other hand, assumes the form of wildcat strikes, shoddy work, and reduction in productivity etc.

In fact, there may be near-infinite reasons why people resist change in the organisation. According to Keith Davis, the following are the main reasons for resistance to change.

1) **Economic Reasons:** Keith Davis, remarks “people fear technological advances may result in unemployment, reduced work hours, demotion, reduced wages and reduced incentives and hence resist change.”

2) **Obsolescence of Skills:** Sometimes, however, introduction of new technology throws people away from doing important jobs (or demanding works) to less important or dead-end ones where little or no skills are required to exhibit. More realistically, when people perceive psychological degradation of the job they are performing they resist such a change.

3) **Preference for Status Quo:** Perhaps the biggest and the most sound reason for the resistance to change is the preference for status-quo. People have vested interest in the status quo. Change may pose disturbance to the existing comforts of status quo.

4) **Fear of the Unknown:** Change presents the unknown things, which cause anxiety. Whenever people do not know exactly what is likely to happen, they are likely to resist it. The unknown thing poses a constant threat. Thus people resist change and its consequences.

5) **Social Reasons:** Economic and personal reasons for the resistance apart, some social reasons may also be accountable for the possible resistance to change. Social displacements and peer pressure are among those social reasons that are very important for the manager to consider when dealing with resistance to change.

6) **Social Displacements:** Introduction of change often results in breaking up of work groups. In the work environment develop informal relationships. When the friendship with fellowmembers is interrupted, then there is a possibility for the employees to experience psychological let down. When the social relationships develop, as normally is the case, people try to maintain them and fight social displacement by resisting change.

7) **Peer Pressure:** Situations are not rare where individuals are prepared to accept change at their individual level, but refuse to accept it for the sake of the group.

8) **Security:** People have to learn new methods of doing things. They are not sure whether they would become adept in the new method even after training. This fear of retraining the effectiveness with new methods creates a sense of insecurity in the minds of the people. This is apart from the economical job security.

9) **Undermining of Status and Authority:** The newer technologies and methods may do away with part of the status and authority that is vested with a position earlier. For example if the work methods are completely automated, the supervisor feels that his authority and status are undermined and that he will have no control over the subordinates and they will not respect or obey him.

10) **Retraining:** Change may require the employee to go for retraining to update his/her skill to work with the newer machines. But some may be scared to interact with the new machines and methods. People prefer the status quo. Most of the people are comfortable with the existing set up. This may also add to the resistance to change.

11) **Non-Involvement in the Decision Making:** People may resist change if they are not consulted before the introduction of change. Whenever changes are introduced without the participation of those who are concerned with the change, they will definitely resist change. On the other hand, if the contemplated changes are the result of the participation of all those who are going to be affected, it will make them to take personal interest to see that the change works.

Dealing with resistance to change

Kotter and Schlesinger (1979) identified six general approaches to handling resistance. They are described below:

a) Education and Communication

Resistance can be reduced through communication with employees to help them see the logic of a change. Resistance can be expected if the nature of the change is not made clear to the individual who is going to be affected by change, If people get to know the facts and the misunderstanding gets cleared up. This can be done through listening, group presentation etc. Different people see different meanings in a proposed change. People may distort the information if they see discomfort and threats in their past work situation.

b) Participation

Participation is the involvement of the individuals who resist changes in the decision making process. It becomes difficult for them to resist change as they have participated in decision-making.

c) Facilitation and support

The change agents can offer counselling, new skills training when the employee fears and anxiety are high. This would help in reducing the resistance to change. It is expensive and results are uncertain.

d) Negotiations Potential resistance to change can be dealt with through negotiations.

A specific reward package may be negotiated that will meet their individual needs. If the resistance is centered in a few powerful individuals, there is a possibility of being blackmailed by others.

e) Manipulation and Co-operation

Manipulation is distortion of facts and withholding of the desirable information to accept change. Co-operation, on the other hand is a form of both manipulation and participation. It seeks to

buy off the leaders of a resistance group by giving them a key role in the change decision. If the individuals are alert, the change agents' credibility may drop to zero.

f) Coercion

Coercion is the application of threats of force upon resistance. Examples of threats include, threats of transfer, loss of promotion etc. The advantages and disadvantages of manipulation of cooperation are valid with coercion also.

Introducing change

Management of organisational change is a complex phenomenon involving formidable exercises on the part of the management. Before a particular change is shaped and implemented effectively in an organisation, certain minimum number of steps need be followed viz.

- 1) Recognize the forces demanding change:
- 2) Recognise the need for the change;
- 3) Diagnose the problem;
- 4) Plan the change;
- 5) Implement the change
- 6) Follow-up or seek feedback.

1) Forces Demanding Change:

Whenever a manager intends introducing change he should proceed in a logical sequential order. Manager should, first of all, identify the forces demanding change. Change is the reaction to the pressures created both within and outside the organisation. These forces thus may be internal or external. Depending upon the nature of the change agent, as well as the strength of the forces, the managerial strategy to introduce the change will be decided upon.

2) Recognise Need for Change:

All forces certainly do not demand change but some do require careful attention on the part of the management. Manager should identify the discrepancy between what is and what should be. He must analyse the forces that contribute to this gap through evaluation or performance reports. Management then must try to separate unnecessary forces and keep a close eye on next the step in the process known as diagnosis.

3) Diagnose the Problem:

The next phase in the management of change is a thorough and careful diagnosis of the problem. This involves the identification of the root cause. It is advisable that the work of diagnosing the problem be entrusted to an outside consultant. Generally the services of an outsider are useful at this stage because he is not restrained by the internal inhibitions. He can afford to call a spade a spade. Various diagnostic techniques such as interviews, questionnaires, observation and secondary data/unobtrusive measure, etc., are used in this stage. The manager or change agent depending on the nature of the problem and capabilities of the enterprise employs these diagnostic techniques.

4) Plan the Change:

The diagnosis would tell the manager if the change has to be adopted; it might also give him a clue as to the manner and the phases in which it is to be introduced. According to Harold Leavitt “all organisational changes can be classified as change in structure, task, technology or people. Changing structure involves reorganisation of the departments, re-specification of span of control, decentralization etc. Changing task includes job enrichment, job specification and specialization and job redefinition or any other changes concerned with the task of employees. Changing technology involves introduction of new lines of production, installing new control systems, instituting new selection and recruitment etc. And finally, changing people comprises of training, development activities etc.

5) Implementing the Change:

Having identified the focal points of concentration, the manager’s immediate job is to implement change. Here he confronts a biggest challenge through resistance by the employees. Nadler and Tushman assert that any change encounters three problems in implementation. Having taken in account the problem at this stage of implementation of change the manager can think of implementing change a) by Changing the structure and/or b) by changing the technology and/or c) by changing people.

6) Action and Evaluation

The change agent and the employees carry out specifying methods to solve the identified problems. The effectiveness of the action plan is evaluated and if necessary modification is carried out. Action research has two advantages. It is problem focused and has a favourable solution. Action research involves people heavily in the process, and resistance to change is reduced.

Organization–Society Relationship

An organization can be defined as a group of people working together in a structured way to achieve a goal. Common to all types of organizations is that they also, one way or another, have to relate to society. A society can be understood as a group of people that has relatively persistent relationships with each other. At the microlevel (individual organizational members) and at the macro level (the organization), the notion of stakeholders is often used to relate to society. Stakeholders are defined as individuals and groups that can influence the organization's ability to reach its goals. The concept also includes the reverse relationship, that is, stakeholders are also those individuals and groups that depend on the organization. Stakeholders can include customers, employees, suppliers, local communities, politicians, owners, the media. Traditionally, stakeholders are identified by the relationship they have with the organization.

Some approaches in the literature even see stakeholders as an integral part of the enterprise of the organization. Stakeholders are an inseparable part of the dynamic processes that produce the identity, the culture, and the image of an organization. Others state that this mutual involvement creates a fundamental responsibility of the organization for its stakeholders; ownership and responsibility are two sides of the same coin. In all cases organizations have to relate to the different stakeholder groups depending on the different environments they working.

The impact of society on organization and management as follows

1) Goal of the organization

Every organisation comes into existence to achieve specific goals. Such goal must be framed by considering the need of the society.

2. Managerial decisions:

The decisions made by managers are obviously influenced by society. The styles of decision making process and the approach adopted are guided by the policies and norms of the society.

3. Human relations:

Maintenance of cordial human relations is an important task of any organisation. The ability of a manager to maintain sound human relations depend on his cultural background, family background, socialization process etc. Thus we can find that various, aspects of society such as values, norms, attitudes, family background, cultural heritage, influence the organisation.

Indian Society and Organisation:

So far we have analysed the relation between society and organisation. Let us make an attempt to understand the impact of Indian society on organisation and Indian management practices.

Indian society is a complex entity. It has a rich social, cultural, economic and political heritage. Various elements of Indian society exerts influence on Indian management practices. They can be analysed as follows:

1. Impact on behaviour:

Aspects of social heritage such as culture, socialization and family background of employees determine their behaviour in the organisation. Human beings are considered the most valuable assets of any organisation. The behaviour of human beings in the organisation determine various aspects of management such as communication, interpersonal relations etc.

2. Impact on practices and policies of the organisation:

Management policies are devised on the basis of social aspects. For instance most organisations in India follow holidays for important festivals such as Deepavali, Dussehra, Christmas, Ramzan etc.

3. Cultural Symbols and rituals:

In most of the organisations rituals and cultural symbol are followed. For instance, in most organisations the important events such as seminars and conferences or other functions are inaugurated by lighting a lamp. Important festivals like Ayudhapooja are celebrated in business organisations.

4. Control techniques:

The control techniques adopted for regulation of behaviour of employees in an organisation is highly influenced by the practices and policies of society, particularly HR practices of the organization particularly disciplinary action. Particular disciplinary action are based on social policies and guidelines. Social norms often determine the control techniques.

5. Group dynamics:

Social change exerts influence on group dynamics. It refers to various forces which operate within a group. Formation of informal groups is unavoidable in any formal organisation. Whenever social change occurs it affects the interactions within the formal as well as informal group. For example: Communal cashes may affect the interrelations among a trade union.

Review questions

1. What is group norms
2. What are the reasons for joining groups
3. Write the characteristics of an effective team
4. Explain the various steps in team management
5. What are the different stages of group development
6. Explain the elements of communication.
7. Define power
8. What are the important sources of organizational power?
9. Define conflict
10. Explain the conflict process
11. What are the reasons for resistance to change?

MODULE V

ORGANISATIONAL CULTURE AND ORGANISATIONAL DEVELOPMENT

ORGANISATIONAL CULTURE

Organisational culture evolves from the social practices of members of organizations. Culture is an ongoing process of reality construction, providing a pattern of understanding that helps members of organizations to interpret events and to give meaning to their organization. It is the result of daily conversations and negotiation between the members of an organization. If you want change a culture, you have to change all these conversations. Culture is dynamic, each state or each country has a distinct culture. In the same way each organization has its own culture.

Organizational or corporate culture is the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people in organizations behave and things get done.

Definitions:

According to Robbins, "Organization culture refers to a system of shared meaning held by members that distinguishes the organization from other organizations.

Role of culture

The role of culture in an organization is to

- a. Specify the goals and objectives of the organization
- b. Specify the relations that exists in the organization
- c. Specify what qualities are valued within organization such as loyalty, confidentiality, hardworking etc.
- d. Specify the wider context within which the organization operates

The success of any organization is linked to an organization culture in which people are encouraged to work together and share resources as needed.

Types of organizational culture

1. The Power culture: Here, the organization stresses the role of individuals rather than committees. Individuals are power oriented and politically aware. It is not characterized by bureaucracy.

2. The role culture: Here the stress is upon formal rules and roles and authority is vested in these roles.
3. The task culture: This is job-oriented and is concerned with getting the job done. It is concerned with utilising resources to meet the organisation's objectives and is characterized by the requirement of efficiency.
4. The person culture: The individual is at the heart of this organisation and this culture, according to Handy, is not often found. The organisation serves the individual rather than the other way round. Control mechanisms or hierarchies are virtually impossible and influence the shared.

Dominant culture:

A dominant culture expresses the main values or common assumptions that are shared by all members of the organization. It is the macro view of the culture which gives a distinct personality and identity to the organization.

Sub culture:

It is the micro level view of culture and it is found to exist in every organization along with its dominant culture. To promote an appropriate organization culture, strong culture should be developed and maintained.

Functions of organizational culture:

The functions performed by culture within the organization are given below:

1. It creates a boundary between one organization and another
2. It conveys a sense of identity among the organisation members
3. It generate a feelings about the importance of group interest rather than individual interest
4. It enhances social system stability
5. It serves as a sense making and control mechanism that guides and shapes the employees behavior and attitudes.

Organsiationsal Development

Organisational Development (OD) is focused on improving the effectiveness of organizations and the people in those organisations. Different people have defined OD differently. According to Koontz “OD is a systematic integrated and planned approach to improve the effectiveness of the enterprise. It is designed to solve problems that adversely affect the operational efficiency at all levels”.

Burke' has defined OD as “a planned process of change in an organization’s culture through the utilization of behavioral science technology, research and theory”.

In the opinion of French and Bell “OD is a systematic approach to organizational improvement, that applies behavioral science theory and research in order to increase individual and organizational well-being and effectiveness”. Now, OD can be defined as a long-term, more encompassing change approach meant to improve individual as well as organizational well-being in a changed situation”.

Features of Organizational development

1. OD is a systematic approach to the planned change. It is structured style of diagnosing organizational problems and opportunities and then applying expertise to them.
2. OD is grounded in solid research and theory. It involves the application of our knowledge of behavioral science to the challenge that the organizations face.
3. OD recognizes the reciprocal relationship between individuals and organizations. It acknowledges that for organizations to change, individuals must change.
4. OD is goal oriented. It is a process that seeks to improve both individual and organizational well- being and effectiveness.
5. OD is designed to solve problems.
6. OD is using behavioural science knowledge.

Objectives of Organizational Development(OD)

The main objectives of OD are to:

1. Establishing relationship with key personnel in the organization.
2. Improve organizational performance as measured by profitability, market share, innovativeness, etc.
3. Make organizations better adaptive to its environment which always keeps on changing.
4. Make the members willing face organizational problems and contribute creative solutions to the organizational problems.
5. Improve internal behavior patterns such as interpersonal relations, intergroup relations, level of trust and support among the role players.
6. Understand own self and others, openness and meaningful communication and involvement in planning for organizational development.

Process of Organisational development

The process of OD involves the following steps:

1. **Problem identification:** It is very necessary to identify the problems in all areas of an organization. Once the problem is correctly identified, it is rather easy to proceed to collect data to solve the problem.
2. **Collection of data:** After identifying the problem, it is necessary to collect data relating to the problem. The methods such as personal interview, observation, questionnaire etc. can be used for data collection.
3. **Diagnosis:** The identified problems are often expressed by organization member in unclear terms, Once the data is collected it should be carefully analysed and examined by using experience and judgment. It ultimately helps to understand the source of the problem.
4. **Planning and implementation:** Intervention is considered to be the action phase in OD process. Intervention is a set of planned activities and techniques by which organizations and their clients work together in an OD programme.
5. **Evaluation and feedback:** With the help of evaluation, it is possible to determine how accurate OD process has been done. OD process is done by stages and at every stage there is a chance to commit some mistakes and faults.

ORGANIZATION DEVELOPMENT INTERVENTIONS

Organization Development (OD) interventions techniques are the methods created by OD professionals and others. Single organization or consultant cannot use all the interventions. They use these interventions depending upon the need or requirement. The most important interventions are,

- a. Survey feedback
- b. Process Consultation
- c. Sensitivity Training
- d. The Managerial grid
- e. Goal setting and Planning
- f. Team Building and management by objectives
- g. Job enrichment, changes in organizational structure and participative management and Quality circles, ISO, TQM

- a. Survey feedback:** The intervention provides data and information to the managers. Information on Attitudes of employees about wage level, and structure, hours of work, working conditions and relations are collected and the results are supplied to the top executive teams. They analyse the data, find out the problem, evaluate the results and develop the means to correct the problems identified. The teams are formed with the employees at all levels in the organization hierarchy i.e, from the rank and file to the top level.
- b. Process Consultation:** The process consultant meets the members of the department and work teams observes the interaction, problem identification skills, solving procedures etc. Process consulting requires the OD Practitioner to analyze a business and figures out strategies for improving its day-to-day operations and overall functioning. Succeeding in this diagnostic usually requires an individual, who is adept at problem solving, is creative and has excellent interpersonal skills. Some common responsibilities of this job include observing business operations, identifying problem areas, developing practical solutions, executing changes and assisting employees throughout the process. The process consulting process involves the practitioner meeting the members of the department and work teams observing the interaction, problem identification skills, solving procedures et. He feeds back the team with the information collected through observations, coaches and counsels individuals & groups in moulding their behavior before improvements can begin, it's important for OD Practitioner to first observe a business's operations. This practice typically involves things like monitoring employee performance, investigating organizational habits and determining overall efficiency. In addition, an individual might get feedback from both employees and supervisors to get a feel for a business. After a period of observation, the OD practitioner will need to identify the primary problem areas of a business. For example, he might decide that a company's warehouse is disorganized, and that getting products from shelves is unnecessarily difficult. In another instance, he might discover that ineffective employee scheduling is hurting a company's production. Being effective at this job requires a person to find specific flaws and take note of them.
- c. Sensitivity training:** The term sensitivity refers to the psychological aspect of human mind that has to be shaped to act in accordance with the expectations of the group. It is small discussion group without any leader. The trainer raises a question and allows the members to proceed with the discussion, the focus being feelings and mutual respect. The notion is to

change the attitude and behavior of individuals involved in the group rather than the technical skill or knowledge.

- d. Managerial grid:** This identifies a range of management behaviour based on the different ways that how production/service oriented and employee oriented states interact with each other. Managerial grid is also called as instrumental laboratory training as it is a structured version of laboratory training. It consists of individual and group exercises with a view to developing awareness of individual managerial style interpersonal competence and group effectiveness. Thus grid training is related to the leadership styles. The managerial grid focuses on the observations of behaviour in exercises specifically related to work. Participants in this training are encouraged and helped to appraise their own managerial style.

There are 6 phases in grid OD

First phase is concerned with studying the grid as a theoretical knowledge to understand the human behaviour in the Organization. Second phase is concerned with team work development. A seminar helps the members in developing each member's perception and the insight into the problems faced by various members on the job. Third phase is inter group development. This phase aims at developing the relationships between different departments Fourth phase is concerned with the creation of a strategic model for the organization where Chief Executives and their immediate subordinates participate in this activity. Fifth phase is concerned with implementation of strategic model. Planning teams are formed for each department to know the available resources, required resources, procuring them if required and implementing the model Sixth Phase is concerned with the critical evaluation of the model and making necessary adjustment for successful implementation.

- e. Goal setting and planning :**Each division in an organization sets the goals or formulates the plans for profitability. These goals are sent to the top management which in turn sends them back to the divisions after modification. A set of organization goals thus emerge thereafter.
- f. Team building and Management by Objectives (MBO)** is a successful philosophy of management. It replaces the traditional philosophy of "Management by Domination". MBO led to a systematic Goal setting and Planning. Peter Drucker the eminent management Guru in 1959 has first propagated the philosophy since then it has become a movement. MBO is a process by which managers at different levels and their subordinates work together in identifying goals and establishing objectives consistent with Organizational goals and attaining them.

Team building is an application of various techniques of Sensitivity training to the actual work groups in various departments. These work groups consist of peers and a supervisor. Sensitivity training is called a laboratory as it is conducted by creating an experimental laboratory situation in which employees are brought together. The Team building technique and training is designed to improve the ability of the employees to work together as teams.

- g. Job enrichment** is currently practiced all over the world. It is based on the assumption in order to motivate workers, job itself must provide opportunities for achievement, recognition, responsibility, advancement and growth. The basic idea is to restore to jobs the elements of interest that were taken away. In a job enrichment program the worker decides how the job is performed, planned and controlled and makes more decisions concerning the entire process.

TRANSACTION ANALYSIS

Transactional analysis is a model of people and relationships that was developed during the 1960's. It has wide application in clinical, therapeutic, organizational and personal development.

TA is a technique used to help people better understand their own and other's behavior, especially in interpersonal relationships.

Berne's Three Ego States

In addition to the analysis of the interactions between individuals, Transactional Analysis also involves the identification of the *ego states* behind each and every transaction. Berne defined an ego state as "*a consistent pattern of feeling and experience directly related to a corresponding consistent pattern of behavior.*"

Berne defined the three ego states as: **Parent, Adult, and Child**. It should be carefully noted that the descriptions of these ego states do NOT necessarily correspond to their common definitions as used in the English language. Before describing each of the three ego states, it is important to note that these are fundamentally different than Freud's Ego, Id, and Superego.

"It will be demonstrated that Parent, Adult, and Child are not concepts, like Superego, Ego, and Id, or the Jungian constructs, but phenomenological realities." Stated another way, Freud's ego states are unobservable, theoretical states; but Berne's three ego states can be confirmed with observable behaviors.

The following are detailed descriptions of the three ego states:

Parent – The parent represents a massive collection of recordings in the brain of external events experienced or perceived in approximately the first five years of life. Since the majority of the external events experienced by a child are actions of the parent, the ego state was appropriately called Parent. Note that events perceived by the child from individuals that are NOT parents (but who are often in parent-like roles) are also recorded in the Parent.

Examples of recordings in the Parent include:

- “Never talk to strangers”
- “Always chew with your mouth closed”
- “Look both ways before you cross the street”

It is worth noting that, while recording these events, the young child has no way to filter the data; the events are recorded without question and without analysis. One can consider that these events are imposed on the child.

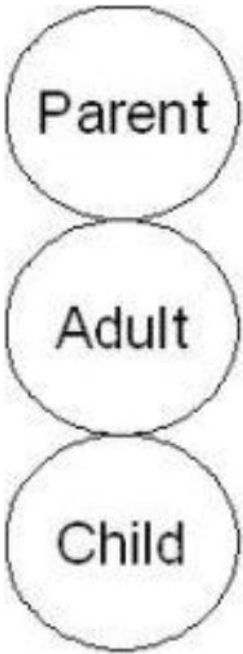
Child – In contrast to the Parent, the Child represents the recordings in the brain of internal events associated with external events the child perceives. Stated another way, stored in the Child is the emotions or feelings which accompanied external events. Like the Parent, recordings in the Child occur from childbirth all the way up to the age of approximately 5 years old.

Adult – The Adult is the last ego state. Close to one year of age, a child begins to exhibit gross motor activity. The child learns that he or she can control a cup from which to drink, that he or she can grab a toy. This is the beginning of the Adult in the small child. Adult data grows out of the child’s ability to see what is different than what he or she observed (Parent) or felt (Child). In other words, the Adult allows the young person to evaluate and validate Child and Parental data. Berne describes the Adult as being “principally concerned with transforming stimuli into pieces of information, and processing and filing that information on the basis of previous experience. One of the key functions of the Adult is to validate data in the parent. One of the key functions of the Adult is to validate data in the parent.

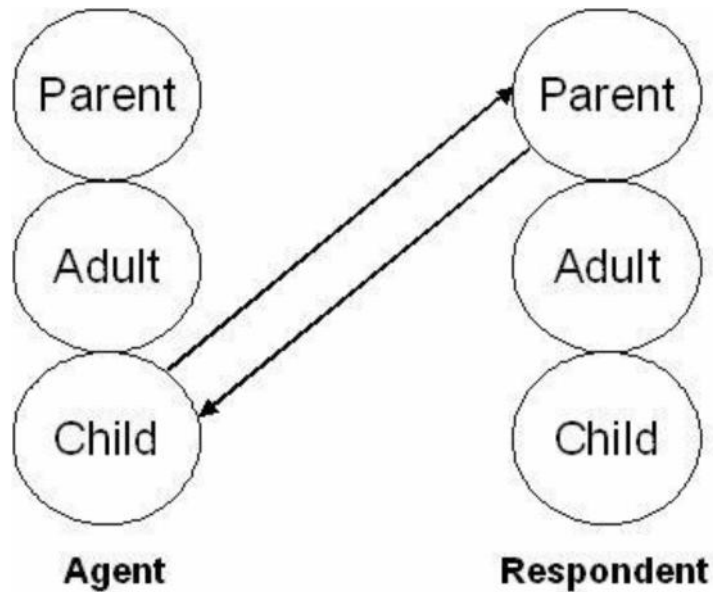
Analyzing Transactions

When two people communicate, one person initiates a transaction with the transactional Stimulus (see the above Transactions Defined section for a definition of the transaction stimulus). The person at whom the stimulus is directed will respond with the transactional response. Simple Transactional Analysis involves identifying which ego state directed the stimulus and which ego state in the other person executed the response. According to Dr. Berne, the simplest transactions are between Adults ego states.

Transactions in this ego states are psychologically mature and effective because both parties are acting in a rational manner. But not all transactions proceed in this manner. Some transactions involve ego states other than the Adult.

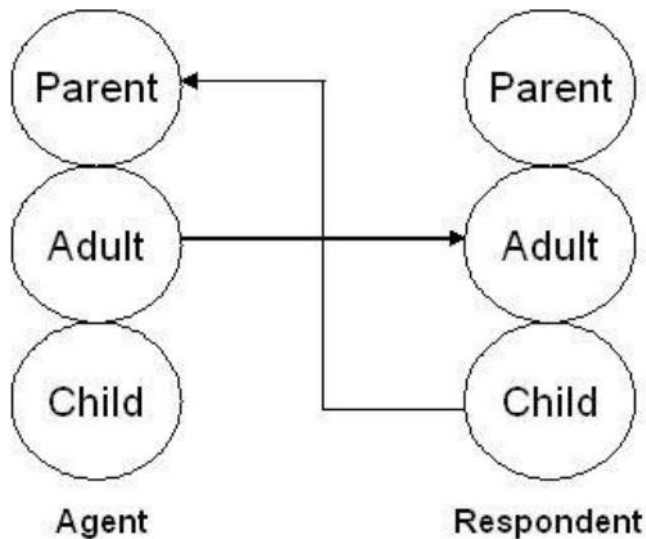


This leads us to Parent – Child transactions, which are almost as simple as Adult-Adult transactions. It is considered as a ideal situation .One of the tools used by a Transactional Analysis practitioner is a structural diagram, as represented above. A structural diagram represents the complete personality of any individual. It includes the Parent, Adult, and Child ego states, all separate and distinct from each other. The diagram was developed by Eric Berne, when he was developing his theories of Transactional Analysis.



Child interacting with a Parent

Transactional Analysts will then construct a diagram showing the ego states involved in a particular transaction. The transaction to the right shows a Parent – Child transaction, with the Child ego state providing the transactional stimulus, and the Adult responding with the transactional response. The two transactions described can be considered complementary transactions. In a complementary transaction, the response must go back from the receiving ego state to the sending ego state. For example, a person may initiate a transaction directed towards one ego state of the respondent. The respondent's ego state detects the stimuli, and then that particular ego state (meaning the ego state to which the stimuli was directed) produces a response. According to Dr. Berne, these transactions are healthy and represent normal human interactions.



Crossed Transaction

However, not all transactions between humans are healthy or normal. In those cases, the transaction is classified as a crossed transaction. In a crossed transaction, an ego state different than the ego state which received the stimuli is the one that responds. The diagram to the right shows a typical crossed transaction.

Strokes:

As stated earlier, Berne defined a stroke as the “fundamental unit of social action.” A stroke is a unit of recognition, when one person recognizes another person either verbally or non-verbally. Strokes are exchanged whenever two persons interact with each other. The word stroking originated from the studies of the needs that babies have for physical affection for complete psychological development. As we grow from infancy into childhood, we do not entirely lose our need for stroking. A part of the original need for physical stroking seems to be satisfied with symbolic stroking like verbal recognition and eye contact between persons. Berne also reasoned that any stroke, be it positive or negative, is better than no strokes at all. Or, as summarized in *TA Today*, “any stroke is better than no stroke at all.” For example, if you are walking in front of your house and you see your neighbor, you will likely smile and say “Hi.” Your neighbor will likely say “hello” back. This is an example of a positive stroke. Your neighbor could also frown at you and say nothing. This is an example of a negative stroke. But either case is better than no stroke at all, if your neighbor ignored you completely.

Transactional Analysis – Life Positions

The concept of life positions is another basic idea from transactional analysis theory. Life positions are basic beliefs about self and others, which are used to justify decisions and behavior. Life positions works within the assumption that we choose very early on in our life, before age two, a basic position towards ourselves and other people. It represents the fundamental attitude a person takes about the essential value he perceives in him and other people. Once a child has taken up a favorite position, they are likely to construct the rest of their world view to match that life position. One could therefore also see a life position as one of the first script decisions a person makes.

Review questions

1. What is transactional analysis
2. What are the different states of ego
3. Explain the importance of transaction analysis
4. Define organizational culture
5. What is meant by organizational development
6. What are the objectives of organizational development
7. What is meant by managerial grid

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