UNIT 1 INTRODUCTION OF ORGANISATIONAL PSYCHOLOGY

Structure

1.0 INTRODUCTION

Organisations are an important part of our daily lives. Our society is made up of many diverse kinds of organisations. To name just a few, there are industrial, governmental, non-governmental, political, religious, educational, military, health, and social organisations. Think about the number of organisations that directly affect you: college, social groups, clubs, even family. Now think of the others that affect you indirectly: the local public utilities (electricity company like BSES, or local train services like Metro), the governmental agencies in your community, the RWA (Resident Welfare Association) in your locality, hospitals, retail stores, and so on. These organisations affect you, both in terms of the services received and your health, safety, well-being. Our living standard, security, and even identity depend upon the effectiveness of these organisations.

In the past century, there has been a phenomenal rise in the number, size, diversity, and complexity of organisations. Given the growth of these organisations and the pervasiveness of organisations in our lives, it is not surprising that psychologists have devoted a great deal of effort in the study of organisations. The field of organisational psychology is devoted to this.

In this unit, we will examine what an organisation is, critically examine the various metaphors of conceptualising organisations, closely look at the field of organisational psychology with a brief description of its historical development in the twentieth century. We shall also analyze the scope of organisational psychology, and examine the difference between organisational psychology and organisational behaviour.

1.1   OBJECTIVES

After reading this unit you will be able to:

- Describe the characteristics of an organisation;

- Critically examine various metaphors for conceptualising an organisation;

- Describe the field of organisational psychology;

- Explain the scope of organisational psychology; and

- Differentiate between organisational psychology and organisational behaviour.

1.2   WHAT IS AN ORGANISATION?

As you might recall, in course 13, Block 1, unit 1 (introduction to organisational and industrial psychology), we defined an organisation as "a consciously coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals" (Robbins, 1991, p. 4).

In the next section we will examine several ways of conceptualising an organisation, but here we will use a simpler approach to illustrate that organisations have the following five important features (Rollinson & Broadfield, 2002, p. 3):

1) **Organisations are artifacts:** Organisations are not natural entities like living beings but are brought into existence by human beings.

2) **Goal directed:** As the above definition makes it amply clear, organisations are created to serve some purpose. This however does not mean that everyone in the organisation has a common goal, or even that everyone is aware of and understands the organisational goals.

3) **Social entities:** According to the definition, organisations are 'composed of two or more people' and as such are social entities.

4) **Structured activity:** In order to achieve the purpose or goals of an organisation, it is required that human activity be deliberately structured and coordinated in some way. Hence usually there are identifiable parts or activities in an organisation.

5) **Nominal boundaries:** Generally speaking, it is possible to identify nominal boundaries for an organisation. This refers to consensus regarding who or what is a part of the organisation and who or what belongs elsewhere. This in no way means that the organisation is isolated from its outside (remember the organisation as an open system?).

Activity

Think about the school or the college where you last studied as an organisation. With references to the five characteristics of an organisation described above, describe the ways in which it qualifies as an organisation. That is: Is it an artifact? What do you think its goals are? List them. How many people are involved in running the organisation? Can you list the key members? What might be its structure and operating mechanisms? Try to identify its nominal boundaries?

1.3 ORGANISATIONAL METAPHORS

The definition of an organisation provide above is a very general one. There is however, no single way of conceptualising an organisation. Rather, organisations are complex social systems which can be defined and studied in a number of different ways. A significant and useful approach to this has been provided by Morgan (1986).

Through the use of eight different metaphors, Morgan has drawn attention to those features of organisations that the user of the metaphor considers to be the most important. According to him the use of metaphors allows for a better understanding of the "many-sided character of organisational life" (Morgan, 1986, p. 17). Let us now discuss each of these metaphors for conceptualising an organisation.

1.3.1 Organisations as Machines

This suggests that organisations can be designed as if they are machines constructed to do something specific, with orderly relations between clearly defined parts. Viewing organisations as machines entails setting up a structure of clearly defined activities linked by clear lines of communication, coordination, and control, with set goals and objectives.

This metaphor is useful under conditions where machines work well: when the environment is stable and protected, when the task is relatively straightforward, and when precision is vital. Perhaps the best example is fast-food industry like McDonalds. Such a mechanistic approach to organisation also has severe limitations. Such organisations have great difficulty in adapting to change, and can result in mindless bureaucracy. Another problem relates to human consequences. People tend to be viewed as merely components of the total machine, moulding them to fit the requirements of organisations, rather than building the organisation around their strengths and potentials. This can have dehumanizing effects upon employees, especially those at the lower levels of the organisational hierarchy. Such a metaphor also tends to ignore the complexity and diversity of motives that underlie human behaviour, and with the increasing pace of social and economic change, the limitations have become more and more obvious.

1.3.2 Organisations as Organisms

In sharp contrast to the static, mechanistic machine metaphor, organisations as organism metaphor is based on a biological analogy that organisations, like organisms are living entities. In the same way as biological organisms are in constant interaction with their environments and must adapt to the changing external environment to survive, organisations as open systems must achieve an appropriate dynamic relationship with their environment. You would recall that in Course 13, Block 1, Unit 3 (Industrial & Organisational Psychology as related to other disciplines), we introduced the 'open systems approach' (Katz & Kahn, 1966) to conceptualise organisations.

The organism metaphor also accepts that all parts of an organisation are interconnected and have to function in a way that contributes to the whole, implicitly recognizing humans as an important organisational component. Open systems also implies that an effective organisation is open to infinite possibilities; therefore, management's concern should be with achieving good fits among the subsystems. Varied and creative approaches to management are essential.

A primary strength of the metaphor is its shift in focus from things to people as a means to sustainable quality improvement. The biggest weakness lies in the analogy itself: organisational shape and structure is actually more fragile and dynamic than the structure of living organisms. The assumption that all the component parts of an organisation have a unified, common purpose is indeed an oversimplification.

1.3.3 Organisations as Brains

Organisations like brains are inventive and rational, and operate in a manner that provides for flexibility and creativity. Like maps in the brain to outline which part of the brain handles what, organisations too have a structure imposed on it in the form of organisational charts. Using the literature from information processing, cybernetics and self-correcting systems, and organisational learning, Morgan compares organisations to holograms: systems where qualities of the whole are enfolded in all the parts so that the system has an ability to self-organize and regenerate itself on a continuous basis. He lists four principles to create a 'hologram' organisation:

i) **Functional redundancy:** a kind of excess capacity, not by adding spare parts, but by adding extra functions to each of the operating parts. This can create room for innovation and development to occur.

ii) **Requisite variety:** the internal diversity of any self-regulating system must match the variety and complexity of its environment it is supposed to control.

iii) **Minimum specifications:** in addition to a capacity to evolve, systems also need freedom to evolve, i.e. possess a certain degree of 'space' or autonomy that allows appropriate innovation to occur.

iv) **Build the 'whole' into all the 'parts':** This may be accomplished by using (a) the cultural codes binding an organisation together, (b) networked intelligence, (c) design of organisational structures, and (d) designing of work tasks using holistic teams and work roles.

Such an organisation will have the ability of *learning to learn*: the ability not only to correct actions to goals, but also to question the goals if necessary. The biggest strength of the brain metaphor is that it increases our understanding of organisational learning and autonomy. The most serious weakness is that not only will changes take a very long time to implement, but they also necessitate huge changes in personal beliefs and values to implement it.

1.3.4 Organisations as Cultures

This metaphor sees organisations as complex cultural systems in which members have common beliefs, ideologies, rituals, values and shared assumptions. Organisational culture can be described as a socially constructed, unseen, and unobservable force behind organisational activities. It provides organisational members with a way of understanding and making sense of events and symbols. It also is a powerful lever for guiding organisational behaviour by informally approving or prohibiting some patterns of behaviour.

Perhaps you would agree that organisations have their own distinctive cultures that may become obvious to an outsider as he walks in the company door- through its dress code, language, behaviour, ceremonies. Such surface manifestations are easier to decipher than deep seated basic assumptions. The biggest strength of this metaphor is that it goes well beneath the surface to try to uncover some of the less obvious features of organisations, and how it effects the behaviour of organisational members. One limitation of this metaphor is that not only do cultures differ in their strength, but also that everybody in the same organisation doesn't have the same set of cultural norms: there are 'subcultures' within cultures. These differences and their behavioural outcomes give rise to the political systems metaphor.

1.3.5 Organisations as Political Systems

Organisations are regarded as analogous to a political system composed of diverse groups, each having their own aims and interests. When we see organisations as political systems we draw parallels between how organisations are run and systems of political rule. According to Morgan, business and politics cannot be kept apart.

This metaphor is useful because it recognizes the important role that power play, competing interests, and conflict have in organisational life. It also recognizes the complex nature of human behaviour in organisations. It has implications for organisational change, as in order to work, the change must be supported by a powerful person and coalitions.

The disadvantage of using this metaphor to the exclusion of others is that it can lead to unnecessary development of complex Machiavellian strategies. This can turn organisational life into a political war zone. The political metaphor also neglects the idea that if circumstances are right, then there is also potential for cooperation.

1.3.6 Organisations as Psychic Prisons

This views organisations as socially constructed realities based on unconscious preoccupations of people in the organisation, with the notion that people can actually become imprisoned or trapped by constructions of reality. The psychic prison mentality exists when people begin to hold onto their preconceived notions

and biases in order to handle anxiety and desire that eventually become their reality.

For example, a phenomenon that restricts thinking is groupthink (Janis, 1972). In groupthink, the members of a group develop shared illusions (about say invulnerability and unanimity) as a result of self-affirming processes that produce conformity. This creates a constructed reality with stereotyped views of out-groups and beliefs in inherent morality of one's own group. This leads to faulty decision making with disastrous consequences for the organisation.

The psychic prison metaphor encourages us to dig below the surface to explore the hidden meanings of our taken-for-granted worlds. The psychic prison metaphor alerts us to pathologies that may accompany our ways of thinking and encourages us to question the fundamental premises on which we enact everyday. It is pointless talking about 'learning organisations' or creating desirable organisational cultures if the human dimension is ignored.

1.3.7 Organisations as Flux and Transformation

The universe is in a constant state of flux, with accompanying characteristics of both change and permanence. Organisations similarly can be seen as in a state of flux and transformation. Instead of viewing the organisation as a separate system that adapts to the environment, this metaphor allows us to look at organisations as simply part of the whole environment, with a natural capacity to self-renew, change and organize.

This metaphor is the only one that sheds some light on how change happens in a turbulent world. This view believes that order naturally emerges out of chaos. Although managers can nudge and shape progress, they cannot ever be in control of change. Such a metaphor is limiting as unlike other metaphors, it does not lead to an action plan to follow for change. Order emerges as you go along, and can only be made sense of after the event. This can lead to a sense of powerlessness that is disturbing, but probably realistic!

1.3.8 Organisations as Instruments of Domination

This metaphor addresses the 'ugly face of organisational life' (Morgan, 2006, p. 291). Organisations are often used as instruments of domination that further the selfish interests of elites at the expense of others. Whether we are talking about the military, a multinational corporation, or even a family business, we find asymmetrical power relations that result in the majority working for the interests of a minority. The problems of hazardous working conditions, industrial accidents, occupational disease, practices and structures that promote workaholism, social and mental stress are all examples of organisations as tools of domination.

This metaphor thus provides a useful counterweight to traditional organisational theory, which has largely ignored values or ideological premises. One of the major strengths of the domination metaphor is that it forces us to recognize that domination may be intrinsic to the way we organize and not just an unintended side effect.

These contrasting metaphors provide an interesting perspective on how to view organisations. Metaphors play a paradoxical role: they are vital to understanding and highlighting certain aspects of organisations, while at the same time they

restrict understanding by ignoring others. Further, these metaphors are neither fixed categories nor are they mutually exclusive. Hence there can be no single metaphor that gives an all-purpose point of view.

Self Assessment Questions

Answer the following questions:

1) When things are going well we say the organisation is running like a 'well-oiled engine'; when they are not, then communication has 'broken down' and 'things need fixing'. The metaphor that this represents is:

   (a) Psychic Prison (b) Cultures (c) Machines (d) Brains

2) The metaphor that is concerned with the relationship between organisations and their environments and the ability to survive by being adaptive is:

   Psych(a) Brains (b) Organisms (c) Political Systems (d) Machines

3) People develop unconscious mechanisms, and construct realities, and that these mechanisms and realities are reflected in organisations. Which metaphor addresses this?

   (a) Psychic Prison (b) Flux and Transformation (c) Political Systems (d) Cultures

4) The organisational metaphor that recognizes conflict and competition as everyday features of organisational life is:

   (a) Psychic Prison (b) Flux and Transformation (c) Instruments of Domination (d) Political Systems

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1.4 WHAT IS ORGANISATIONAL PSYCHOLOGY?

As the above section illustrates, organisations are complex social systems that may sometimes perform remarkably and sometimes fail miserably. Organisational psychology is a field that seeks to facilitate a greater understanding of social processes in organisations.

Organisational psychology may be defined as the "*scientific study of individual and group behaviour in formal organisational settings*" (Jex, 2002, p. 2). Organisational psychology not only uses a scientific approach, but is also concerned with the application of scientific knowledge to enhance the effectiveness of organisations- a goal that is potentially beneficial to all.

We have already discussed the historical development of the field of organisational psychology in Course 13, Block 1, Unit 2 (historical perspective of organisational and industrial psychology). Here, we shall briefly touch upon some major events that shaped the field of organisational psychology in the twentieth century (Refer Table 1). Historically, organisational psychology was slower to develop than the industrial side of the field. Industrial psychology originated in the first half of the twentieth century, applying basic psychological theories and principles to the selection process during World War I. It soon extended beyond selection to motivation, leadership, attitudes and job satisfaction, morale, training, and performance management. From about the 1950s onwards, researchers from a number of disciplines, particularly social psychology, began to take an interest

in developing some scientific understanding of modern organisations (Cooper, 1991). The theories and research on interpersonal behaviour, group dynamics, inter-group behaviour, and macro organisational issues formed the basis for extending the field of industrial psychology to organisational psychology.

Table 1: A chronological summary of historical events in organisational psychology (From Jex, 2002, p. 10)

Time Period	Organisational Phenomena of Interest
Early 1990	Scientific management (Taylor); Organisational structure (Weber)
1920s-1930s	Hawthorne Studies; growth of unionisation
1940s-1950s	World War II; Development of 'human relations' perspective; Lewin conducts action research and undertakes work on group dynamics
1960s-1970s	Division 14 of APA is changed to 'industrial/organisational psychology'; Increasing attention to non traditional topics as stress, work/family conflict, etc.
1980s-1990s	Globalisation of the economy; Changing workforce demographics; Redefining the notion of a 'job'

As you might recall, the beginning of the field of I/O psychology can be traced back to pioneers like Hugo Munsterberg, Walter Dill Scott, and Walter Bingham. Most of the work at the time dealt with topics like selection and training, with organisation-level issues largely ignored. Taylor (1911) applied his principles of **scientific management**, including time-and-motion studies, piece-rate compensation, and efficient design of jobs, to study production-related processes. Another pioneer who contributed to the field of organisational psychology was Max Weber, with his notion of **bureaucracy** as an organizing principle. He also wrote extensively on topics like leadership, power, and norms at a time when such topics were largely ignored by psychologists.

The one event that may be considered as the historical beginning of organisational psychology was the Hawthorne Studies. These showed that workers did not respond to the classical motivational approaches like economic rewards as suggested by Taylor. Instead, individual, group and social processes played a major role in shaping worker attitudes and behaviour. This triggered a **human relations movement** in organisational psychology. Employees were no longer considered as just another factor of production, but as individuals who liked to be respected and whose contribution could help in meeting organisational goals**.**

Organisational psychology gained prominence after World War II, influenced by the Hawthorne Studies and the work of researchers such as Muzafer Sheriff and Kurt Lewin. It is difficult to imagine anyone having a greater impact on the field of organisational psychology as Lewin. He conducted influential research on a variety of topics, such as child development, the impact of social climates, and leadership. He established the Research Center for Group Dynamics at M.I.T. His ideas continue to influence the study of a number of areas in organisational psychology such as leadership, motivation, group dynamics, and organisation development. From the early 1970s into the 1980s, organisational psychology

began to mature as a field of study. During the early 1970s, the name of Division 14 of the American Psychological Association (APA) was formally changed from 'Industrial Psychology' to 'Industrial and Organisational Psychology'. Another important development during this time was the growing recognition that behaviour in organisations is influenced by forces at the group and organisational levels. Naturally, organisational psychologists began to focus on 'nontraditional topics' such as work/family interface, organisational stress and health.

From the late 1980s to the present, a number of significant changes have taken place both in our world of work and the world that we live in. Establishment of free market economies post liberalisation, change in the demographic composition of the workforce, cultural diversity, shift from a stable 'job' to more temporary, project-based work, has greatly impacted the field of organisational psychology.

1.5 ORGANISATIONAL PSYCHOLOGY AND ORGANISATIONAL BEHAVIOUR

A related sub-field of Industrial/Organisational psychology is organisational behaviour. There are obvious similarities and not so obvious differences between organisational psychology and organisational behaviour. The latter will be dealt extensively in the next unit. Moorhead and Griffin (1995) define organisational behaviour as "the study of human behaviour in organisational settings, the interface between human behaviour and the organisation, and the organisation itself" (p. 4). It is in the last part of the definition 'the organisation itself' that we can see the difference between the two fields. Organisational behaviour is concerned not only with individual level behaviour within organisations, but also with macro-level processes, such as organisational strategy, structure and change.

Organisational psychology is also interested in macro-level processes, but only to the extent that it impacts individual behaviour. Herein lies the key difference: organisational behaviour is more **eclectic** in its approach, drawing heavily form a variety of disciplines like management, sociology, economics, anthropology, labour relations, etc, while organisational psychology draws mainly from subfield within psychology (Jex, 2002). Those who specialise in organisational behaviour tend to deemphasize the individual approach and focus more on studying the system in which individual behaviour occurs.

According to Smithers (1988), "Whereas industrial and organisational psychology tends to move from the study of the individual to the organisation, organisational behaviour movers from the organisation to the study of the individual" (p. 5). Having said this, it is important to note that despite conceptual distinctions, the work of these two specialties in the real world becomes quite similar.

1.6 SCOPE OF ORGANISATIONAL PSYCHOLOGY

Historically, organisational psychology developed later than industrial psychology and had a distinct focus, although this distinction is largely artificial and many topics cut across both areas. Today, the fields of industrial and organisational psychology have combined into a relatively newer field of Industrial/ Organisational Psychology (I/O Psychology). The 'industrial' side of I/O

psychology has its historical origins in research on individual differences, assessment, and the prediction of performance. The 'organisational' side covers group and inter-group issues. Figure 1 provides a comparison of the list of topics that are typically of interest to those in the industrial and organisational sides of the field. The topics listed on the industrial side are by and large associated with the management of human resources in organisations; while the topics associated with organisational side of the field are concerned with understanding and predicting behaviour within organisational settings

Industrial/Organisational Psychology

Industrial Side	Organisational Side
Job Analysis	Socialisation
Recruitment	Motivation
Selection	Work Stress
Compensation	Leadership
Performance Appraisal	Group Performance
Training	Organisational Development

Fig. 1: A comparison of topics associated with the industrial and organisational sides of the field of I/O Psychology (From Jex, 2002, p. 4)

While industrial psychology is concerned with use of psychological measurement to help organisations make the best use of their people; organisational psychology uses broad psychological theories to diagnose and correct organisational problems. Organisational psychology utilises scientifically-based psychological principles and research methods to study a variety of topics important to understanding human behaviour in many different types of organisations. Recent books on I/O psychology (for instance, Cooper and Locke, 2000) have covered topics such as leadership, leadership training and development, team effectiveness, job satisfaction, the employment interview, performance appraisal, intelligence/ motivation/job performance, recruitment, goal setting, organisational justice, and organisational stress.

Let us look at some of the topics covered in organisational psychology more closely.

1.6.1   Work Motivation

Motivation is the force that energizes an individual to reach a goal. The psychological study of motivation answers the question of why people do what they do. Taylor's introduction of the piece rate and the bank wiring room study at Hawthorne are two examples of how complex worker motivation is. At the

workplace, it is important for the manager to understand the needs and drives of subordinates and motivate them accordingly.

1.6.2 Job Satisfaction, Organisational Commitment, and Organisational Justice

Job satisfaction, one of the most widely researched topics in organisational psychology, reflects an employee's overall assessment of his/her job. Job satisfaction has theoretical and practical utility and has been linked to important job outcomes including absenteeism, employee turnover, health, organisational effectiveness, and attitudinal variables such as job involvement and organisational commitment.

Commitment refers to (a) a belief in and acceptance of organisation's goals and values, (b) a willingness to exert considerable effort on behalf of the organisation, and (c) a strong desire to remain a member of the organisation (Mowday, Porter, & Steers, 1982). Two classes of variables: individual (such as age, tenure, marital status, education etc) and organisational (for instance, task characteristics, pay, supervision, social support, socialisation practices, etc) have been studied as antecedents of organisational commitment.

Organisational justice, a more recent addition to the field of organisational psychology, deals with the study of people's perception of fairness in organisations, both procedural and relational. Research shows that perceived justice is associated with peoples' feelings and reactions to organisations and their authorities.

1.6.3 Leadership

Leadership is a process of influencing, supporting and motivating others to work effectively towards achieving the organisation's objectives or goal. Organisational psychologists are particularly interested in leadership as it affects the job performances and satisfaction of subordinates. Organisational psychology literature also makes a distinction between leaders and managers. While managers process administrative tasks that organize work environments, leaders conduct those same tasks while also inspiring and motivating the workforce. Managers cope with complexity, leaders cope with change.

1.6.4 Group behaviour

Group behaviour is the interaction between individuals of a collective such as an organisation. The interactions serve to fulfill some need satisfaction of an individual who is part of the collective and helps to provide a basis for his interaction with specific members of the group. A specific area of research in group behaviour is the dynamics of teams. It is increasingly being recognized that a group of people working together can achieve much more than if the individuals of the team were working on their own.

1.6.5 Work Stress

Workplace stress is stress that arises from an interaction between people and their jobs. Research has focused on environmental, organisational, social and individual stressors and their outcomes. The degree of stress experienced and the ways in which a person reacts to it is also influenced by a number of factors that are studied as moderator variables.

1.6.6   Organisational Culture and Development

Organisational culture as a construct is a relatively recent addition to contemporary organisational psychology literature. Culture refers to the commonly held and relatively stable beliefs, attitudes and values that exist within the organisation (Williams et al., 1993). Various forms of culture include rituals, ceremonies, stories, language or jargon, logo and corporate jokes. Organisational culture has been shown to have an impact on important organisational outcomes such as performance, recruitment, retention, employee satisfaction, and employee well-being.

Organisation development is an ongoing, systematic process to implement effective change in an organisation. Psychologists in this area are focused on understanding and managing organisational change to increase an organisation's effectiveness; the change may involve people, work procedures, or technology.

1.6.7   Productive and Counterproductive Behaviour

Productive behaviour is defined as employee behaviour that contributes positively to the goals and objectives of an organisation. There are three common forms of productive behavior in organisations: job performance, organisational citizenship behavior (OCB), and innovation.

Counterproductive behaviour can be defined as employee behaviour that goes against the goals of an organisation. These behaviours can be intentional or unintentional and result from a wide range of underlying causes and motivations. The forms of counterproductive behaviour that have been studied in organisational psychology include ineffective job performance, absenteeism, job turnover, theft, violence, substance abuse, and sexual harassment.

1.6.8   Work-Life Balance

The balance between work and all the other roles (such as family, personal activities, leisure, community, religion, etc) exercised by a person is referred to as work-life balance. An adequate work-family balance could lead to facilitation of positive experiences in both the domains, and conversely, an imbalance could lead to work-family conflict. Such conflict is bidirectional, i.e. spillover may occur from work-to-family and from family-to-work. Research has focused on a number of antecedents of work-family conflict, such as resources, work and family demands, size and developmental stage of the family, gender, etc. The consequences of work-family conflict could be many, such as absenteeism, turnover intentions, career and job dissatisfaction, poor performance, depression, somatic symptoms, unpleasant moods, and psychiatric disorders such as mood, anxiety and substance dependence disorders.

As you would've seen from the list of topics we cover in organisational psychology, not only are it interesting, it is crucial to individual and organisational performance, and it directly affects the quality of people's lives!

1.7   LET US SUM UP

In this unit, we have given an overview of organisations and the field of organisational psychology. Organisations have five important distinguishing

features: they are artifacts; they are goal-directed; they are social entities; they involve structured activity; and they have nominal boundaries. There is no single way of conceptualising an organisation. Rather, organisations are complex social systems which can be understood using eight different metaphors (Morgan, 1986): machines, organisms, brains, cultures, political systems, psychic prisons, flux and transformation, and instruments of domination. These contrasting metaphors aid the understanding of the complex nature of organisational life.

Organisational psychology may be defined as a scientific field that studies individual and group behaviour in formal organisational settings. Historically, organisational psychology was slower to develop than the industrial side of the field. Today, the fields of industrial and organisational psychology have combined into a relatively newer field of Industrial/Organisational Psychology (I/O Psychology). The 'industrial' side is more individual-oriented, while 'organisational' side covers group and inter-group issues. Organisational behaviour, in contrast, has an even more macro-focus focus, emphasizing the system in which individual behaviour occurs. Some the topics that are addressed in organisational psychology include motivation, job satisfaction, organisational commitment, organisational justice, leadership, group behaviour, work stress, organisational culture and development, productive and counterproductive behaviour and work-life balance.

1.8 UNIT END QUESTIONS

1) Family is an organisation with its own unique problems of human behaviour. Do you agree with this statement? Discuss.

2) Describe the various metaphors for conceptualising organisations. With the help of an example of any organisation that you have been a part of, which metaphor is most prevalent in your organisation. Discuss.

3) Define organisational psychology. Differentiate between the scope of industrial and organisational psychology.

4) Briefly describe the topics studied in organisational psychology. Discuss their relevance at the contemporary work place.

1.9 GLOSSARY

Bureaucracy : An organisational design, usually for large organisations, having a clear hierarchy of authority in which people are required to perform well-defined jobs.

Cybernetics : Science of communications and control in living beings and machines.

Metaphor : A figure of speech in which an implicit analogy is made between two unlike objects that have something in common (but not literally) in order to suggest a similarity.

Open system : Is one where there is a relation of dependence between the organisation and its surrounding

environment, such that the organisation receives inputs, transforms these inputs in certain ways, and returns outputs to their environments.

1.10 SUGGESTED READINGS

Jex**,** S.M. (2002). *Organisational psychology: A scientist-practitioner approach.* New York: John Wiley.

Rollinson, D. & Broadfield, D. (2002). *Organisational behaviour and analysis: An integrated approach,* 2nd Ed. New York: Prentice-Hall.

1.11 ANSWERS TO SELF ASSESSMENT QUESTIONS

c) Machines

b) Organisms

a) Psychic Prison

d) Political Systems

UNIT 2 ORGANISATIONAL BEHAVIOUR, DEFINITION AND IMPORTANCE

Structure

2.0 INTRODUCTION

Good companies understand how organisational behaviour affects an organisation's performance. Characteristics of the organisational system and formal-informal dynamics at work are important environmental factors that influence peoples' behaviour. In order to both manage people as well as to understand work behaviour, managers must continually upgrade their knowledge about all aspects of their businesses, and especially the human side of the enterprise. And this is where organisational behaviour (OB) comes in. The field of organisational behaviour concerns itself with the study of the behaviour of individuals and groups in the context of organisations.

In this unit, we will examine the field of organisational behaviour; we shall critically examine its definition and goals. We will also shed some light on the important characteristics of the field of OB today. We shall also present a brief overview of OB in the Indian context, and lastly examine the importance of organisational behaviour as a field.

2.1   OBJECTIVES

After reading this unit, you will be able to:

•   Describe the field of organisational behaviour;

•   Define what organisational behaviour is;

•   Identify the goals of organisational behaviour;

•   Explain the major characteristics of the field of organisational behaviour;

•   Identify three phases in the development of OB in India; and

•   Critically examine the importance of organisational behaviour.

2.2   THE FIELD OF ORGANISATIONAL BEHAVIOUR

The field of OB concerns itself with the study of the behaviour of individuals and groups in the context of organisations. The following equation provides a fundamental basis for understanding OB (French, Kast, & Rosenzweig, 1985, p. 3):

$$\text{Behaviour} = f(P, E)$$

where P refers to personal characteristics and E represents the environment. Human behaviour thus is a function of the individual's personal characteristics and the environmental context. Our personal characteristics are based on genetic factors plus all the past learning experiences that have shaped who we are. We bring these personal characteristics into the organisational situation, which in turn, affects the way we think and act. Environmental context factors such as the organisational structure, culture, nature of the job, management style, and so on also have a direct influence on our behaviour.

2.3   DEFINITION OF ORGANISATIONAL BEHAVIOUR

In the previous unit, we outlined the distinction between organisational psychology and OB. Some critics have charged that that old wine (organisational psychology) has merely been poured into a new bottle (organisational behaviour). Nonetheless, it is certainly valid to say that the two cannot and must not be equated. OB is concerned not only with individual level behaviour within organisations, but also with macro-level processes, such as organisational strategy, structure and change. There is little doubt that although OB does not portray the whole of management (and neither does it intend to), OB has come into its own as a field of study, research, and application.

Let us now formally define OB with the help of some definitions:

"The study of the structure, functioning and performance of organisations and the behaviour of groups and individuals within them" (Pugh, 1971, p. 9)

"The field that seeks knowledge of behaviour in organisational settings by systematically studying individual, group, and organisational processes" (Greenberg & Baron, p. 6)

"A field of study that investigates the impact that individuals, groups, and structure have on behaviour within organisations, for the purpose of applying such knowledge toward improving an organisation's effectiveness" (Robbins, Judge, & Sanghi, 2009, p. 10)

It would be useful to describe three common key aspects of these definitions to understand clearly what is meant by OB.

2.3.1 Systematic Study

OB seeks to develop a base of knowledge using a systematic, empirical and research-oriented approach. A scientific approach is said to be a central defining characteristic of modern OB. Human behaviour in organisations is complex and often difficult to understand, and thus the relevance of the scientific approach. As with any science, OB practitioners seek knowledge to describe, understand, predict, and control behaviour in organisations. We shall discuss these goals in detail in the next section.

OB is scientific because of the information and methodology it represents. Its information results from inquiries carried out according to four scientific core values: accuracy, objectivity, skepticism, and open-mindedness; and its methods consist of the procedures involved in making such investigations.

Concepts and theories in OB invariably arise out of extensive research. It is important to note that theories in OB are much more descriptive than prescriptive. This means that although the subject provides information that gives us a better understanding of human behaviour in organisations, no attempt is made to say what the behaviour *should* be.

2.3.2 Three Levels of Analysis: Individual, Group and Organisation

All the definitions of OB depict that the field focuses on behaviour at three distinct levels of analysis:

Level 1: Individual. Where the focus is on processes/phenomenon such as values, attitudes, beliefs, intelligence, motivation etc. that influence how people behave as individuals.

Level 2: Group. This is more concerned with social and interpersonal aspects, such as group dynamics and leadership.

Level 3: Organisation. The main concern here is the behaviour of an organisation as a whole, for e.g. its culture, structure and processes.
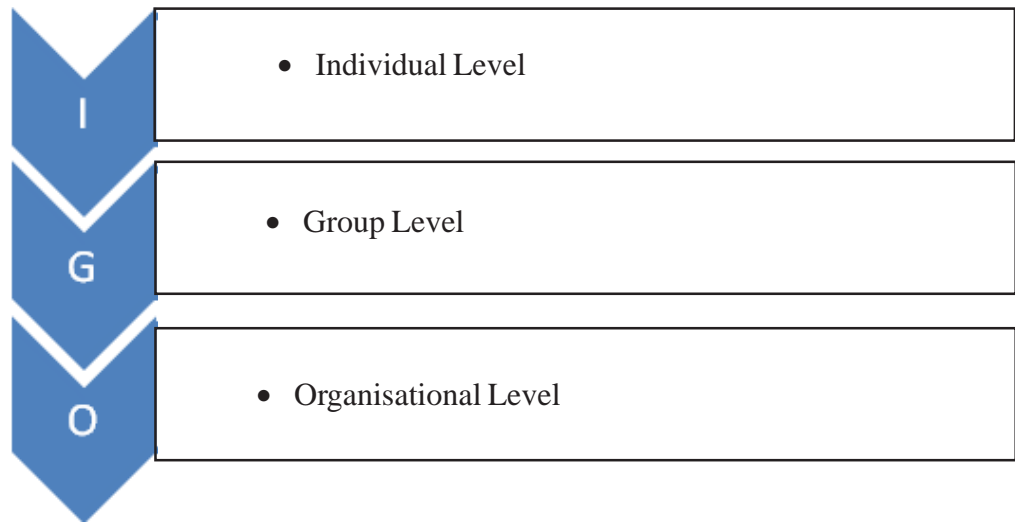
Fig. 1: Three Levels of Analysis used in Organisational Behaviour

The field of OB recognizes that all three levels of analysis must be used to comprehend the complex dynamics of behaviour within organisations. For example, in order to understand a process like job satisfaction, it is important to delve into individual characteristics like one's age, gender, education, etc., group processes such as relations with supervisor and team members, and organisational factors such as organisational culture, structure, etc.

2.3.3 Basic and Application- Oriented

The field of OB is both basic and applied in nature; basic in generating knowledge (research) and applied in using that knowledge (practice). On one hand, it tries to scientifically study individual and group behaviour in organisations; on the other, it addresses the practical task of improving individual and organisational performance and enhanced member satisfaction. OB applies the knowledge gained about individuals, groups and organisations on behaviour to make organisations work more effectively. OB can be understood as a "human tool for human benefit" (Davis & Newstorm, 1989, p. 5).

OB, as a field of study, is more frequently taught to students of business and management than to anyone else, and the intention is that those who want to make their career in organisations should better understand the complexities of human behaviour. OB can be very useful to practicing managers, whatever the type of organisation. OB should help provide present and future managers (which category do you fall in?) with a sounder understanding of the problems actually encountered in managing and working with people. It should also help them realise the alternative solutions available when confronted by human relations problems within the organisation.

2.4 GOALS OF ORGANISATIONAL BEHAVIOUR

There are some goals of organisational behaviour which are as follows:

2.4.1 Describe

The first goal is to describe systematically (in an objective non-prescriptive manner), often in minute detail, how people behave at work under a variety of conditions.

2.4.2 Understand

A second goal is to understand why people behave as they do. Imagine how frustrating it would be for managers if they could talk about behaviour of their employees, but not understand the reasons behind those actions.

2.4.3 Predict

An important reason behind understanding behaviour is that it should help managers to then predict behaviour in various situations. It is often said: 'the best predictor of future behaviour is past behaviour'. Armed with knowledge about human behaviour in organisations, managers should, for example, be able to predict which employees might be committed and productive or which ones might be counterproductive. This would help them to take preventive actions.

2.4.4 Control

The final goal of OB is to control and develop human behaviour at work. Once we know what happens, why it happens and what is likely to happen in the future, we can exercise some control over it. Every organisation has specific goals such as certain levels of profits, customer satisfaction, public responsibility, and so on. It is the job of the management to mobilise and coordinate the human, technical, economic and informational resources available for the purpose of achieving such organisational goals. Managers need to be able to achieve such goals through the actions they and their employees take, and organisational behaviour can help managers meet these goals.

2.5 CHARACTERISTICS OF THE FIELD OF OB TODAY

Now that you have some understanding of what is meant by OB and its goals, let us turn our attention to some of the major characteristics of the field today (Greenberg & Baron, 1995) .

2.5.1 OB seeks the Betterment of Human Resources

Consider this grim scenario from the early part of twentieth century: Factories were huge, noisy, hot, and highly regimented-callous and brutal places to work. Bosses demanded more and more of their employees, and treated them like disposable machines, replacing those who quit or died from accidents with others who waited outside the factory gates. The supply of labour was far greater than its supply.

It is obvious from the above that managers back then held very negative views of employees. This traditional view of management was termed Theory X by Douglas McGregor (1960). This philosophy of management assumes that people are inherently lazy, dislike work, and will avoid work if they can. As a result, management needs to closely supervise workers and develop comprehensive systems of control. Beliefs of this theory lead to mistrust, highly restrictive supervision, and a punitive atmosphere.

Now contrast this with the present day scenario: Companies are going out of their way to retain young talent, rushing to fulfill every wish of Generation Y-

from giving them training and developmental opportunities to even gifting them ceiling fans for their homes (Ramnani, 2010). This sums up the Theory Y approach to management that is more optimistic and paints a more positive picture than Theory X (see Table 1 for a summary of differences between Theory X and Theory Y). It is believed that work is as natural to employees as play. Given the right conditions, employees will seek achievement and responsibility and will work hard, without being pushed. Management's job thus is to create those conditions that make people want to perform as desired. McGregor thinks that Theory Y managers are more likely than Theory X managers to develop the climate of trust with employees that is required for human resource development. This would include managers communicating openly with subordinates, minimizing the difference between superior-subordinate relationships, empowering subordinates and allowing them to participate in decision making.

Table 1: Comparison of assumptions of Theory X and Theory Y

Theory X assumes that the average person	Theory Y assumes that the average person
Dislikes work and tries to avoid it	Has a psychological need to work, just as play and rest
Has no ambition, avoids responsibility and would rather follow than lead	May be ambitious, self-motivated, and seeks achievement and responsibility
Is selfish and does not particularly care about organisational goals	Is self directed to meet his work objectives especially if personal goals and organisational goals may be aligned
Is gullible and not really bright	Possesses the ability for creative problem solving
Works only for money and security	Works for self-fulfillment

Theory Y approach is strongly associated with prompting the betterment of human resources, and is clearly the perspective that prevails among those interested in OB. The human resources approach prevalent in OB today is developmental. It is concerned with the growth and development of people toward higher levels of competency, creativity and fulfillment, with the recognition that people are the central resources in any organisation and any society. Unlike the traditional management approach of the 1900s which was directive and controlling, the present approach to management is supportive. It helps employees become better, more responsible persons, and tries to create a climate in which employees make full use of their abilities. The manager's primary role changes from control of employees to active support of their growth and performance.

Self Assessment Questions

1) Analyze the following case study and tick mark the answer (*True / False*) in the space provided:

Rekha Chawla, 26, attached to a Gurgaon based BPO, would travel to work in a non-air-conditioned cab everyday. The extreme summer heat

affected her temperament, which in turn had an effect on her dealing with customers. She was becoming cranky and rude. One day, she decided to have a serious discussion over the issue with her manager. Two months later she travels to office in air-conditioned comfort and finds that her productivity has also increased.

a) Rekha is inherently lazy and wants to avoid work. (True/False).

b) The manager used a Theory Y approach to management. (True/False).

2.5.2 OB uses a Contingency Approach

Consider the following questions: What is the current inflation rate on India? You can certainly answer this question (or at least find out the correct answer). Now try this: What is the most effective way of designing the workplace? What is the 'one best way' of performing a job? What is the most effective way to design a machine to optimize safety? What is the most effective way of reducing fatigue? It is perhaps possible to answer these questions. Traditional scientific management, and more recently human engineering, seeks to find answers to such questions.

Now consider these: What is the most effective way of motivating people? Is money the best motivator for employees? Which style of leadership works best? Although these questions are reasonable and vital to the functioning of organisations and its workforce, can we answer these questions with a simple 'yes/no' or even a one line answer. The answer to most such questions is 'It depends'. There is no one best way when it comes to understanding such complex phenomena. This is what happens when human factors take the centre stage in our approach (instead of the workplace). When it comes to studying human behaviour at the workplace, there are no simple answers.

Traditional management relied on principles to provide a 'one best way' of managing. This 'best way' was applied regardless of the type of organisation, situation or the kind of people involved. Principles of managing were considered to be universal. No longer is there a best way. The contingency approach to OB implies that different situations require different behavioural practices for effectiveness. Behaviour in work settings is the complex result of many interacting forces. As our knowledge of behaviour on the job becomes more and more complex, it becomes more and more difficult to give straightforward answers (I am not saying here that straight answers are desirable). Rather, it is usually necessary to answer in phrases like, 'If A, then B, under conditions X, Y and Z'.

Let us take the example of work stress to demonstrate the contingency approach. Have you ever wondered why some individuals working in the same company with the same boss find their jobs so stressful that they develop physiological symptoms like say, hypertension; while others cope well with it and even appear cheerful? People at the work place may face a number of stressors: environmental (e.g. political, economic or social), organisational (structure, culture, politics), immediate social context (relations with boss, work group, peers) and individual (for e.g. role conflict). While these may be in part common to some, the degree of stress experienced and the ways in which a person reacts to it is influenced by a number of moderating variables, such as lifestyle, social support available, cognitive appraisal of stressors, life events, biographic actors (like age, gender, and so on), etc. All these together eventually determine what kind of outcomes-

physiological, psychological, cognitive, or behavioural- will the person show and if at all he will develop any such outcomes.

Such an approach characterizes the field of OB. It may be quite frustrating for newcomers in the field not to get simple answers. However to appreciate the role of human factors at the workplace- which are complex, dynamic and not universal- is to understand such an contingency approach to OB.

2.5.3   OB has a Multidisciplinary Focus

OB is a blended discipline that has grown out of contributions from a number of disciplines. In fact, OB may be regarded as even more multidisciplinary than organisational psychology. You may recall from unit 1 that organisational behaviour is more eclectic in its approach, drawing heavily form a variety of disciplines, while organisational psychology draws mainly from subfield within psychology (Jex, 2002).

Among those that have contributed to the study of OB are psychology, social psychology, sociology, engineering, anthropology, management, and even medicine. Let us look at them one by one. Quite obviously, the biggest influence on the field of OB comes from psychology, as psychology is primarily concerned with studying and attempting to understand individual behaviour. If you recall from Course 13, Block 1, Unit 1 (Introduction to Organisational & Industrial Psychology), OB is regarded as one of the sub-filed of I/O psychology. In contrast to industrial that focuses more on individual-level issues, organisational behavior is more concerned with social and group influences. Social psychology has made important contributions to our study of group behaviour, power and conflict.

Similarly, sociology, the study of society, has also made important contributions to knowledge about group and intergroup dynamics in the study of OB. Anthropology, with its even more macro focus on human beings, has contributed to our understanding of organisational culture, organisational environment, and differences among national cultures and its implications for work behaviour. Engineering, in contrast, has made important contributions to our understanding of design of work and organisational goal setting. Lastly, it might surprise you to know that medicine, with its concern for both physical and psychological health, has developed our understanding of industrial health and more recently, occupational health and well-being.

2.5.4   OB recognizes Organisations as Open Systems

The field of OB pays a great deal of attention to the nature of organisations themselves. In studying organisations, OB practitioners recognize that organisations are not fixed, but dynamic and ever changing entities. In other words, they recognize that organisations are open systems (Katz & Kahn, 1966).

The open systems approach to organisation (Refer Figure 2) assumes that organisations operate in a self-sustaining manner, transforming inputs into outputs in a continuous manner. Inputs consist of the human, informational, material, and financial resources used by the organisation. These are transformed by the organisation's technology component. Once the transformation is complete, they become outputs for customers, consumers and clients. Their actions (and others in the external environment) in turn affect the organisation and the behaviour of

people at work. The output thus gets transformed back to input and the cycle continues.
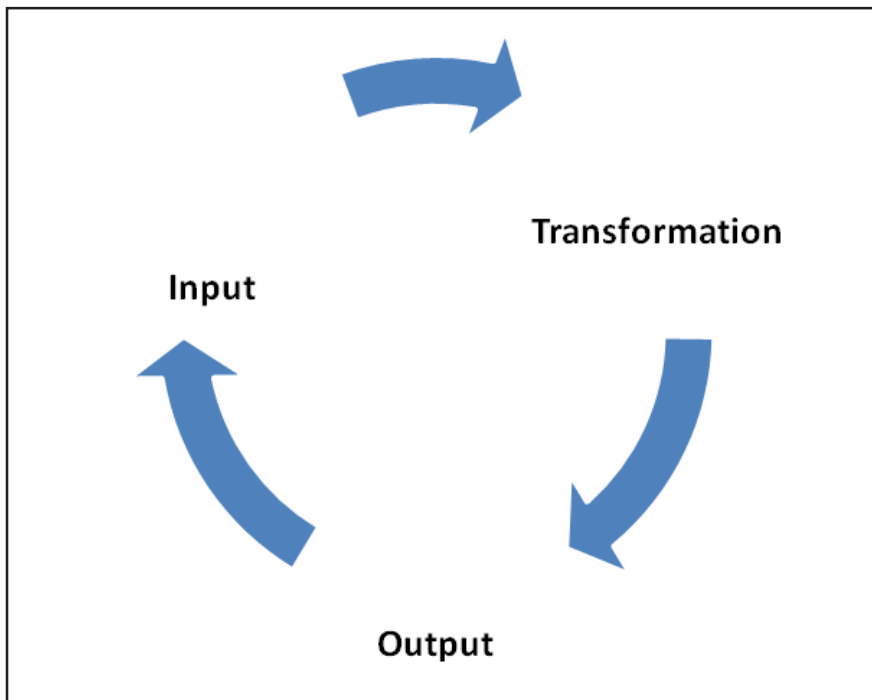
Fig. 1: Open Systems Approach

In an open system, the boundaries of an organisation are permeable to the external environment (such as suppliers, customers, and governmental regulators). In addition to an organisation's external task environment, there are four internal components:

Task: An organisation's mission, purpose or goal for existing.

People: People, both individuals and groups, make up the internal social system in the organisation. People are the living, thinking and feeling beings that created the organisation and try to achieve the objectives and goals.

Technology: The technology imparts the physical and economic conditions within which people work. It comprises the wide range of tools, knowledge, and/or techniques used to transform the inputs into outputs.

Structure: Structure defines the formal relationship and use of people in the organisation. It refers to the manner in which an organisation's work is designed and the different roles that people are given and how they relate to others. In order to coordinate work effectively, it is imperative that people working in an organisation are given different roles and they are related in some structural way to others.

An important implication of the conception of organisations as open systems in OB is the realisation that no social structure is self sufficient or self contained. An organisation is certainly open to its larger external environment making its nature very dynamic.

2.5.5   OB adopts a Cross-Cultural Approach

As the business environment is becoming global or international, a cross-cultural approach to the study of organisational behaviour is increasingly becoming crucial for two main reasons:

There are potential benefits to be gained in performance terms. Each country has its unique cultural characteristics which can provide sources of competitive advantage, and in some situations may also become liabilities.

Workplace attitudes and behaviour between individuals and groups in different cultural context varies. Cultural differences must be understood and managers must be sensitive to them in order to be successful in a global economy. It follows that the key concepts in the field of organisational behaviour may be influenced by national cultures and we should thus re-evaluate models and theories when applying them to other societies.

But first what is culture? Herskovits (1955) designated culture as the man-made part of the environment. Culture is a multifaceted concept (Trompenaars & Hampden-Turner, 1999), comprising an outer layer of artifacts and products (e.g. language, climate, dress, food, etc), middle layer (expressed values, norms, attitudes and behaviours), and a core layer that relates to the deepest assumptions concerning people and nature held by a particular society (e.g. how people see themselves, public versus private space, etc.).

Hofstede (1980) treated culture as the collective programming or software of the human mind. His work is recognized as a significant landmark in cross-cultural research and has important conclusions for organisational behaviour. Using an extensive survey using 116,000 respondents from 72 countries who worked for subsidiaries of IBM, Hofstede identified 4 main cultural dimensions:

Power distance is the acceptance of power hierarchy in institutions.

Uncertainty avoidance denotes the extent to which members of a society feel threatened by uncertainties and ambiguous situations.

Individualism/Collectivism describes people to be individualists, taking care only of themselves and their families. They are collectivists when they distinguish between ingroup and outgroups and expect their ingroups (relatives, clans, organisations) to look after them, in exchange for being loyal to them.

Masculinity/femininity perceives a society as being masculine when it values assertiveness, acquisition of money and things, and feminine when quality of life and caring for others are emphasized.

A fifth dimension, long term/short term orientation, added later (Hofstede, 2001) refers to the fostering of virtues like perseverance and thrift, oriented towards future rewards; as opposed to virtues related to the past and present, in particular, respect for tradition, preservation of 'face' and fulfilling social obligations.

Further, Hofstede asserted that "not only organisations are culture bound; theories about organisations are equally culture bound" (p. 378). For e.g., small power distance cultures such as the United States may be more compatible with the newly emerging flat structures and empowerment dimension of today's

organisations. In contrast, in large power distance cultures like ours, one can notice greater centralisation, hierarchical structures, visible signs of status differences between various levels of the organisation, and even deference and lording behaviour. These cultural dimensions alert us to recognize and understand the impact of national culture for effective management of people, and the study and understanding of workplace behaviour. A cross-cultural approach to OB is thus recommended strongly.

2.6 ORGANISATIONAL BEHAVIOUR IN THE INDIAN CONTEXT

OB made its first appearance in the Indian setting around the 1960s. The reviews of literature (Khandwalla, 1988; Sinha, 2008) identified three phases in the evolving nature of OB in India:

2.6.1 Replication

Initially, Indian studies replicated almost all Western theories, concepts and methods showing their universal validity. Inconsistent findings were simply brushed aside and attributed to lack of rigour in research design, improper methodology, and so on. However, as the number of such inconsistent findings kept increasing, Indian culture was brought in as an explanation. For e.g. Meade (1967) replicated Lippitt and White's study (1943) to demonstrate that because Indian culture is authoritarian, authoritarian leader may be more effective than a democratic one.

2.6.2 Disenchantment

As inconsistent findings kept mounting, Indian scholars began to get disenchanted with Western theories and models. For instance, Maslow's need hierarchy was not found to hold true in Indian organisations. The two-factor theory given by Herzberg also did not receive much support. Theory Y also did not seem to characterize Indians because Indians view work as a duty to be performed for the sake of one's family (Sinha & Sinha, 1990). There consists a culture of *aram* which roughly means rest and relaxation without (being) preceded by hard and exhausting work (Sinha, 1985).

2.6.3 Integration

Gradually, an amalgamative approach emerged that attempted to integrate Western and Indian contents and processes of organisational behaviour. This resulted in a number of streams of OB that tended to get integrated in varying degrees. Chakraborty (1991), for instance, enumerated some of the idealised Indian values rooted in the ancient psycho-spiritual thoughts, such as '*chitta-shuddhi* (purification of mind), self-discipline and self-restraint, etc. He suggested that these psycho-spiritual values have a normative role in transforming work organisations.

In contrast, some Western concepts were found to be relevant in the Indian context. For instance, the psychoanalytic framework has been used to understand the Indian psyche, culture, society and healing traditions (Kakar, 1978). In sum, OB in India has attempted to identify the functional ideas of Western origin and integrated them with indigenous ones.

2.7 IMPORTANCE OF ORGANISATIONAL BEHAVIOUR

Contemporary organisations and their environments are characterized by change. Changing times always pose a challenge for people and organisations. Too much change may lead to chaos; too little change may be stifling and may cause stagnation. Knowledge and understanding of OB during such dynamic times is particularly important for those who manage or even aspire to manage. For such people, a vital part of performing their roles effectively is understanding human behaviour in an organisational context. Theories about OB help managers understand how humans and organisations behave, help them make good business decisions, and guide them about actions to take or refrain from taking.

In particular, knowledge of organisational behaviour equips managers to deal with four critical challenges (Nelson & Quick, 2003):

1) increasing globalisation,

2) increasing diversity of organisational workforce,

3) continuing technological innovation with accompanying need for skill enhancement,

4) demand for ethical behaviour at work.

The topics studied in OB involve managers and other employees that are concerned with the efficient operation of an organisation in a rapidly changing world. The scope of OB includes topics such as the formal and informal organisation of the workplace, employee needs and motivation, leadership, interpersonal relations and group dynamics, communication, the work environment, organisational design, delegation of authority, change and change management, creation of a harmonious climate for employee-employer relations, conflict resolution, organisational development and effectiveness, organisational health, stress and its management.

In addition to managers, all of us are also inevitably involved in organisations of some sort throughout our lives. You may recall from unit 1 that in addition to work organisations, our society is made up of many other kinds of organisations, ranging from governmental, non-governmental, political, religious, educational, military, health, and social organisations. Knowledge of organisational behaviour is important as it helps us gain an understanding of how an organisation functions, how it affects our behaviour, and how we, in turn, affect the behaviour of others. To understand this context is part of understanding the world in which we live, and this underlines the relevance of OB.

2.8 LET US SUM UP

In this unit, we have discussed a brief overview of the field of organisational behaviour. The field of OB concerns itself with the study of the behaviour of individuals and groups in the context of organisations. There are three key aspects to defining organisational behaviour: (1) it uses a systematic, scientific and research-oriented approach; (2) it focuses on behaviour at three distinct levels of analysis, individual, group, and organisation; and (3) it is both basic and applied

in nature, basic in generating knowledge and applied in using that knowledge. The field of OB has four goals: to describe, understand, predict and control behaviour at the workplace.

Some of the major characteristics of the field today are: (1) OB seeks the betterment of human resources using a Theory Y approach as opposed to the traditional Theory X approach of management; (2) Instead of recommending a 'one best way' of managing, OB uses a contingency approach, implying that different situations require different behavioural practices for effectiveness.; (3) OB has a multidisciplinary focus, drawing from disciplines like psychology, social psychology, sociology, engineering, anthropology, management, and medicine; (4) OB recognizes organisations as open systems, constantly adapting to their environments through a continuous inflow and outflow of energy through permeable boundaries; and (5) OB adopts a cross-cultural approach, with the recognition that we should re-evaluate models and theories when applying them to other cultures.

Three phases have been identified in the evolving nature of OB in India: replication of Western theories and concepts, (2) disenchantment with them, and (3) integration of Western and Indian concepts of OB. OB is a particularly important field in contemporary times for managers and others who are concerned with the efficient operation of an organisation in a rapidly changing world.

2.9 UNIT END QUESTIONS

1) Describe the field of organisational behaviour. What are the basic goals of organisational behaviour?

2) Define organisational behaviour. Enumerate the major distinguishing characteristics of the field of organisational behaviour.

3) Describe the phases in the development of OB in India with suitable examples.

4) Contemporary man is man in organisations. Hence organisational behaviour is a relevant field of study. Discuss.

2.10 GLOSSARY

Open system	:	A continuous inflow and outflow of energy through permeable boundaries.
Organisational structure	:	The way in which individuals and groups are arranged with respect to how roles, responsibilities and power is delegated, controlled and coordinated, and how information flows between levels of management.
Technology	:	The technological aspect of an organisation includes the buildings, machinery, equipment, and tools used by the employees to make different products.
Two-factor theory of motivation	:	Postulates that certain factors in the workplace result in job satisfaction and motivation

(motivators like recognition, challenging work), but if absent, do not lead to dissatisfaction but no satisfaction. Conversely, there are other factors (hygiene factors like fringe benefits) that do not motivate if present, but, if absent, result in demotivation.

2.11 SUGGESTED READINGS

Greenberg, J. & Baron, R.A. (2003). *Behaviour in Organisations: Understanding and managing the human side of work*, 8th Ed. New Delhi: Prentice Hall of India

Robbins, S.P., Judge, T.A., & Sanghi, S. (2009). *Organisational Behaviour,* 13th Ed. New Delhi: Pearson-Prentice Hall.

Sinha, J.B.P. (2008). *Culture and organisational behaviour*. New Delhi: Sage.

2.12 ANSWERS TO SELF ASSESSMENT QUESTIONS

1) a) False and b) True

UNIT 3   FUNDAMENTAL CONCEPTS IN ORGANISATIONAL BEHAVIOUR

Structure

3.0   INTRODUCTION

Earlier you have read about the definition and importance of organisational bahaviour. In the present unit we will discuss the fundamental concept in organisation development. It covers the nature of people (i.e individual differences, differences in perceptions, a whole person, motivated behaviour and value of the person) and nature of organisation (i.e social systems and types of organisations).

3.1   OBJECTIVES

After reading this unit, you will be able to:

- Explain the fundamental concepts of organisational behaviour;

- Describe the five basic premises that the field of organisational behaviour makes about people; and

- Describe the two key assumptions regarding the nature of organisations.

3.2   THE NATURE OF PEOPLE

Every field has certain fundamental concepts which guide its development and in a sense, its past, present and future. These concepts do not lend themselves to

the question 'But why?' or 'Why so?" These are something which have to be accepted by those in the field and not questioned. They are the foundation stones on which the entire edifice of the discipline is developed. Of course some of such 'fundamental' concepts may prove to be inaccurate as in the case of 'Sun revolves around the Earth'. In physics, for example, 'every action has an equal and opposite reaction', 'the law of gravity' are some fundamental concepts that have stood the test of time. In a similar manner, the field of organisational behaviour starts with a set of fundamental concepts (Davis & Newstorm, 1989) with respect to (1) the nature of people; (2) the nature of organisation; and (3) the result (Refer Figure 1).
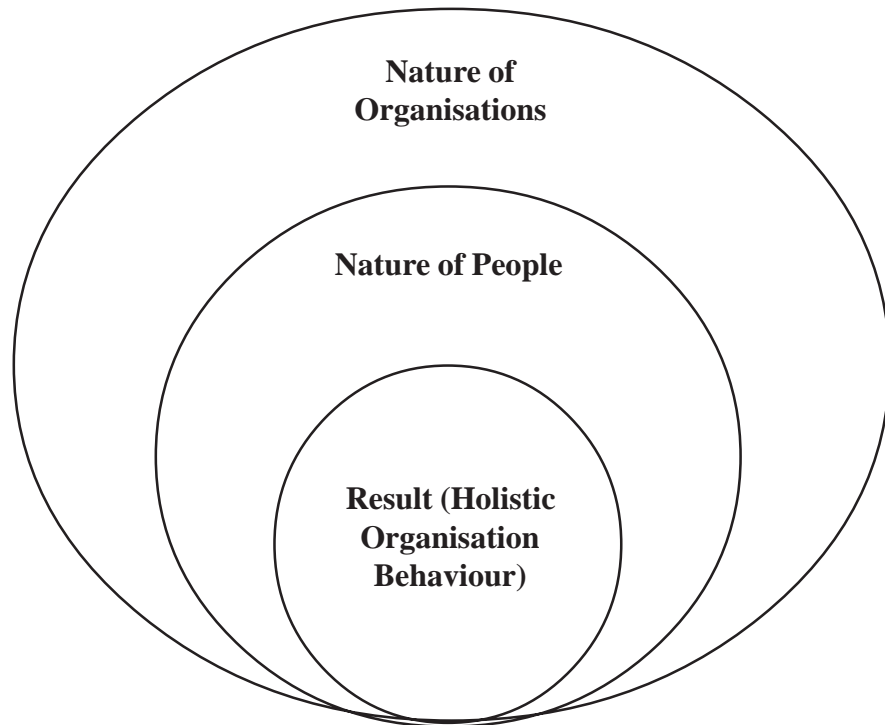
Fig. 1: Basic Concepts in OB

Figure 1 shows overlapping relationships among the basic concepts in organisational behaviour: nature of organisations, nature of people working in the organisations, and the end result in the form of holistic organisation behaviour. When all the fundamental concepts of organisational behaviour about organisation and people are taken together, it provides a holistic concept of the subject. Holistic organisation behaviour interprets people-organisation, relationships in terms of the whole person, whole group, whole organisation, and the whole social system. In order to understand the multiple factors that influence behaviour of people at work, issues should be analyzed in terms of the total situation affecting them rather than in terms of an isolated event or problem.

In this unit, we will examine the fundamental concepts of organisational behaviour which are related to the people, the organisation, and the result.

With regard to people, there are five basic premises that the field of organisational behaviour makes. Let us review them one by one.

3.2.1   Individual Differences

The idea of individual difference comes originally from psychology. Psychology, as you know studies people at three levels of analysis, as articulately summed by Murray and Kluckhohn (1953, p. 35) in their dictum:

"Every man is in certain respects

a)   like all other men,

b)   like some other men,

c)   like no other man.

People do have much in common- we all are capable of loving, we all want to be appreciated. Yet, whom, how or when we chose a love object may differ; what we want to be appreciated for may again differ.

From the day of birth, each person is unique, and individual experiences after birth accentuate these differences. Every individual in the world is different from others. This is a fact also supported by science. Each person is different from all others, probably in million ways, just as each person's DNA profile (and fingerprints) is different. This belief that each person is different from all others has been termed the Law of Individual Differences.

Throughout history, human beings have been aware of individual differences throughout history and have been attempting to apply this knowledge in various domains. For instance:

Gender differences: hunters=men, gatherers=women

Intelligence differences: caste, education, etc.

Personality differences: occupations, job specialisations

The implications of individual differences at the place of work are manifold. In fact, personnel psychology, the oldest and most traditional activities of I/O psychologists was concerned with individual differences and hence dealt with recruiting, selecting and evaluating personnel. When applied to management, this implies that each individual will say, differ in their motivation level and will also require different techniques of motivation. Can you imagine if everybody was similar, how easy managing employees would be! Management would have to simply come up with an across-the-board way of dealing with employees, and everyone would be satisfied and productive.

3.2.2   Differences in Perceptions

Just as people differ from one another, similarly their perceptions too differ. Individual members have different perceptions of the reality of the organisation. Each member has limited organisational views or horizons based on factors such as past experience, personalities, needs, demographics factors, biases, position, hierarchical level, etc. The real organisation exists in the collective mind of all organisational members.

Perception: The active and complex process through which we select, organize and interpret information about the world around us is perception and this is extremely valuable when it comes to explaining many different types of situations faced in organisations. For example, assume you have applied for a job in an organisation. Your prospective employer tries to make a judgment about you (based on your resume and interview). Would you be committed or insincere? At the same time, you are attempting to form your impressions about your prospective boss and company? Will he be easy to work with? Will the work be interesting? This in turn will influence your behaviour.

The process of perception is especially important to organisational behaviour. In particular, social perception is very crucial in organisations. This process allows people to make reasonably accurate judgments about other person's state of mind, emotions, and intentions. Socially competent people then use these inferences about other people's inner states to make good decisions about how to behave socially in the context of organisations.

Three important applications of social perception for organisational functioning are described briefly:

Employment interview: The impressions prospective employers form of us are based on both verbal and nonverbal communication, including how we dress and project ourselves.

Corporate image: Not only do candidates want to make a good impression on prospective employers, but organisations too want to create a god impression on people. An organisation's overall impression on people, its corporate image, greatly determines its ability to attract qualified job applicants.

Performance Appraisal: The formal evaluation of job performance of another-performance appraisal- is perhaps the most obvious instance in which social perception occurs. Although this process should be rational and objective, it is far from so. For instance, research has shown that people judge as superior those individuals who are similar to them.

3.2.3   A Whole Person

When studying organisational behaviour, it is imperative to remember that organisations are dealing with a whole person, not just his knowledge, skills and abilities (much as employers would like to!). An organisation not only hires a set of hands of a worker but a complete person with all his strengths and limitations. People do not enter organisations as blank slates, plain wax to be molded as per organisational requirements. We all have attitudes, perceptions, and ways of behaving shaped by our heredity and past experience. We also don't ever become totally immersed within the organisation; a substantial part of our lives remains outside if we are to remain emotionally healthy.

With respect to one's socio-cultural preferences and values, Khandelwal (2009) concluded, "It is preposterous to assume that when employees arrive to work they can or should leave at the point of entry their cultural baggage, and pick it up at the end of the workday for use in their non-work life and activities" (p. 215). People function as total human beings. An employee's home life is not completely detached from his work life, and emotions cannot be separated from cognitions. Research (for instance, Frone et al., 1992) has documented a bidirectional spillover effect between work-family conflict such that spillover may occur from *work-to-family* and from *family-to-work*. There is also recognition that positive outcomes can accrue from participation in both work and family roles as work-family facilitation. Similarly, studies have reported significant, positive relationships between job satisfaction and life satisfaction, generally ranging from .31 to .44 (e.g., Rode, 2004).

Imagine that a woman who has to care for her ailing father at home and nurse her infant will be required to leave office early enough to pick up her child before

the day care center closes. She might also be distracted if an official meeting begins late in the evening and might be checking her watch again and again. This will impact her concentration and her working life. If the manager treats her like a whole person, he may be able to empathize with her predicament and take necessary corrective measures. If the whole person is developed, only then will the benefits extend beyond the organisation to the entire society in which the employee lives.

Recognizing this, many companies are using innovative techniques like 'cafeteria-style' or flexible compensation systems (that allow employees to choose from a variety of benefits offered by the company, such as dental plan, pension plan, leave allowance, etc.) or *flexible time* working arrangements, and so on. Many companies now offer facilities like crèches, gymnasiums etc. for their employees. Google, for instance, offers perks like on site hair cuts, video games, and swimming pools, massage rooms, and even allows its employees to bring their pets to the office. Talk about being treated like a whole person!

3.2.4   Motivated Behaviour

Simply put, all behaviour is motivated. Although a few human activities occur without motivation, nearly all conscious behaviour, particularly that at the workplace, is motivated or caused. We are motivated to satisfy certain needs and have skills and aspirations. Each of us tends to develop certain motivational drives as a product of the cultural environment in which we live, and this affects the way we view our jobs and approach our lives. In the case of needs, people are motivated not by what we (or their managers) think they ought to have but by what they themselves want. A manager's job is to identify employees' needs and drives, and channel their behaviour towards task performance.

Managers can use two basic ways to motivate people: one, it can show them how certain actions will lead to their need fulfillment (for instance, increasing company sales will result in a good commission which in turn will satisfy self-esteem needs). Two, managers can threaten decreased need fulfillment if they engage in undesirable behaviours (for instance, if they do not increase company sales, they may be fired, which in turn will threaten self-esteem and even security needs). Undoubtedly, the first approach is a better one to motivate employees.

The role that motivation plays in creating productive organisations can be illustrated with the help of the following equations (Davis & Newstorm, 1989):

Knowledge x skill= ability

Attitude x situation = motivation

Ability x motivation= performance

Performance x resources= organisational productivity

Thus, knowledge and one's skill in applying it constitutes ability. Motivation results from a person's attitudes reacting in a specific situation. Motivation along with ability together determines a person's potential performance in any activity. It is also reasonable to assume that if employees have been selected in organisations after rigorous screening, their abilities will be nearly similar. What makes the crucial difference in contributing to their performance is then their motivations. Finally, performance coupled with resources (economic, material

and technical such as materials, tools, funds, etc.) results in organisational productivity.

3.2.5 Value of the Person (Human Dignity)

This is more an ethical premise rather than a scientific one. It asserts that people want and should be treated differently from other factors of production (land, capital, labour), because they are of a higher order in the universe. For this reason, they want to be treated with respect and dignity from their employers and society.

Every job, no matter how simple or menial, entitles the people who do it to proper respect and recognition of their unique aspirations and abilities. The concept of human dignity rejects the old notion of suing employees as merely economic tools (recall McGregor's Theory X, the management philosophy that prevailed more than a hundred years ago!)

The metaphysical recognition that life has an overall purpose and that each individual has an inner integrity underlines the importance of ethics. In order to attract and retain valuable employees in an era in which good workers are constantly required, ethical treatment is imperative. To succeed, organisation must treat employees in an ethical fashion. Every Company is required to establish codes of ethics, publicize statements of ethical values, provide ethics training, reward employees for notable ethical behavior, publicize positive role models, and set up internal procedures to handle misconduct.

Self Assessment Questions

Answer the following questions:

1) The nature of people is:

   (a) Basic differences (b) Joint differences (c) Individual differences (d) Family differences

2) Which one of the following premises about people is NOT held in the field of organisational behaviour?

   (a) Part person (b) Differences in perception (c) Human dignity (d) Motivated behaviour

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3.3 THE NATURE OF ORGANISATIONS

There are two key assumptions regarding the nature of organisations, that they are social systems and that they are formed on the basis of mutual interest. Let us discuss these two premises now.

3.3.1 Social Systems

Organisations are contrived social systems and not just a collectivity of individuals. Organisations are created, maintained, and frequently disbanded by people. Consequently their activities are governed by social and psychological laws. They have social roles and status. Their behaviour is influenced by their group as well as their individual drives. In fact, in organisations two types of social systems exist side by side. One is the formal social system, and the other is the informal social system. You may recollect the classic Hawthorne studies where the norms imposed by the informal social system led to restriction of output by group members in the bank wiring room study.

A social system is a complex set of human relationships interacting in many ways. Within an organisation, the social system includes all the people in it and their relationships to each other and to the outside world. Organisation environment in a social system is dynamic. All parts of the system are interdependent. The behaviour of one member impacts, either directly or indirectly, the behaviour of others. Also, the social system does not have rigid boundaries in that it exchanges goods, ideas, culture, etc. with the environment around it. Thus, the organisation is influenced not only by other parts of the organisation, but the society at large as well. All the employees who constitute the organisation are members of the society from which they come. Any organisation that has an inconsistent value system with the external society may not last over a long period of time.

The idea of a social system provides a framework for analyzing organisational behaviour issues. Individual factors are understood in conjunction with interpersonal, group and intergroup relationships, and broader system-wide characteristics.

3.3.2 Types of Organisation

There are different types of organisations and these are

- Short term / intercultural organisations

- Long term development organisations

- Conservation / environmental organisation

- Recruitment / placement organisation

- Relief / Emergency organisations

Short term intercultural organisations are ones that encourage responsible, responsive international volunteering. It contains lists of questions to help the person concerned to make use that they have thought about the issues raised and that they know they are important. By signing it, the person concerned can show that they support the principles that they set out.

The long term development organisation have their focus on empowering local people and involves some kind of skills transfer, and require specific educational or professional qualifications.

The conservation / environmental organisation is primarily concerned with conservation and environmental work. They have been classified separately, as there is an increasing number of organisations that works in this area whose emphasis is slightly different to the intercultural exchanges. The term is used to cover all organisations that list their primary activity as relating to conservation/ environmental work.

The recruitment /. Placement organisation is concerned with placements or programmes but that are not themselves involved in organising or running volunteer programmes. This category is used to cover organisations that match volunteers with placements or programmes, but that are not themselves involved in organising or running volunteer programmes. Such organisations may be for-profit or not-for-profit, and may or may not charge a fee for their services.

Relief / Emergency organisations

The focus of this work is on emergency situations, which could arise as a result of conflicts or natural disasters.

In addition to them above organisations are also formed and maintained on the basis of some mutuality of interest among organisational members. Even the definition of an organisation says that it is "a consciously coordinated social unit composed of two or more people that functions on a relatively continuous basis to achieve a common goal or set of goals" (Robbins, 1991, p. 4). Clearly then, mutuality of interest between organisations and people is necessary.

Organisations need people and people in turn need organisations. People satisfy their personal needs through organisation and organisations accomplish their goals through people. Mutual interest provides a super ordinate goal that integrates the efforts of individuals and groups, resulting in superior organisational performance and effectiveness. It must be borne in mind that the organisational and employee interests are deeply intertwined in such a way that if the interests of one suffer, the interests of the other too will suffer. Both the employees and the organisation can only prosper if they help each other to prosper.

3.4 ORGANISATIONAL PARADIGM SHIFT

From traditional hierarchic paradigm it shifts to flexible networks. For instance from dependence to interdependence, from attendance to commitment, from obedience to involvement and from impersonal to personal.

Current macro issues facing organisations include globalisation which includes mergers and takeovers, banking and financial systems, competition and marketing.

Another macro issue facing organisation is the organisation design which includes downsizing, re engineering and teams.

The third macro issue facing organisation includes empowering employees which involves treating them as partners or associates, and not as employees. Another issue under this is to care for the employees rather than keeping them at a distance from self .

Here the personal side of the employee is important.

The fourth issue is speed in the sense that how fast the products and services can be delivered to customers. In other words it is the customer driven system.

The fifth issue is the communication technology which involves instant communication, a communication which will be flexible in terms of groups and tasks and the downsizing of the organisation.

The two fundamental concepts in organisational behavior include that organsiations are only as good as the quality of their managers. The key competitive issues are the employee motivation, employee education, and Human resources issues.

Organisation is defined as a social entity that is consciously coordinating to achieve selected goals. The nature of organisations can be considered in terms of social system, that is activities governed by social and psychological laws. The

internal environment of the organisation is forever changing and the organisation needs people and people need organisations.

The definition of management is achieving organisational goals through and with the efforts of others and helping others to achieve their goals . Management may be considered successful if managers spend most of their time managing the behavior or performance of others. Management is intensely interpersonal.

Management processes involve planning, organizing, leading and controlling. Thus a basic management model would involve coordinating the behaviour of individuals, groups and organisations. All these would eventually lead to production, satisfaction and efficiency.

The modern management is a composite of models. This would include the systems model, the process model, the contingency model and the effective modern management model. For all these, the skills that managers need are (i) interpersonal skills (ii) Technology skills (iii) conceptual skills.

The manger development process includes the training and experience, organisational goals and characteristics which all lead to management skills such as the core skills, administrative skills, interpersonal skills, personal skills and conceptual skills. In turn these lead to better performance of managers which tends towards a positive high performance and goal achieving environment.

How to get the manager empower the work force ? This is a question that needs an answer. This can be done if managers are prepared to give up controls and workers are prepared to accept responsibility on their part. Successful managers are good behavioural scientists.

Organisational behavior provides the building blocks for advanced study in:

Leadership

- Performance management

- Strategic human resource management

- Organisational theory

- The manager and worker interface.

Organisational behavior is concerened with the following: (i) individual differences (ii) fundamental consistencies (iii) intuition (iv) systematic survey.

Organisational Effectiveness is also a central concern of organisational behavior. It is directed towards individual effectiveness, group effectiveness and organisational effectiveness.

3.5   ORGANISATIONAL OUTPUTS

Just as people do not act without a reason, organisations also do not exist without purposive activities. They must *do something* that result in various types of outputs. For instance, organisations might develop a car, motorcycle, garment, detergent, healthy patients, educated and informed students, or any other product or service. No study of organisational behaviour can be complete without looking at the issues of performance and output.

Most organisations try to be productive. Productivity is a ratio that compares units of output with units of input. Although productivity is generally measured in terms of economic inputs and outputs, but human and social inputs and outputs are equally important. For example, if team building activities in an organisation's training program lead to a by-productive of more cohesive citizens even within a community, a valuable social output has occurred.

Katz and Kahn (1978) have classified different types of organisations on the basis of its primary activity:

Productive or economic: This is concerned with the creation of wealth, the manufacture of goods, and the provision of services for the general public.

Maintenance: This, for instance, schools and other educational institutions, concerned with the socialisation of people to fulfill roles in other organisations and in society.

Adaptive: Research establishments, concerned with the pursuit of knowledge and the development and testing of theory.

Managerial or political: Government departments or trade unions. These are concerned with adjudication, coordination, and control of resources (both physical and human) and other sub-systems.

Of course, such a distinction lacks refinement and not all organisations fit neatly into one classification. For instance, most universities combine research with teaching. The important thing to remember then is that organisations exist to achieve s*ome* results.

In addition to short-term output, as organisational behaviourists, we are also concerned with *development* processes. This implies building a better organisation that allows individuals, groups, and the total organisation to maximize their potentials and to improve performance over the long run.

3.6   HOLISTIC ORGANISATIONAL BEHAVIOUR

This refers to interpreting people and organisational relationship in terms of the whole person, whole group, whole organisation and the whole system. When the eight fundamental concepts of organisational behaviour are considered together, they provide a holistic view of the subject of organisational behaviour. An across the board view of people in organisation and a total situation focus rather than a sample event or sample problem.

According to Davis and Newstorm (1989), "holistic organisational behaviour interprets people organisation relationships in terms of the whole person, whole group, whole organisation, and whole social system" (p. 13).

Because the subsystems of any organisation are interdependent, managers must take a holistic view of the organisation in order to manage organisational behaviour. A holistic view encompasses the culture and the dominant coalition, as well as the people, tasks, structure, and information subsystems.

Basic approaches to organisational behavior consists of

- HR approach
- Contingency approach
- Productivity approach
- Systems approach.

The Human Relations approach is concerned with employee growth and development and considers this as very important. As for contingency approach, it is concerned with differing environments and goals that demand different behaviours. Systems approach however is concerned with all parts of an organisation which all interact with each other in a complex manner.

Organisational behavior requires a mixture of all the above four approaches

Let us see some of the major characteristics of organisational behavior and these are given in the table below:

Major characteristics of organisational behaviour

3 Levels of Analysis	Individual, Group and Organisation
Interdisciplinary	Psychology, sociology, anthropology and political science
Humanistic orientation	Attitudes, perception, needs and emotions
Performance orientation	The ultimate goal of organisational behavior is to improve, sustqain and encourage effective performance
Recognition of external environment	Technology, law, competition, economy
Practical application	Organisational behavior knowledge mustn be useful to practicing managers
Organisations as social systems	Relationship among individuals and groups in organisations. Createexpectations for the behavior of individuals
Contingency approach	There is no one best way, best depends on the situation
Structure and process	Both play key roles in understanding organisationla behavior.

Let us now consider the relationship of organisational behavior to other closely related disciplines. These are given in the table below.

Relationship of organisational behavior to other closely related disciplines

Theoretical	OT (Organisational Theory)	OB(Organisational Behaviour)
Application	OD(Organisational Development)	P/HR (Personal / Human Resources.

In addition to the above, there is also a typical model of organisational behavior and this is given in the table below.

A model of Organisational Behaviour

Management's	Organisational culture	Leadership Communication	Quality of worklife
Philosophy Values		Group dynamics	Motivation
Vision			Outcomes
Goals	Social environ		Performance
			Individual Satisfaction

Formal   Informal
Orgn   Orgn

Every organisation has a psychological and an economic contract. These two are given in detail below in the boxes.

The psychological contract

Loyalty		Job security
Creativity	Expect (unwritten exchange)	Fair treatment
Extra effort		Rewarding relationships
		Developmental opportunity

The Economic contract

Time		Wages
Talent	Expect (Written exchange)	Hours
Energy		Reasonable working condns

Organisational behavior is influenced by a large number of variables and these are given in the box below.

Variables influencing individual behaviours

The person		The environment
Skills		Organisation
Abilities		Work group
Personalities	Behaviour	Job
Perceptions		Personal life
Attitudes		
Values		
Ethics		

Organisational behavior as a contingency model

Universal / Contingency view

Universal view = Same managerial principles apply to every situation

Contingency view = Appropriate managerial action depends on the situation.

Major dependent variables in Organisational Behaviour: Determinants of productivity, absenteeism, turnover, job satisfaction and citizenship

Major independent variables in organisational behavior: Determinants of productivity, determinants of absenteeism, determinants of turnover, determinants of job satisfaction and determinants of citizenship.

3.7 LET US SUM UP

In this unit, we have discussed some fundamental concepts in the field of organisational behaviour. Every field of social science, or even physical science, has a philosophical foundation of basic concepts that guide its development. There are some certain philosophical concepts in organisational behaviour also. These are related to the nature of people, the nature of the organisation, and the result.

With regard to the nature of people, the field of organisational behaviour rests on five basic premises: (1) each person in the world is individually different from all others; (2) Peoples' perceptions of other people and even work too differ, and are determined by our past experiences, personalities, needs, demographics factors, and biases; (3) organisations employ a whole person, rather than certain characteristics, since people function as total human beings; (4) normally, human behaviour is motivated, i.e. it has certain causes, and such motivation is essential to the operation of organisations; and (5) People should be treated with respect and dignity, no matter how menial the job might be, because human beings are the highest creation of God.

With regard to the nature of organisations, the two key concepts are that (1) organisations are social systems, with all parts of the system being interdependent and subject to influence by any other part; and (2) the interests of organisations and its people are mutually intertwined. People see organisations as a means to help them reach their goals, while organisations need people to help reach organisational objectives. Just as people do not act without a reason, organisations also do not exist without purposive activities. The results of organisations (generally measured in performance terms) make the study of organisational behaviour complete. When all these fundamental concepts of organisational behaviour are considered together, they provide a holistic view of the subject. The field of organisational behaviour uses a systems approach, that is, it interprets people-organisation relationships in terms of the whole person, whole group, whole organisation, and whole social system.

3.8 UNIT END QUESTIONS

1) Critically examine the fundamental concepts that form the basis of organisational behaviour. Which concepts, in your opinion, are more important than the others? Explain.

2) Discuss the implications of the assumptions regarding the nature of people for managers.

3) Consider the assumption of mutuality of interests between an organisation and its people. Is it equally true for all organisations? Give examples where this might and might not hold true.

3.9 GLOSSARY

Flexible time : A system of work which allows employees to start and finish work between a flexible range of total hours, as long as they work a fixed amount of hours each day or week. For example, an employee may be required to work eight hours a day, but may start work at any time between 7 am and 9 am and finish work eight hours later, between 3 pm and 7 pm.

Social perception : The processes through which we use available information to form impressions and understand other people and groups of our social world, to assess what they are like.

Super ordinate goal : These are goals that get people who have individual goals (normally in opposition to each other) to come together, cooperate and work toward a common end result.

3.10 SUGGESTED READINGS

Davis, K. D. & Newstrom, J. W. (1989). *Human behaviour at work: Organisational Behaviour*, 8th Ed. New Delhi: McGraw-Hill.

Mullins, L. J. (2005). *Management and organisational behaviour*, 7th Ed. New Delhi: Prentice Hall.

3.11 ANSWERS TO SELF ASSESSMENT QUESTIONS

c) Individual differences

a): Part person

UNIT 4 DIFFERENT MODELS OF OB (AUTOCRATIC, CUSTODIAL, SUPPORTIVE AND COLLEGIAL, ETC.)

Structure

4.0 INTRODUCTION

As you already know by now, organisational behaviour is the study and application of knowledge about how people, individuals, and groups act in organisations. It does this by taking a *system approach*, that is, it interprets people-organisation relationships in terms of the whole person, whole group, whole organisation, and whole social system (as we saw in Unit 3). Its purpose is to build better relationships by achieving human objectives, organisational objectives, and social objectives. All these elements combine to build the model or framework that the organisation operates from.

In contemporary times, managers confront many challenges and opportunities. These challenges are the result of environmental changes occurring due to factors such as globalisation, information technology, quality consciousness, workforce diversity, and ethics. Organisational behaviour models help managers to face these challenges and take appropriate actions.

The model that a manager holds depicts the assumptions that he or she makes about people and influences his/her interpretation of events. Understanding of such models therefore provides a powerful albeit unconscious guide to managerial

behaviour. These models are also helpful in understanding the context of the manager-employee relationships. This includes how employees may respond to the various orientations of managers, the general behavioural climate that prevails in the manager-employees relationship, etc. Various models of organisational behaviour have been postulated by several scholars, most notably Keith Davis (1967). Many models of organisational behaviour have emerged during the last 100 years or so, and four of them are significant in contributing to our understanding of frameworks that organisations operate out of. These are Autocratic, Custodial, Supportive, and Collegial.

In this unit, we will discuss and critically examine the aforementioned models of organisational behaviour, namely, autocratic, custodial, supportive, and collegial. In the order mentioned above, the four models represent a historical evolution of management thought and practice during the last 100 years or so. These models show the evolution of the thinking and behavior on the part of both management and managers. They also express the shift in the outlook of managers in viewing their employees and the resultant organisational environment. Davis states that managerial practices have been evolving from the autocratic model to a custodial model and then to a supportive one. The autocratic model predominated about 75 years ago. In the 1920s and 1930s it yielded ground to the more successful custodial model. In this generation, the supportive model has been the most popular. In this unit, we shall also compare these four models along with their various facets.

4.1 OBJECTIVES

After reading this unit, you will be able to:

• Describe the four models of organisational behaviour, viz. autocratic, custodial, supportive, and collegial;

• Critically examine the four models of organisational behaviour; and

• Compare the various models of organisational behaviour.

4.2 MODELS OF ORGANISATION

There are different types of organisational behavior models and these are described in this unit. Organisations differ in the quality of the systems they develop and maintain and in the results they achieve. Varying results are substantially caused by different models of organisational behavior. These models constitute the belief system that dominates management's thought and affects management's actions in each organisation. Therefore, it is highly important that managers recognize the nature, significance, and effectiveness of their own models, as well as the models of others around them, four models of organisation behaviour.

These are as follows:

1) Autocratic

2) Custodial

3) Supportive

4) Collegial

Let us take each of the models and discuss.

4.2.1   The Autocratic Model

Might is right" is the motto of the theory. It depends upon power. Those who are in command must have power to demand. Employees are to follow their boss. Management thinks that employees are passive and resistant to organisational needs. It is just like theory developed by McGregor. Under autocratic conditions the employee orientation is obedience to a boss, not respect for a manager. The psychological result for employee's orientation is dependence on their boss, whose power to hire, fire, etc., is almost absolute. The boss pays minimum wages because minimum performance is given by employees. They are willing to give minimum performance though sometimes reluctantly because they must satisfy subsistence needs for themselves and their families.

The autocratic model has existed for thousands of years. During the Industrial Revolution, it was the prominent model of organisational function. The managers of this type of organisation operate mostly out of Mc Gregor's Theory X. As you might recall, this philosophy of management assumes that people are inherently lazy, dislike work, and will avoid work if they can. As a result, management needs to closely supervise workers and develop comprehensive systems of control. Beliefs of this theory lead to mistrust, highly restrictive supervision, and a punitive atmosphere.

The model depends on power with a managerial orientation of authority- those who are in power act autocratically. The message to employees is- '*You do this, or else'*, meaning that employees who do not follow orders are penalised, often severely. In an autocratic environment the managerial orientation is formal, official *authority*. This authority is delegated by right of command over the people to it applies. The employees in turn are oriented towards obedience to a boss, not respect for a manager. The psychological result for employees is dependence on their boss, whose power to hire, fire, and "perspire" them is almost absolute.

The employee need that is met is *subsistence* (for themselves and their families). The boss pays minimum wages because minimum performance is given by employees. Some employees give higher performance because of an internal achievement drive, because they personally like the boss, because the boss is a natural leader, or because of some other situational factor; but most of them give only minimal performance.

When an autocratic model of organisational behaviour exists, the measure of an employee's morale is usually his compliance with rules and orders. Compliance is "unprotesting assent without enthusiasm" (Hicks, 1971, p. 186). The compliant employee takes his orders and does not talk back.

The autocratic model uses one way downward communication emanating from the top down to the workers. Management believes that it knows best. Employees are obligated to follow orders. Management does the thinking; employees have to obey the directives. Under such conditions, the "worker's role is *obedience t*o management" (Zastrow, 2009, p. 260).

Although modern writers have an inherent tendency to condemn this model, it is actually very effective in some settings, for instance it works well especially in times of an organisational crisis. Military organisations throughout the world are based on this model. This view of work built great railroad systems, operated

giant steel mills, and produced the spectacular industrial civilisation in the United States. It, however, also has a number of disadvantages. Workers are often in the best position to identify shortcomings in the structure and technology of the organisational system, but downward communication prevents feedback to management. The model fails to generate commitment among workers to accomplish organisational goals. Lastly, the model fails to motivate workers to further develop their skills- skills that might even help the employer. It often has disturbing side effects- employees feel insecure, frustrated, and may even have feelings of aggression towards the management. Since employees could not vent these feelings directly, sometimes they vented them on their families, friends and neighbours, leading to the suffering of the entire community.

Large commercial organisations have moved away from hierarchical organisations to models where there are relatively autonomous groups of front line staff, supported by the technical staff and management. Control is exercised by the users/consumers and their requirements, translated through information and operational systems that highlight the degree to which consumer demand is being successfully met. The demands of a 'Just in Time' system of production, for example, provide the structure and discipline to front line staff formerly supplied by hierarchical managers. The manager's task in this case is to assess variances in performance and ensure the system is integrated effectively. This thinning of hierarchies and distributing of responsibility to front line teams has been termed heterarchical where there are many nodes of power and responsibility. Another version is provided by The Visa Company (jointly owned by its member banks) which developed what its founder Dee Hock called a 'chaordic' organisation, combining organisation and chaos. For social innovation, such models are particularly applicable to large charities and to public services.

Many social ventures try and avoid strict hierarchical structures by remaining small and by sub-dividing (like cells) or collaborating with other similar ventures. Some have adopted a franchised model, to allow each unit to remain relatively small, while benefitting from economies of scale for the group of ventures as a whole. This is the basis for the expansion of Riverford organics, which franchises distributors of its organic produce, while involving 12 sister farms in a co-operative of regional producers. This structure was intentionally adopted by the founder of Riverford, Guy Watson, to keep his venture small, and production local. The resulting network now delivers 47,000 organic food boxes a week.

Different development stages of the innovation will require different forms and styles of leadership and management. In the initial stages, leadership is that of a pioneer. As the organisation develops, leadership needs to take on the skills of adapting, listening and learning. Management is not only about the giving of orders, but it is about seeding multiple centres of activity and initiative and building forums to allow this mosaic of energy to interact, channelling debate and tension into further innovation.

There is commonly a tension between the demands of continuing operations and the venture's ability to maintain innovation. The financial and managerial demands of innovation may put pressure on existing business. There are different management styles that may be appropriate for innovation and operations. Spin offs are one way of managing this tension. Careful succession planning is another, permitting the initial innovators to move on to the new tasks.

4.2.2 The Custodial Model

Workers being managed under the autocratic model often feel insecurity and frustration. They may even show aggression towards their boss and their families and neighbours. That is why progressive managers felt that there must be some way to develop better employee relationships so that insecurity and frustration could be dispelled. The custodial model provides for employees' dependence on organisation rather than dependence on their boss. The model emphasizes economic reward, security, organisational dependence, and maintenance factors. The custodial approach leads to employee dependence on the organisation. Rather than being dependent on their boss for their weekly bread, employees now depend on organisations for their security and welfare.

Employees working in a custodial environment become psychologically preoccupied with their economic rewards and benefits . As a result of their treatment, they are well maintained and contented. However, contentment does not necessarily produce strong motivation. It may produce only passive cooperation. The result tends to be that employees do not perform much more effectively than under the old autocratic model.

As already mentioned, the managers using an autocratic model operate mostly out of McGregor's Theory X. The next three models, starting from the custodial model, begin to build on McGregor's Theory Y. The Theory Y approach to management is more progressive and paints a more optimistic picture of employees than Theory X. Managers holding the custodial model believe that if the insecurities, frustrations, and aggressions of employees could be dispelled, they might feel like working. Development of the custodial model was aided by psychologists, industrial relations specialists, and economists.

The custodial model of organisational behaviour takes into consideration the security needs of employees. A custodial environment gives a psychological reassurance of economic rewards and benefits. The basis of this model is economic resources with a managerial orientation toward money to pay wages and benefits. Clearly, if an organisation does not have the wealth to provide pensions and pay other benefits, it cannot follow a custodial approach.

A successful custodial approach depends on economic resources. Since employees' physical needs are already reasonably met, the employer looks to *security needs* as a motivating force. To satisfy employees' security needs, many companies began to provide welfare programs, such as pension plans, child-care centers at the workplace, health and life insurance.

However, researchers found that the custodial approach leads to employee *dependence* on the organisation. Rather than being dependent on their boss for their weekly bread, employees now depend on organisations for their security and welfare. Employees working in a custodial environment become psychologically preoccupied with their economic rewards and benefits. Employees working under such a model tend to focus on economic rewards and benefits. As a result of their treatment, they are certainly happier and more content than under the autocratic model, but they do not have a high commitment in helping the organisation meet its goals.

Contentment does not necessarily produce strong motivation; it may produce only *passive cooperation*. This results in the employees producing substantially below their capabilities. They are still not motivated enough to advance to higher capacities. It is important to point out here that unlike cows, happy and contended employees are not necessarily the most productive ones!

It is imperative to point out here that one great benefit of the custodial model was that it brought security and satisfaction to workers, something that was a welcome change from the times of managers holding the autocratic model. At the same time, due to their contentment and passive cooperation, they cannot even afford to quit.

4.2.3   The Supportive Model

The basic idea behind this theory is that leadership motivates the people to work and not the power of money as in custodial model. Through leadership management provides a climate to help employees grown and accomplish in the interest of the organisation, the things of which rather than to simply support employee benefit payments as in the custodial approach.

Under the supportive model, the workers feel a sense of participation and task involvement in the organisation. The manager's role is one of helping employee solve their problems and accomplish their work. This model has been found to be effective in affluent countries where workers are more concerned about their higher level needs affiliation and esteem. This model has limited application under Indian conditions because a vast majority of operative workers are more concerned about their higher level needs affiliation and esteem.

The supportive model of organisational behaviour seeks to create supportive work environment and motivate employees to perform well on their job. The basis of this model is leadership with a managerial orientation of support. The supportive model depends on leadership instead of power or money.

In fact, this model has its roots in Likert's principle of supportive relationships: "*The leadership and other processes of the organisation must be such as to ensure a maximum probability that in all interactions and all relationships with the organisation each member will, in the light of his background, values, and expectations, view the experience as supportive and one which builds and maintains his sense of personal worth and importance*" (Likert, 1961, p. 102-103).

Through leadership, management provides a climate to help employees grow and accomplish in the interests of the organisation the things of which they are capable. Just as Theory Y philosophy, it is believed that work is as natural to employees as play. Workers are not by nature passive and resistant to organisational needs, but that they are made so by an inadequately supportive climate at work. Given the right conditions, employees will seek achievement and responsibility and will work hard, without being pushed. They will take responsibility, develop a drive to contribute, and even try to improve themselves if management will give them half a chance. Management orientation, therefore, is to support the employee's job performance rather than to simply support employee benefit payments as in the custodial approach.

The employees in turn are oriented towards job performance and participation. The employee need that is met is *status and recognition*. Since management supports employees in their work, the psychological result is a feeling of participation and task involvement in the organisation. Employee may say "we" instead of "they" when referring to their organisation. Employees are more strongly motivated than by earlier models because of their status and recognition needs are better met. The performance result is *awakened drives for work*.

The supportive model works well with both employees and managers, and has been widely accepted at least in principle, though it is not easy to translate it into practice. One advantage of this model as you can see is that, supportive behaviour is not the kind of behaviour that requires money. It is a part of management's lifestyle at work, that reflects in the way that it deals with other people. This model tends to be very effective particularly in developed nations because it awakens employee drives toward a wide array of needs. It is less applicable in developing nations like ours, because employees might still be trying to meet their sustenance needs. As their needs for material rewards and security become satisfied, employees here might also demand a more supportive approach, as has already started to happen.

4.2.4 The Collegial Model

A useful extension of the supportive model is the **Collegial model.** The term *Collegial* relates to a body of persons having a common purpose. The collegial model, which embodies a term concept, first achieved widespread applications in research laboratories and similar work environments. The collegial model traditionally was used theory is based on the principle of mutual contribution by employer and employees. Each employee should develop a feeling that he is a part of the whole and contributing something to the whole and recognizes the others contribution. Management is supported to be joint contribution and not the boss.

The managerial orientation is toward teamwork. Management is the coach that builds a better team. The employee response to this situation is responsibility The collegial approach for the employee is self-discipline. In this kind of environment employees normally feel some degree of fulfillment, worthwhile contribution, and self actualisation, even though the amount may be modest in some situations. This self-actualisation will lead to moderate enthusiasm in performance.

The term 'collegial' literally means a body of people having a common purpose. An extension of the supportive model, the collegial model relates to a body of people working together cooperatively feeling a commitment to achieve a common purpose. Some organisations, for e.g., most human service organisations have a goal of creating a collegial atmosphere to facilitate achieving their purposes.

The basis of this model is partnership with a managerial orientation of teamwork. Management is akin to the coach that builds a better team. Managers are seen as joint contributors rather than as bosses. Since the management nurtures a feeling of partnership with its employees, the employees feel themselves as an asset to the organisation. They feel needed and useful. The employee's response to this situation is responsibility. They feel that managers are contributing also, so it is easy to accept and respect their roles in their organisation. For example employees

produce quality work not because management tells them to do so or because the supervisor will reprimand them or worse even fire them if they do not, but because they feel inside themselves an obligation to provide others with high quality. They also feel an obligation to uphold quality standards that will bring credit to their jobs and company.

The psychological result of the collegial approach for the employee is *self-discipline*. Feeling responsible, employees discipline themselves for performance on the team much in a similar same way that the members of a football team discipline themselves to training standards and the rules of the game.

The employee need that is met is *self-actualisation*. In this kind of environment employees normally feel some degree of fulfillment, worthwhile contribution, and self-actualisation, even though the amount may be modest in some situation. The performance result is *moderate enthusiasm.* If the sense of partnership is established, employees produce quality work and seek to cooperate with coworkers, not because management directs them to do so, but because of their internal obligation to produce high quality work.

Self Assessment Questions

Analyze the following case study and tick mark the correct answer:

1) Organisation XYZ Solutions was dealing with problems of employee turnover, absenteeism, and stress related problems. A survey showed that employees, a lot of them young mothers (many single) had huge problems arranging for quality child care that lead to the above mentioned problems. The company decided to subsidize an on-site day care center, which very soon became filled to capacity. It required huge economic investment from the Company- about Rs. 12, 40, 000 per year- and created organisational dependence. This can be seen from a comment made a young mother, "It would really take a mind-blowing job offer from another company now for me to leave XYZ".

   Which model of organisational behaviour is operating in Organisation XYZ Solutions?

   (a) Autocratic (b) Custodial (c) Supportive (d) Collegial

2) Organisation ABC Electronics recently abolished the use of reversed parking spaces for executives, as was the earlier practice. Now every employee has an equal chance of finding a parking space close to the workplace. It has eliminated the use of terms like 'bosses' and 'subordinates', feeling that such terms simply crate perceptions of psychological distance between management and managers. It also sponsors team building activities, such as river rafting trips in Rishikesh and requires managers to spend a week or two annually working in factory locations.

   Which model of organisational behaviour is operating in Organisation ABC Electronics?

   (a) Autocratic (b) Custodial (c) Supportive (d) Collegial.

4.3 COMPARISON OF THE MODELS OF ORGANISATIONAL BEHAVIOUR

The following table (Davis, 1967) presents a comparison among the four models of organisational behaviour with regard to its basis, the predominant managerial orientation, the predominant employee orientation, psychological result for the employee, the needs of the employees that are met, and the ultimate performance result.

Table 1: Comparison among four models of organisational behaviour (from Davis, 1967, p. 480)

	Autocratic	**Custodial**	**Supportive**	**Collegial**
Basis of model	Power	Economic Resources	Leadership	Partnership
Managerial orientation	Authority	Money	Support	Teamwork
Employee orientation	Obedience	Security and benefits	Job performance	Responsible behaviour
Employee psychological result	Dependence on boss	Dependence on organisation	Participation	Self-discipline
Employee needs met	Subsistence	Security	Status and recognition	Self-actualisation
Performance result	Minimum	Passive cooperation	Awakened drives	Moderate enthusiasm

Activity

Consider an organisation where you now work or have worked in the past. Which model of organisational behaviour does (did) your immediate supervisor follow? Is (was) it the same as the top management's model? Reflect on your experience.

4.4 CONCLUSIONS ABOUT THE MODELS

4.4.1 The Models Are, In Practice, Subject To Evolutionary Change

As you would have probably understood by now, each of the four models described in this unit have evolved over a period of time. The first model, autocratic, had its roots in the industrial revolution. The managers of this type of organisation operated mostly out of McGregor's Theory X. The next three models began to build on McGregor's Theory Y. No one particular model is the permanently 'best' one that will endure over the long run. Eventually the supportive model may also fall to limited use. Even the collegial model should not be thought as the last or best model, but the beginning of a new model or paradigm. The primary challenge for management is to critically examine itself and identify the model it is *actually* using and then assess its current effectiveness. The manger thus has two key tasks- to acquire a new set of values as models

evolve over a period of time, and apply the behavioural skills that are consistent with those values.

4.4.2 The Models Are Based On Incremental Values

Organisations behaviour models produce *incremental* as opposed to *allocative* effects. Economic values with respect to allocation of scarce resources are generally allocative- for e.g., if Organisation A has a fixed budget of Rs. 1 million that must be shared amongst its four branches, it the first branch is allocated half a million, no other branch can be allocated that much. This can be thought of as similar to a zero-sum game, a situation in which a participant's gain or loss is exactly balanced by the losses or gains of the other participant(s). If the total gains of the participants are added up, and the total losses are subtracted, they will sum to zero.

In sharp contrast, human values such as growth, fulfillment or actualisation are incremental. Incremental values are self-generated, being created within individuals and groups as a result of their attitudes and lifestyles. In order to build say, job satisfaction in department A, you do not have to take it from department B. There is enough job satisfaction for everyone (in fact one department's job satisfaction may even help you to build up job satisfaction for another department. Isn't satisfaction contagious?)

4.4.3 The Models Are A Function Of Prevailing Employee Needs

The four models presented in this unit are closely related to human needs. New models have been developed to serve the different needs that became important at the time. The autocratic model, for instance, reasonably serves subsistence needs, but does not meet needs for security. The satisfaction of employees' security needs is addressed by the custodial model. Similarly the supportive model is an effort to meet employees' other needs, such as affiliation and esteem, which the custodial model is unable to serve. Lastly, the collegial model makes an attempt to satisfy employees' self-actualisation needs.

It must however be kept in mind that emphasis on any one model of organisational behaviour does not mean an automatic rejection of other models. It also does not mean that other needs are not important. What it does mean is that employees have progressed to a condition in which newer needs dominate. For instance, adoption of a supportive approach does not mean abandonment of custodial practices that serve security needs. It simply implies that employees' subsistence and security needs are reasonably met by a suitable structure and security system, and that their esteem and/or affiliation needs are more important and need addressing.

4.4.4 There is a General Trend towards Newer Models

As organisations today become more complex with rapid advances in computers and management information systems, top managers cannot afford to be authoritarian and use the autocratic model. In addition, as literacy, education and professional orientation of employees grows; they are no longer readily motivated toward creative tasks by the autocratic model. Keeping this in mind, it seems that the trend toward the supportive and collegial models will continue.

An emerging model of organisation behavior is the *system model*. It is the result of a strong search for higher meaning at work by many of today's employees, who want more than just a paycheck and job security from their jobs. Since they spend many hours of their day at work, they want a work context that is ethical, infused with integrity and trust, and provides an opportunity to experience a growing sense of community among coworkers. To accomplish this, managers must increasingly demonstrate a sense of caring and compassion, being sensitive to the needs of a diverse workforce with rapidly changing needs and complex personal and family needs.

In response, many employees embrace the goal of organisational effectiveness, and reorganize the mutuality of company-employee obligations in a system viewpoint. They experience a sense of psychological ownership for the organisation and its product and services. They go beyond the self-discipline of the collegial approach until they reach a state of self-motivation, in which they take responsibility for their own goals and actions. As a result, the employee needs that are met are wide-ranging but often include the highest-order needs (e.g., social, status, esteem, autonomy, and self actualisation).

Because it provides employees an opportunity to meet these needs through their work as well as understand the organisation's perspectives, this new model can engender employees' passion and commitment to organisational goals. They are inspired and they genuinely believe in the usefulness and viability of their system for the common good.

4.4.5 Contingent Use of All Models

Although there are four clear separate models, almost no organisation operates exclusively in one. There will usually be a predominate one, with one or more areas over-lapping in the other models. Although one model may be used at any one point in time, some appropriate uses will remain for other models. Some jobs may require routine, low-skilled, highly programmed work that will provide mostly material rewards and security (autocratic and custodial conditions). Other jobs will be unprogrammed, intellectual and unstructured, requiring team work and self-motivation. They generally respond to the supportive and collegial approaches.

You might be wondering at this juncture: "Which model is the 'best' one?" This question is actually incorrect. A better question 'which model should be applied in order to obtain the highest productivity' is also not that obvious. It depends on the task to be completed and on employee needs and expectations. For e.g., the autocratic model works well in military operations, where quick decisions are needed to respond to rapidly changing crises, but it does not work well in say NGOs where employees expect collegial approach.

4.5 LET US SUM UP

Organisations differ in the quality of organisational behaviour that they develop. These differences are substantially caused by various models of organisational behaviour that influence the management's thought in each organisation. Models of organisational behaviour help the managers to adopt organisational practices that best suit their requirements.

In this unit, we presented and critically examined four models of organisational behaviour, namely, autocratic, custodial, supportive, and collegial. In the order mentioned above, these models show the evolution of the thinking and behaviour on the part of both management and managers. They also express the shift in the outlook of managers in viewing their employees and the resultant organisational environment.

The autocratic model is based on power. Under this model, the person who holds power has the authority to demand work form his/her employees. It is based on the assumption that work can only be extracted by means of pushing, directing, and persuading the employees. In the custodial model, the emphasis is on providing job security (and fringe benefits that strengthen employees confidence in security) to the employees. The supportive model emphasizes leadership rather than power or money. It enhances the relationships between the employer and employees. In the collegial model, employees are self-disciplined, self-satisfied, and have specific goals which motivate them to improve their performance.

Models of organisational behaviour not only differ from organisation to organisation, but may also differ from department to department within an organisation. The point is that one model of organisational behaviour is not an adequate label to describe all that happens in an organisation.

The evolving nature of models of organisational behavior makes it very clear that change is the normal condition of these models. As our understanding of human behaviour changes or as new social and organisational conditions evolve, our organisational behavior models are also likely to change.

4.6   UNIT END QUESTIONS

1) Examine the trends in the models of organisational behaviour as they have developed over time. Examine why the trends have moved in the direction that it has.

2) Is the autocratic model the least useful in contemporary times? Examine the situations where it might be especially appropriate to use.

3) Is the collegial model the 'best' to use with all employees? Discuss.

4) Outline the similarities and differences among the four models of organisational behaviour.

4.7   GLOSSARY

Downward Communication	:	A flow of information from the top of the organisational management hierarchy, from the superiors to the subordinates.
Self-actualisation	:	The desire for self-fulfillment, the desire to become more and more what one is, to become everything that one is capable of becoming, and ultimately the full realisation of one's potential.

| **Zero-sum** | : | A competitive situation which involves a constant sum where the benefits and losses to all players sum to the same value of money (or utility). For e.g., cutting a cake is zero- or constant-sum, because taking a larger piece reduces the amount of cake available for others. |

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4.9   ANSWERS TO SELF ASSESSMENT QUESTIONS

1) b: Custodial

2) d: Collegial

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UNIT 1 JOB SATISFACTION

Structure

1.0 INTRODUCTION

Job satisfaction is the degree to which individuals like their jobs. Some people enjoy work and find it to be a central part of life. Others hate to work and do so only because they must. This job attitude has been the subject of extensive research in the domain of industrial-organisational psychology and organisational behaviour. A thorough account of the meaning, causes and consequences of this important employee attitude will be presented in this unit. First, the nature of job satisfaction will be discussed highlighting its historical antecedents, meaning and dimensions. Second, some major assessment techniques will be discussed. Third, an account of the antecedents or predictors of job satisfaction will be put forth. Finally, the outcomes of job satisfaction will be examined.

1.1 OBJECTIVES

After reading this unit, you will be able to:

- Explain the meaning of job satisfaction;
- Describe the various measures of job satisfaction;
- Give an account of the antecedents of job satisfaction; and
- Analyse the consequences of job satisfaction.

1.2 NATURE OF JOB SATISFACTION

Job satisfaction is the most frequently measured organisational variable in both research and applied settings. There are multiple reasons for interest in this work attitude. First, organisations and researchers are interested in simply assessing the current state of employee job satisfaction. They are often concerned with employee well-being and psychological health, and some form of job satisfaction measurement is therefore included in employee opinion surveys. Second, understanding the influences on job satisfaction is important for improving organisational functioning. Significant lines of research have therefore focused on the role of personal, work-related and organisational variables in job satisfaction. Third, job satisfaction has important implications for work outcomes within an organisation. Interest has thus been in the empirical examination of job satisfaction and its relationship with such outcomes as performance, withdrawal behaviours, organisational citizenship behaviours and other work behaviours.

1.2.1 History of Job Satisfaction

For almost one hundred years, employee job satisfaction has been targeted by research. The origin of these studies dates back to at least 1911, when Taylor began to study employees and their job duties to develop better ways to train workers. By 1927, the study of employee's positive or negative reaction to their jobs had fully begun to take hold when Elton Mayo first studied the effect of lighting at the Western Electric Hawthorne Works in Chicago. These studies showed that lighting had little connection to worker productivity, creating the fundamental groundwork for future studies that asked about other factors that may have an impact on employees. The Hawthorne Studies continued until 1932, and in the five-year interval, the research widened to include factors such as temperature, fatigue, breaks, and working hours. Mayo's work may seem marginally relevant to job satisfaction today, but he discovered that the mere act of studying workers and providing them with more attention increased their motivation and productivity. Mayo had stumbled upon the essence of human motivation, marking a new era of humanistic job satisfaction research, and revolutionising the research and theories of job satisfaction.

1.2.2 Meaning of Job Satisfaction

In the past hundred years, job satisfaction has been given various definitions by organisational behaviour scholars and researchers. The most-used research definition of job satisfaction is by Locke (1976), who defined it as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". Cook et al. (1981) defined job satisfaction as "an attitude which manifests itself in evaluation of the job and of the employing organisation as contributing suitably to the attainment of one's personal objectives". More recently, Lambert, Barton, and Hogan (1999) defined the term as "the fulfillment or gratification of certain needs that are associated with one's work." Spector (1997) defines it as "the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs".

Some important characteristics emerge out of these definitions:

1) Job satisfaction is an emotional response to a job situation. As such it cannot be seen, it can only be inferred.

2) Job satisfaction is the extent to which the working environment meets the needs and expectations of employees. It is a result of employees' perception of how well their job provides outcomes that are viewed as important.

3) Job satisfaction is an evaluation of the job and of the organisation that shows up in significant work behaviours such as productivity, absenteeism, turnover, workplace deviance, organisational citizenship and so forth.

Job satisfaction can thus be understood as an important job attitude. As an attitude, it has three elements: affective, cognitive and behavioural. The affective component is the emotional response to the job situation and is reflected in the statement "I feel good about my job". The cognitive element is the appraisal on the extent to which the job fulfills important needs associated with one's work. It is illustrated in the statement "My job helps me to achieve my goals". The behavioural component is the intention to engage in specific behaviours as manifested in productivity, absenteeism, turnover and forms of organisational citizenship. It is reflected in the statement "I want to give my best on the job".

Although viewing job satisfaction as made of three components is helpful in understanding its complexity, the term as it is generally used, essentially refers to the affect part of the three components. Thus the statement "I like my job" best exemplifies job satisfaction and signifies that it is primarily an individual's affective reaction to a particular job that results from the person's comparison of actual outcomes with those that are desired, anticipated, or deserved.

1.2.3 Global and Facet Satisfaction

Researchers and practitioners are often interested in studying global job satisfaction to assess an overall state of employee morale. However, examination of facet conditions is also considered useful for a critical understanding of employee satisfaction. Thus job satisfaction can be considered as either global or facet satisfaction.

Global satisfaction is defined as a general feeling that individuals hold about their job. It is an overall affective reaction based on all characteristics of the job and the work environment. Facet satisfaction, on the other hand, is defined as the feelings about or affective responses to particular job aspects. It is a constellation of attitudes about various facets of a job. Smith, Kendall and Hulin (1969) have suggested that facet satisfaction is reflected in five characteristics of a job:

1) *The work itself*: The extent to which the job provides the individual with interesting tasks, opportunities for learning, and the chance to accept responsibility.

2) *Pay:* The adequacy and perceived equity of financial remuneration.

3) *Promotion opportunities*: The chance for further advancements in the hierarchy.

4) Supervision: The abilities of the supervisor to provide technical assistance and behavioural support.

5) *Coworkers:* The degree to which fellow workers are technically proficient and socially supportive.

1.2.4 Extrinsic and Intrinsic Satisfaction

Overall job satisfaction is actually a combination of intrinsic and extrinsic job satisfaction. Intrinsic job satisfaction is seen when workers consider only *the kind of work they do*, the tasks that make up the job. Extrinsic job satisfaction is demonstrated when workers consider *the conditions of work*, such as their pay, coworkers, and supervisor.

The intrinsic elements of job satisfaction that arise from the nature of the work itself have been described in the literature as "motivators" (Herzberg et al., 1959). They include the specific nature of the work, recognition, achievement, and the possibility of growth, advancement, and responsibility. Herzberg suggested that the true job satisfaction derives from the factors intrinsic to the job. The extrinsic elements, on the other hand, have been described as "hygienes" (Herzberg et al., 1959) and are measured as extrinsic job satisfaction. They include salary, benefits, and institutional environment and they tend to influence job dissatisfaction.

1.3 MEASUREMENT OF JOB SATISFACTION

Measuring job satisfaction is difficult, for it is an abstract personal cognition that exists only in an individual's mind. Nonetheless, numerous techniques to measure the construct have been devised that can be broadly classified as indirect and direct techniques. Indirect measurement of an employee's job satisfaction can be obtained from data that a company regularly collects like absenteeism, turnover and theft rates. It can also be seen in terms of its relationships with other key factors, such as general well-being, psychological health, stress experienced at work and working conditions.

Direct measurement involves asking employees how satisfied they are with their job, through interviews or questionnaires. Most researchers opt for in-depth survey questionnaires as they are easily distributed, have less room for bias, have increased likelihood of confidentiality, and require much less time and money than one-on-one interviews. These questionnaires are usually based on the Likert technique wherein respondents are asked to indicate their response on a rating scale. Ratings on individual items are then summated to obtain a summary satisfaction score.

Using the summated rating technique, reliable and valid measures of both facet and global job satisfaction have been developed. Typical scales used for facet job satisfaction include:

i)   The Job Descriptive Index (JDI),

ii) The Minnesota Satisfaction Questionnaire (MSQ) and

iii) The Job Satisfaction Survey (JSS).

Measures used for assessing global satisfaction include:

i)   The Job Satisfaction Index (JSI) and

ii) The Job in General Scale (JIGS).

The **Job Descriptive Index** (Smith, Kendall, & Hulin, 1969) has probably been the most popular facet scale among organisational researchers. It measures one's satisfaction in five facets: pay, promotions and promotion opportunities,

coworkers, supervision, and the work itself. The scale contains 72 items with either 9 or 18 items per subscale. Each item is an evaluative adjective or short phrase that is descriptive of the job. Participants answer either yes, no, or can't decide (indicated by '?') in response to each item. A value is then calculated for each facet based upon a respondents' reply on the items for each facet. The JDI is considered the best choice when survey participants are not good readers or attempt to finish the questionnaire quickly.

The **Minnesota Satisfaction Questionnaire** (Weiss, Dawes, England, & Lofquist, 1967) is another satisfaction scale that has been very popular among researchers. It assesses employee's job satisfaction on 20 facets of work. Subjects are asked to indicate their level of satisfaction using a five-point scale for each item on the measure. The scale has two forms. The long form has 100 questions with five items from each facet and the short form has 20 questions with one item from each facet. Most researchers who use the short form combine all items into a single total score, or compute extrinsic and intrinsic satisfaction subscales from the subset of items.

The **Job Satisfaction Survey** (Spector, 1997) measures nine facets of job satisfaction, as well as overall satisfaction. The nine facets include: pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, coworkers, nature of work and communication. The scale contains 36 items and uses a summated rating scale format. Each of the nine face subscales contain four items, and a total satisfaction score can be computed all of the items.

The **Job Satisfaction Index** (Brayfield & Rothe, 1951) measures overall job satisfaction when all aspects of the job are considered. It consists of 18 items with responses ranging from 1 (strongly disagree) to 5 (strongly agree). Although several of these items have become obsolete because the BRI was established in 1951, the instrument still has been very reliable and correlates highly with other job satisfaction measures.

The **Job in General Scale** is an 18-item measure of global job satisfaction. It was developed in the early 1990's to provide an overall evaluation of how employees feel about their jobs, complementing the Job Descriptive Index diagnostics on specific facets of employee job satisfaction. It is more general, more evaluative, and uses a longer time perspective than the JDI. As a result, it has been found to consistently correlate more highly with such global measures as intention to leave, life satisfaction, identification with the work organisation, and trust in management.

Self Assessment Questions

1) Examine the significance of job satisfaction as an organisational variable.

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2) Discuss the historical antecedents to the study of job satisfaction.

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3) Explain the meaning of the concept of job satisfaction.

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4) Describe the important assessment techniques of job satisfaction.

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1.4 ANTECEDENTS OF JOB SATISFACTION

Various studies have examined the antecedents or predictors of job satisfaction. Two distinct models of job satisfaction are apparent in these studies. The first model focuses on personal characteristics such as age, years of service, gender, occupational rank, educational level, personality and cultural factors. The second model places emphasis on the individual's work situation including the nature of the work, pay, promotional opportunities, supervisor, work group and working conditions. The two sets of variables are discussed in the following sections.

1.4.1 Personal Characteristics

Age and years of experience – In general, research on age and tenure differences in job satisfaction suggest that older and more experienced workers are more satisfied with their jobs than are younger and less experienced workers (e.g., Wright and Hamilton, 1978; Janson and Martin, 1982). This relationship holds true for blue-collar and white-collar employees and for men and women. Several explanations have been put forward for this relationship. First, it is attributed to the more realistic job expectations of older employees owing to age and maturity. Second, it is reasoned that age and experience usually bring increased confidence, responsibility and sense of accomplishment thus contributing to higher levels of satisfaction. Third, there is an indication that older people may actually have "better" or more highly rewarded jobs.

Gender – Research evidence on gender differences in job satisfaction is inconsistent and contradictory. In general, women are paid less than men, their opportunities for promotion are fewer and they believe that they have to work harder than men to receive comparable rewards. These differences manifest in their satisfaction with their jobs. Thus gender relates to job satisfaction only to the extent that other factors vary with gender.

Occupational level – The level at which individuals work within an organisation has some influence on their satisfaction. In general, executives express more positive job attitudes than do first-line supervisors, who, in turn, are usually more satisfied than their subordinates are. Higher-level jobs offer greater opportunities for growth, challenge, autonomy and responsibility. Thus, employees' job satisfaction tends to increase with each level within the organisational hierarchy.

Education – Educational level is found to be related to job satisfaction. While some researchers have found positive relationships between education levels and job satisfaction, others have found a slight negative correlation, especially for higher levels of education. The explanation is that better-educated persons have higher expectations and believe that their work should provide greater responsibility and fulfillment. Many jobs however do not satisfy these expectations resulting in lower levels of satisfaction. However, evidence on this relationship is still inconclusive.

Personality – Research on positive and negative affectivity, the "Big Five" personality attributes and core self evaluations indicate that personality variables are related to job satisfaction and that they are partly heritable. Firstly, it has been shown that persons high in positive affectivity are happier in their work than those who are high on negative affectivity. While positive affectivity is described by high energy, enthusiasm and pleasurable engagement, negative affectivity is characterised by distress, unpleasurable engagement and nervousness (Heller, 2002). Secondly, evidence suggests that people high on extraversion, agreeableness and conscientiousness (dimensions of the "Big Five") report higher levels of job satisfaction than those who are low on these dimensions. Finally, core self-evaluation (Judge & Bono, 2001; Judge, Locke, Durham, & Kluger, 1998) has been found to correlate with employee job satisfaction. Core self-evaluation has four facets: self - esteem, generalised self-efficacy, locus of control, and emotional stability (low neuroticism). Research evidence found that these personality factors measured in childhood showed a direct relationship to job satisfaction some 30 years later. Those scoring high on esteem and efficacy, low on neuroticism and having an internal locus of control, as measured in their childhood, showed significantly higher job satisfaction in their middle adult years.

Cultural factors – Cross-cultural research on job satisfaction suggests that employees in Western cultures have higher levels of job satisfaction than those in Eastern cultures. It is reasoned that individuals in Eastern cultures value negative emotions while those in Western cultures emphasise positive emotions and individual happiness. Evidence also indicates that among the Asian countries, employees in India are happier with their work environment, teamwork, supervision and training at the workplace.

1.4.2 Work Situation Characteristics

The work itself – Of all the major situational influences on job satisfaction, the nature of the work itself best predicts overall job satisfaction, as well as other important outcomes like employee retention (Judge & Church, 2000). When employees were asked to evaluate different facets of their job such as supervision, pay, promotion opportunities, co-workers, and so forth, the content of the work – including job challenge, autonomy, variety, and scope, together called as "intrinsic job characteristics"– emerged as the most important job facet. It was found that interesting and challenging work, work that is not boring and a job that provides status; were some of the most important ingredients of a satisfying job. Thomas & Tymon (1997) suggested that when employees feel their work is meaningful and that they are responsible for their outcomes, they show higher levels of effort and attention to doing tasks well. Similarly, Cappelli (2000) highlighted the importance of intrinsic rewards when participants rated interesting work, open communications, and opportunities for advancement as the top three things they desire in their jobs.

Pay – Wages and salaries represent a significant, but complex, multidimensional factor in job satisfaction. Employees often view pay as a reflection of how management view their contribution to the organisation and thus influences the satisfaction they derive from their job. However, more important than actual pay, it is the perceived equity or fairness of one's pay that has been found to be related to job satisfaction. As long as people feel their pay is fair, they can express relatively high satisfaction with it, at least within broader limits.

Promotions – Promotional opportunities have a significant impact on job satisfaction. However, since promotions take on different forms, they seem to have a varying effect on job satisfaction. For example, individuals who are promoted on the basis of seniority often experience job satisfaction but not as much as those who are promoted on the basis of performance. Additionally, a promotion with a 10% salary rise is typically not as satisfying as one with a 20% salary rise. These differences help explain why executive promotions may be more satisfying than promotions that occur at the lower level of organisations.

Supervision – The nature of supervision provided can also have a significant impact on job satisfaction. Studies have shown that employees who have positive interactions with supervisors are generally more satisfied at work (Bruce and Blackburn, 1992). Positive interactions tend to include constructive feedback, effective communication, and a focus on quality rather than quantity (Schroffel, 1999). Positive supervisory relationships are also those that treat the employees with respect, that promote staff cohesion but allow for individual thinking, and that fulfill employee's functional and interpersonal needs. Supervision is a complex variable however, and it is unrealistic to assume that job satisfaction can be guaranteed as long as supervisors interact positively with their employees. Individual personality characteristics may, for example, affect the employee's needs and management expectations. For example, Schroffel (1999) suggests that employees who have more experience desire less supervision and employees with less experience prefer more supervision. Also, studies have shown that organisational setting can affect the employee's desired supervisory relationship. In chaotic, ambiguous, or otherwise unstructured job settings, employees tend to prefer more structured supervision. Conversely, in jobs where tasks are clearly

defined and workers are well trained, a less structured supervisory style is preferred (House and Mitchell, 1974).

Work group – The importance of co-worker social support has been investigated for decades. As far back as the Hawthorne Studies of the 1920's, research has shown that workers who belong to a social group and have friendships on the job tend to be more satisfied (Maynard, 1986). Maynard suggests further that employees who lack social support at work experience more stress, have less coping techniques, and are generally less satisfied. Fellow employees can satisfy many social needs, and sympathetic and supportive co-workers can increase job satisfaction. Co-workers are also vital for evaluating the equity and fairness of one's pay and work requirements, and social needs studies have shown that co-worker job satisfaction can influence one's own job satisfaction.

Working conditions – Working conditions have a modest effect on job satisfaction. If the working conditions are good (e.g. clean, attractive surroundings), the employees will find it easier to carry out their jobs. If the working conditions are poor (e.g. hot, noisy surroundings), they will find it more difficult to get things done.

Self Assessment Questions

1) Examine the personal characteristics that influence job satisfaction.

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2) Discuss the importance of intrinsic work variables in job satisfaction.

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3) Describe the role of pay and promotions in promoting job satisfaction.

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4) Explain the influence of supervisor and co-workers on an employee's job satisfaction.

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1.5   OUTCOMES OF JOB SATISFACTION

The extent to which employees like or dislike their jobs has important consequences for workplace conduct. Feelings of satisfaction or dissatisfaction with one's job can be a predictor of productivity, organisational citizenship, withdrawal and other work behaviours. A useful theoretical model to organise and understand the consequences of job dissatisfaction is the exit-voice-loyalty-neglect (EVLN) model). The model identifies four ways in which employees respond to dissatisfaction:

- Exit – The exit response refers to leaving the organisation, transferring to another work unit or at least trying to make these exits.

- Voice – The voice response involves actively attempting to change, rather than escape from, dissatisfying conditions. It can be a constructive response, such as recommending ways for management to improve the situation, or it can be more confrontational, such as filing formal grievances. In the extreme, some employees might engage in counterproductive behaviours to get attention and force changes in the organisation.

- Loyalty – The loyalty response includes optimistically waiting for improvement and trusting the organisation and its management to resolve the problem.

- Neglect – The neglect response involves passively ignoring or withdrawing effort and allowing conditions to worsen. Chronic absenteeism and lateness, reduced work effort, reduced attention to quality and increased error rate are some of the neglect responses.

Of the four responses to dissatisfaction, the one that will be used by an employee depends on the availability of alternative employment, degree of organisational commitment, employee's personality and past experiences with the organisation. With poor job prospects and a high degree of commitment to the organisation, employees are less likely to use exit. Highly conscientious people are less likely to engage in neglect and more likely to use voice. Finally, employees who were unsuccessful with voice in the past are more likely to engage in exit or neglect when experiencing dissatisfaction in the future.

Although this framework is helpful in presenting the possible consequences of job satisfaction, it is quite general. More specific outcomes of job satisfaction and dissatisfaction will be discussed in the following sections.

1.5.1   Job Performance

The notion that a "happy worker is a productive worker" has long been examined by organisational behaviour researchers. Most of the early reviews of research literature suggested a weak relationship between job satisfaction and performance, with an average statistical correlation of only .17 across different occupations. However, in a more recent and comprehensive review of 301 studies, Judge, Thoresen, Bono, and Patton (2001) found that when the correlations are appropriately corrected (for sampling and measurement errors), the average correlation between job satisfaction and job performance is a higher .30. Thus, contrary to earlier reviews, it does appear that job satisfaction can predict performance though only to a moderate extent.

There are several factors that seem to weaken and modify the impact of job satisfaction on performance. First, the relationship between satisfaction and performance is moderated by job complexity, such that for high-complexity jobs, the correlation between satisfaction and performance is higher (ñ=.52) than for jobs of low to moderate complexity (ñ=.29). In less complex jobs like assembly line work, employees have little control over or opportunity for variations in performance. Because of these limits in job output, job satisfaction is not strongly related to performance. However, in complex jobs where employees have more freedom to perform their work, the job satisfaction-performance relationship is stronger.

Second, job satisfaction predicts performance only when performance is linked to valued rewards. If people receive valued rewards and perceive them to be equitable, they will be satisfied and this is likely to result in greater performance effort. However, because many organisations do not always reward good performance directly, the relationship between satisfaction and performance is not strong.

Third, there are many factors that determine performance such as working conditions, task structure, previous experience, task abilities, requisite skills etc. In many cases, the effects of these factors may be more important than job satisfaction in predicting performance. For instance, even when employees love their jobs, if they lack specific skills to perform a task at hand, they won't be able to do their best work.

Fourth, recent evidence indicates that satisfaction may not necessarily reflect in individual performance improvement as measured by standard forms of performance. However, it does correlate highly with important organisational citizenship behaviours, the voluntary acts of co-operation that go beyond formal job requirements. These discretionary forms of behaviour include helping one's coworkers, tolerating temporary conveniences and so forth that contribute to the smooth functioning of the organisation. Employees' job satisfaction thus leads to greater citizenship behaviours that contribute to organisational-level improvement.

Fifth, job satisfaction is a general attitude that may not predict specific behaviours. In fact, job dissatisfaction can lead to a variety of outcomes rather than lower job performance. Some employees may continue to work productively while they complain, look for another job or patiently wait for the problem to be fixed.

Finally, there is still considerable debate on the direction of the relationship between job satisfaction and performance. In some cases, job satisfaction results from good performance rather than vice versa. This applies more when the performance of an entire organisation is taken into account.

1.5.2 Withdrawal Behaviours

Withdrawal behaviours constitute such actions as chronic absenteeism and voluntary turnover that enable employees to escape from adverse organisational situations. Although voluntary turnover is permanent, while absenteeism is a short-term reaction, both are ways of withdrawing from dissatisfying jobs.

Numerous studies have shown that dissatisfied employees are more likely to quit their jobs or be absent than satisfied employees (e.g., Hackett & Guion,

1985; Kohler & Mathieu, 1993). Job satisfaction shows correlations in the range of –.25 with turnover and absenteeism suggesting its inverse relationship with these behaviours. However, there are a number of moderating variables that lessen the impact of this relationship.

First, job tenure and organisational commitment have been found to lessen the effects of dissatisfaction among employees. It has been found that the greater the length of service and commitment to the organisation, the less likely the person will leave the job.

Second, the relationship between turnover and satisfaction is moderated by the employee's level of performance (Spencer and Steers, 1981). Specifically, level of satisfaction is less important in predicting turnover for superior performers as compared to poor performers. Regardless of the level of satisfaction, superior employees are more likely to remain with the organisation as they get pay raises, praise, recognition, increased promotional opportunities, and so forth as organisations make considerable efforts to retain them. On the other hand, organisations make few attempts to retain poor performers and thus their decision to remain with the organisation is better predicted by their level of satisfaction.

Third, economic conditions and expectations about alternative employment opportunities influence turnover and absenteeism rates. When people perceive that the economic climate is poor and job prospects are low, they are less likely to quit their job. Also, when a company is in the process of laying off workers, absenteeism rates decline.

Fourth, irrespective of the level of satisfaction, absenteeism may be influenced by an organisational climate that seems to condone it. Higher absenteeism rates among workers are expected in organisations that provide liberal leave benefits and that are tolerant of absences from work. (Markham & McKee, 1995).

1.5.3 Workplace Deviance

Job dissatisfaction predicts a lot of specific behaviours, including unionisation attempts, substance abuse, stealing at work, undue socialising and tardiness. Researchers argue that these behaviours are indicators of a broader syndrome that can be termed as *workplace deviance counterproductive behaviour* or *antisocial behaviour*. Robinson and Bennett (1995) defined workplace deviance as "voluntary behaviour of organisational members that violates significant organisational norms, and in so doing, threatens the well-being of the organisation and/or its members". They used the multidimensional scaling technique to classify workplace deviances into two types: organisational deviance and interpersonal deviance (when the deviance is directed at members of the organisation). The first type, organisational deviance refers to deviant behaviours targeting the organisation such as theft, sabotage, being late to work or leaving early, withdrawing effort from work or taking extended breaks. The second type, interpersonal deviance refers to deviant acts toward co-workers, supervisors, and subordinates in the workplace. They may include such behaviours as making fun of others, acting rudely, arguing, or engaging in physical aggression. Both are destructive and lead to unfavorable outcomes.

Evidence indicates that workers who are dissatisfied with their jobs "get even" by engaging in deviant, counter-productive behaviours. However, it is important

to note that while job satisfaction is an important predictor of workplace deviance, other factors may also be involved. Research evidence has suggested that deviant behaviour may be an outcome of perceived injustice (Fox, Spector, & Miles, 2001), negative affectivity (Skarlicki, Folger, & Tesluk, 1999) and hostile attributions (Douglas & Martinko, 2001). Some variables, however, would moderate the relationship such as self- control, agreeableness and job autonomy.

1.5.4 Safety Performance

Accidents and injuries at work are a serious matter – both for employees who are hurt and their organisations. Attempts have therefore been made to examine the potential causes of accidents and to reduce workplace injuries. A critical notion that has emerged from research is that employee attitudes and their job-related stress are significantly related to the occurrence of accidents, health and job safety. These studies have found that job satisfaction is a significant predictor of lower accident rates and that employee job satisfaction is as important as eliminating physical hazards in the workplace to promote job safety. It has been demonstrated that in organisations using the so-called high-performance work systems, not only are employees satisfied, but they also perform their jobs very safely (Barling, Kelloway, & Iverson, 2003). These organisations offer employees opportunities to participate in decision-making, provide incentives for them to do so, and emphasise opportunities to develop skills. These practices enhance employees' satisfaction with their job and reduce workplace injuries.

1.5.5 Customer Satisfaction

Management of service organisations is especially concerned with pleasing customers. Customer satisfaction thus represents an important goal of such organisations that can probably be achieved with a happy workforce. Research evidence indeed suggests that job satisfaction has a positive effect on customer satisfaction. There are two main reasons for this relationship. First, satisfied employees are more likely to be friendly, upbeat and responsive. This naturally evokes positive emotions and appreciation from customers. Second, satisfied employees are less likely to quit their jobs, so they have better knowledge and skills to serve clients. Lower turnover also gives customers the same employees to serve them, so there is more consistent service. There is also some evidence that customers build their loyalty to specific employees, not to the organisation, so keeping turnover low tends to build customer loyalty (Chesbrough & Teece, 1998).

1.5.6 Life Satisfaction

The interplay between job and life satisfaction is an emerging area of study. Researchers have speculated that there are three possible forms of the relationship between job satisfaction and life satisfaction: (1) spillover, where job experiences spill over into non-work life and vice versa; (2) segmentation, where job and life experiences are separated and have little to do with one another; and (3) compensation, where an individual seeks to compensate for a dissatisfying job by seeking fulfillment and happiness in his or her non-work life and vice versa. Judge and Watanabe (1994) argued that these different models may exist for different individuals and were able to classify individuals into the three groups. In their sample, they found that 68% were the spillover group, 20% in the segmentation group, and 12% in the compensation group. Thus, the spillover

model, whereby job satisfaction spills into life satisfaction and vice versa, appears to characterise most employees.

Consistent with the spillover model, research suggests that the relationship between job and life satisfaction is reciprocal—job satisfaction does affect life satisfaction, but life satisfaction also affects job satisfaction (Judge & Watanabe, 1994). Also in support of a spillover model for job and life satisfaction, research literature shows a consistent relationship between job satisfaction and depression (Thomas & Ganster, 1995). This research suggests that dissatisfaction resulting from one's job can spill over into one's psychological well-being.

Based on research, it can thus be concluded that for many people, their job satisfaction is a result, in part, of spillover of their life satisfaction. At the same time, employees' job satisfaction can spill over into their life satisfaction and well-being.

Self Assessment Questions

1) Summarise the effects of job dissatisfaction using the EVLN model.

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2) Describe the relationship between job satisfaction and job performance.

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3) Examine the effect of job dissatisfaction on employee withdrawal and deviant behaviours.

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4) Discuss the role of job satisfaction in safety performance.

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5) Explain the relationship between job satisfaction and customer satisfaction.

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6) Examine the spillover model on the relationship between job satisfaction and life satisfaction.

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1.6 LET US SUM UP

Job satisfaction is an important attitudinal variable both in organisational research and in applied settings. It is understood as an individual's affective reaction to his/her job and can be studied as global or facet satisfaction. Numerous measures of assessing job satisfaction have been developed. There are several predictors of job satisfaction including both personal and work situation characteristics. It has several important consequences reflected in its relationship with job performance, withdrawal behaviours, workplace deviance, customer satisfaction and life satisfaction.

1.7 UNIT END QUESTIONS

1) Describe the significance of job satisfaction as an organisational variable. What are the important preludes to the study of job satisfaction?

2) What is the meaning of the concept of job satisfaction? Discuss the different ways in which job satisfaction can be classified and understood.

3) Discuss some important assessment techniques of job satisfaction.

4) What are some important personal variables that influence job satisfaction? Quoting relevant research, discuss their role in understanding individual differences in job satisfaction.

5) Describe the work situation characteristics that affect job satisfaction.

6) Explain the EVLN model on the consequences of job dissatisfaction.

7) Describe the outcomes of job satisfaction.

1.8   GLOSSARY

Job satisfaction	:	Individual's affective reaction to a particular job that results from a comparison of actual outcomes with those that are desired, anticipated or deserved.
Global satisfaction	:	An overall affective reaction based on all characteristics of the job and the work environment.
Facet satisfaction	:	Affective response to specific aspects of the job.
EVLN model	:	The model describing four consequences of job dissatisfaction: exit, voice, loyalty and neglect.
Organisational citizenship:		Voluntary acts of cooperation that go beyond an employee's formal job duties.
Voluntary turnover	:	A form of employee turnover in which an individual voluntarily resigns from his or her job.
Absenteeism	:	Habitual failure to appear for work or other regular duty.
Workplace deviance	:	Voluntary behaviour of organisational members that violates significant organisational norms and that threatens the well-being of the organisation and/or its members.
Spillover model	:	The model that describes a reciprocal relationship between job satisfaction and life satisfaction.

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UNIT 2   WORK MOTIVATION

Structure

2.0   INTRODUCTION

Motivation has long been the topic of interest for both managers and organisational researchers. There are two primary reasons for this continued interest. First, motivation is an integral part of the performance equation at all levels. It is therefore an important topic to be understood for pragmatic reasons. Second, motivation is seen as the fundamental building block in the development of useful theories of effective management practice. It is indeed an important topic in many subfields in the study of management including leadership, managerial ethics, decision making and organisational change. It is not surprising, therefore, that this topic has received a lot of attention and generated many approaches toward understanding it.

This unit is devoted to the understanding of the nature of work motivation. Various developments in motivation theory are also highlighted in this unit.

2.1   OBJECTIVES

After reading this unit, you will be able to:

- Explain the meaning of work and present its functions for an individual;

- Describe the concept of motivation;

- Elucidate a conceptual model of work motivation;

- Explain the main types of motives at work; and

- Analyse the developments in motivation theory.

2.2 MEANING OF WORK

Work has been defined variously by authors and researchers from several streams. A broad definition that encompasses conceptualisations of work across social and behavioural sciences has been offered by Budd & Bhave (2010). He defined work as a purposeful human activity involving physical or mental exertion that is not undertaken solely for pleasure and that has economic value. The first part of this definition ("purposeful human activity") distinguishes work from the broader realm of all human effort. The second part ("not undertaken solely for pleasure") separates work from leisure, while allowing for work to be pleasurable and thereby recognising that there can sometimes be a nebulous boundary between work and leisure. The final part ("that has economic value") allows work to be more encompassing than paid employment by also including unpaid caring for others, self-employment, subsistence farming, casual work in the informal sector, and other activities outside the standard boundaries of paid jobs and career aspirations.

Work and its related motivational variables have also been defined from the point of view of the worker. Roe (1956) described work as the main focus of an individual's activities and thoughts. Lofquist and Dawis (1969) defined work as a focal point for the development of one's way of life, and a vehicle for one's total adjustment throughout life. These two definitions emphasise the impact of work on individual lives.

Work as a human activity serves several important functions for an individual:

- **Economic function –** Work provides goods and services, either directly through self-production or indirectly through earned income. Mainstream economic thought highlights this function by conceptualising work as an abstract quantity of productive effort that has tradable economic value. It is seen as something that individuals do in order to earn income and maximise their individual or household utility.

- **Social relation function –** Work consists of human interactions that are experienced in and shaped by social networks, norms and power relations. It thus serves a social relation function by allowing individuals to seek approval, status, sociability, and power. These needs may be met in the context of the structural features of employment relation such as formal policies, rules, and routines (Thompson & Newsome, 2004) or informal elements operating in the work environment such as organisational culture (Knights & Willmott, 1989).

- **Personal fulfillment function –** The nature of one's work – such as the job tasks, rewards, relations with co-workers, and supervision – can affect one's cognitive and affective states. Ideally, work is a source of personal fulfillment and psychological well-being because it can satisfy human needs for achievement, mastery, self-esteem, and self-worth (Turner, Barling, & Zacharatos, 2002). But lousy work – work with mindless repetition, abusive co-workers or bosses, excessive physical or mental demands, or other factors – can have negative psychological consequences.

- **Identity function –** Since work is such a major part of many people's lives, it can be conceptualised as a source of identity, that is, understanding and

meaning (Leidner, 2006). This can occur on several levels. The personal identity dimension focuses on stable and consistent attributes and traits that an individual sees as making him or herself unique (Turner & Onorato, 1999). This can contain biographical information, including descriptors related to one's work. The social identity approach focuses on how individuals further construct their identities by categorising themselves into various groups (Hogg, 2006). This might include one's occupation, employer, and other work-related group constructs. The interactionist approach suggests that individuals create identities through social interactions with others (McCall & Simmons, 1966). From this perspective, the social roles attached to occupations and careers are a major source of our self-presentation and identity during our adult years (Hughes, 1971).

2.3 NATURE OF WORK MOTIVATION

The study of motivation is concerned with why people behave in a certain way. The basic underlying question is 'why do people do what they do?' An important problem in the study of motivation is accounting for purposiveness of behaviour.

The term *motivation* derives from the Latin word *movere* which means 'to move'. Taken literally, motivation is the process of arousing movement but the term ordinarily applies to the arousal of one kind of movement – behaviour. However, the study of motivation is not restricted to the process of evoking behaviour, but it also includes an analysis of the conditions which sustain activity and which regulate its patterning. It is also concerned with why people choose a particular course of action in preference to others, and why they continue with a chosen action, often over a long period, and in the face of difficulties and problems.

2.3.1 Defining Work Motivation

In an attempt to understand the concept of motivation and highlight its complexity, several definitions have been offered. Atkinson (1964) defines motivation as "the contemporary (immediate) influence on direction, vigour, and persistence of action", while Vroom (1964) defines it as "a process governing choice made by persons among alternative forms of voluntary activity". Campbell and Pritchard (1976) suggest that "motivation has to do with a set of independent/ dependent variable relationships that explain the direction, amplitude, and persistence of an individual's behaviour, holding constant the effects of aptitude, skill, and understanding of the task, and the constraints operating in the environment". Kanfer (1990) describes motivation as "a set of psychological processes involved with the arousal, direction, intensity, and persistence of voluntary actions that are goal directed".

All definitions appear to have four common denominators which may be said to characterise the phenomenon of motivation. That is, when we discuss motivation, we are primarily concerned with:

1) **Activation of behaviour –** It has to do with the drive or energy behind our actions and is demonstrated by the arousal of goal-directed behaviour.

2) **Direction of behaviour –** It is concerned with the paths people choose toward meeting their goals and is seen by the regulation of behaviour toward specific goals.

3) **Persistence of behaviour** – It has to do with continued efforts in the achievement of goals often in the face of obstacles and is demonstrated by sustained activity over a period of time.

4) **Intensity of behaviour** – It is concerned with the extent of effort put in to achieve a goal and is seen in the concentration and vigour that goes into pursuing the goal.

A definition of work motivation that covers these denominators is presented by Katzell and Thompson (1990) who defines it as a "broad construct pertaining to the conditions and processes that account for arousal, direction, magnitude, and maintenance of effort in a person's job". Pinder (1998) defined work motivation as "a set of energetic forces that originate both within as well as beyond an individual's being, to initiate work-related behaviours, and to determine its form, direction, intensity, and duration". There are two noteworthy features of this definition. First, motivation is identified as an energising force – it is what induces action in employees. Second, this force has implications for the form, direction, intensity, and duration of behaviour. That is, it explains what employees are motivated to accomplish, how they will attempt to accomplish it, how hard they will work to do so, and when they will stop.

More recently, Robbins (2005) defines work motivation as "the willingness to exert high levels of effort towards organisational goals, conditioned by the effort's ability to satisfy some individual needs". Three key elements can be seen in this definition: effort, organisational goals, and needs. The *effort* element is a measure of intensity or drive. A motivated person tries hard. But high levels of effort are unlikely to lead to favourable job performance unless the effort is channeled in a direction that benefits the organisation. Therefore, one must consider the quality of the effort as well as its intensity. Effort that is directed toward, and is consistent with, organisational goals is the kind of effort that managers and organisations should be seeking. Finally, motivation is a need-satisfying process. A need refers to some internal state that makes certain outcomes appear attractive. An unsatisfied need creates tension that stimulates drives within an individual. These drives lead to a search behaviour to find particular goals that, if attained, will satisfy the need and reduce the tension. When the individuals' needs are compatible with the organisation's goals, they may exert high levels of effort that are beneficial for the organisation.

Work motivation is thus concerned with factors that energise, channel, sustain and amplify work performance toward organisational goals. Gaps between motivation and performance exist whenever people avoid starting something new, resist doing something familiar, stop doing something important and switch their attention to a less valued task, or refuse to "work smart" on a new challenge and instead use old, familiar but inadequate solutions to solve a new problem (Clark, 1998).

2.3.2 Characteristics of Work Motivation

From a review of motivational definitions, several characteristics of work motivation can be identified:

1) Motivation is an individual psychological phenomenon that allows for a person's uniqueness to be demonstrated at the workplace.

2) It is assumed to be under the person's control. Behaviours that are influenced by motivation, such as effort expended, are seen as purposive rather than random.

3) The direction of a person's behaviour toward organisational goals is determined by work motivation.

4) It describes concerted effort often in the face of obstacles until the goal is accomplished.

5) It leads individuals to invest greater cognitive effort to enhance both the quality and quantity of work performance.

6) It is distinct from performance; other factors besides motivation (e.g., ability and task difficulty) influence performance.

7) It is multifaceted. People may have several different motives operating at once. Sometimes, these motives may conflict with one another.

2.3.3 Process of Motivation

Motivation as a process starts with a physiological or psychological deficiency or need that activates behaviour or a drive that is aimed at a goal or incentive. Thus motivation consists of three interacting and interdependent elements:

1) **Needs –** Needs are created whenever there is a physiological or psychological imbalance. For example, a need exists when cells in the body are deprived of food and water or when a person is deprived of friends and other companions. Although psychological needs may be based on a deficiency, sometimes they are not. For example, an individual with a strong need to get ahead may have a history of consistent success.

2) **Drives –** Drives are set up to alleviate needs. They are action-oriented and provide an energising thrust toward achieving a certain goal or accomplishing a certain task. Needs for food and water are translated into the hunger and thirst drives, and the need for friends becomes a drive for affiliation.

3) **Incentives –** Incentive is anything that can mitigate a need and decrease the intensity of the drive. Thus attaining an incentive tends to restore physiological or psychological balance and reduces the drive. Eating food, drinking water and obtaining friends will tend to restore the balance and reduce the corresponding drives. Food, water and friends are the incentives in these examples.

2.3.4 Relationship Between Motivation and Performance

While motivation and performance are related, motivation is just one of the several possible determinants of job performance. The MARS model describes four factors that directly influence employee's behaviour and performance – motivation, ability, role perceptions and situational factors. The model shows that these four factors have a combined effect on individual performance. If any factor weakens, employee performance will decrease. For example, enthusiastic salespeople (motivation) who understand their job duties (role perceptions) and have sufficient resources (situational factors) will not perform their jobs as well if they lack sufficient knowledge and sales skill (ability).
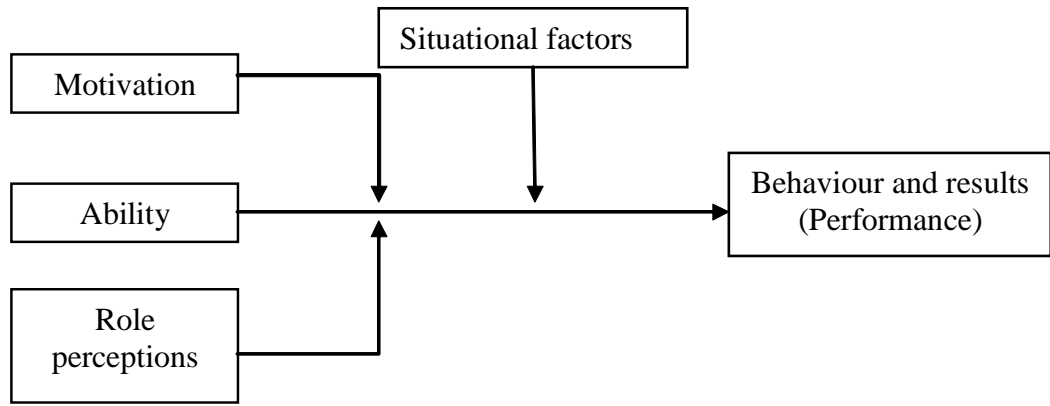
Fig. 2.1: MARS Model of Individual Behaviour and Results

The model thus depicts that successful performance involves the co-operation of motivation and ability in clear and supportive work environments. Motivation only leads us to use our knowledge and skills and apply them effectively to work tasks. Without adequate knowledge, clear role perceptions and a supportive environment, motivation alone does not increase performance. Thus adequate motivation is a necessary, but not sufficient for effective performance.

2.3.5 General Model of Work Motivation

A general model of work motivation is summarised in Figure 2.2. The model states that internal needs create drives that are affected by one's environment. The drives encourage motivated employees to put in effort. However, results occur only when motivated employees are provided with the opportunity (such as proper training) to perform and the resources (such as proper tools) to do so. The presence of goals and the awareness of incentives to satisfy one's needs are also powerful motivational factors leading to the release of effort. The level of effort put in (motivation) then influences performance together with ability or the knowledge and skills required in performing the task. When an employee is productive and the organisation takes note of it, rewards will be distributed. If those rewards are appropriate in nature, timing and distribution, the employee's original needs and drives are satisfied. At that time, new needs may emerge and the cycle will begin again.

Fig. 2.2: General model of work motivation

Self Assessment Questions

1) Explain the meaning of work. What functions does work serve for an individual?

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2) What is motivation? Describe the three elements in the process of motivation with suitable examples.

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3) Define work motivation. Describe its characteristics.

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4) Explain the relationship between motivation and performance using the MARS model.

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5) Illustrate the general model of work motivation.

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2.4 CLASSIFICATION OF MOTIVES AT WORK

The various needs and motives can be categorised in a number of ways – for example, the division into primary and secondary motives; or into extrinsic and intrinsic motivation.

2.4.1 Primary and Secondary Motives

Primary motives are unlearned, physiological needs that include hunger, thirst, sleep, sex, avoidance of pain and maintenance of body temperature. These needs arise from the basic requirements of life and are important for survival of the human race. They are, therefore, virtually universal, but they vary in intensity from one person to another. For example, a child may need more sleep than an older person. These needs may also be conditioned by social practice. If it is customary to eat three meals a day, then a person tends to become hungry at three times of the day, even though two meals might just be adequate. Similarly, if a coffee hour is introduced at work, coffee drinking may become a satisfying habit as well as a social need.

Secondary motives are learned, social motives that arise as a result of interaction with other people and develop as people mature. Included in this category are affiliation – desire to associate with others; recognition – need for frequent tangible proof that one is getting ahead; status – need to have a high rank in society, power – need to control and influence others; achievement – drive to accomplish something, autonomy – drive for independence; security and safety – desire to be secure; and defensiveness – desire to defend oneself from blame, criticism, ridicule and censure. Secondary needs are strongly conditioned by experience, vary in type and intensity among people, and are subject to change across time within any individual. These needs cannot usually be isolated and work in combination to influence behaviour. Nearly all action that management takes will affect secondary needs; therefore managerial plans should consider the effect of any proposed action on the secondary needs of employees.

2.4.2 Extrinsic and Intrinsic Motivation

Extrinsic motivation is related to tangible rewards such as salary and fringe benefits, promotion, contract of service, the work environment and conditions of work. Individuals are extrinsically motivated when they engage in work in order to obtain some goal that is apart from the work itself. Extrinsic motivation thus requires an instrumentality between the activity and some separable consequences such as tangible or verbal rewards, so that satisfaction comes not from the activity itself but rather from the extrinsic consequences to which the activity leads.

Intrinsic motivation is related to psychological rewards such as the opportunity to use one's ability, a sense of challenge and achievement, receiving appreciation, positive recognition and being treated in a caring and considerate manner. Individuals are intrinsically motivated when they seek enjoyment, interest, satisfaction of curiosity, self-expression, or personal challenge in the work. Intrinsic motivation thus involves people doing an activity because they find it interesting and derive spontaneous satisfaction from the activity itself. One psychological view suggests that very high levels of intrinsic motivation are

marked by such strong interest and involvement in the work, and by such a perfect match of task complexity with skill level, that people experience some kind of psychological "flow", a sense of merging with the activity they are doing (Csikszentmihalyi,1975).

Ken Thomas model of intrinsic motivation proposes that intrinsic motivation is achieved when people experience feelings of:

- **Choice** – ability to select activities and to perform in ways that seem appropriate.

- **Competence** – accomplishment felt in skillfully performing task activities.

- **Meaningfulness** – opportunity to pursue a worthy task purpose.

- **Progress** – feeling that one is making significant advancement in achieving the task's purpose.

Deci and his colleagues proposed that intrinsic motivation occurs when individuals feel both self-determined and competent in their work (Deci, 1975; Deci & Ryan, 1985). According to these theorists, people will feel competent if they obtain feedback that indicates progress in their work, or suggests ways in which they can increase their competence. This model also suggests that extrinsic motivation works in opposition to intrinsic motivation. Extrinsic motivation takes place when individuals feel driven by something outside of the work itself such as promised rewards or incentives. In general, these theorists suggest that, when strong extrinsic motivators are put to work, intrinsic motivation will decline.

Self Assessment Questions

1) Distinguish between primary and secondary motives using suitable examples.

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2) What is the difference between extrinsic and intrinsic motivation? Describe the conditions under which people are likely to experience intrinsic motivation.

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2.5   DEVELOPMENTS IN MOTIVATION THEORY

The earliest approaches to understanding human motivation date from the time of the Greek philosophers and focus on the concept of hedonism as a principle driving force in behaviour. Individuals were seen as focusing their efforts on seeking pleasure and avoiding pain. Toward the end of the nineteenth century, the issue of motivation began to migrate from the realm of philosophy to the newly emerging science of psychology. Behavioural scientists began searching for empirically based models to explain motivation. Among these early models were instinct theories, such as those proposed by James, Freud, and McDougall. Instead of viewing behaviour as highly rational, these theorists argued that much behaviour resulted from instincts. James identified a list of such instincts that included locomotion, curiosity, sociability, fear, jealousy, and sympathy.

Drive and reinforcement models

Beginning around the 1920s, however, as increased limitations of the theory began to emerge, instinct theories began to be replaced by models based on drive or reinforcement. Led by such psychologists as Thorndike, Woodworth, and Hull, drive theorists introduced the concept of learning in motivated behaviour and posited that decisions concerning present or future behaviours are largely influenced by the consequences of rewards associated with past behaviour. Allport (1954) referred to this as *hedonism of the past*. Past actions that led to positive outcomes would tend to be repeated, whereas past actions that led to negative outcomes would tend to diminish. Thorndike (1911) referred to this as the *law of effect*, while Hull (1943) suggested that effort or motivation was largely determined by *drive × habit*. Skinner (1953) and others later built on these principles with the introduction of operant conditioning (referred to by some as *reinforcement theories*), arguing that, over time, individuals learn contingent relationships between actions and their consequences and that these contingencies guide future behaviour. Reinforcement models continue to thrive today as explanatory vehicles for understanding work motivation and job performance.

Scientific management

While psychologists were focusing on instincts and drives, managers were focusing on more pragmatic issues. A key development here was the work of Frederick Taylor and his colleagues in the scientific management movement. Coming from an industrial engineering background, Taylor (1911), along with many of his associates, focused his attention on the inefficiencies of factory production in an increasingly industrialised age. These colleagues proposed new and sophisticated wage incentive models to motivate workers that relied on a combination of job training, pay-for-performance incentive systems, improved employee selection techniques, and job redesign. While Taylor and his associates saw scientific management as an economic, workers soon came to dislike Taylor's approach as they were only given boring, repetitive tasks to carry out and were being treated little better than human machines. Firms could also afford to lay off workers as productivity levels increased. This led to an increase in strikes and other forms of unionisation efforts by dissatisfied workers.

Human relations movement

In the 1930's, the human relations movement started gaining momentum with social scientists and managers beginning to consider the role of social influences

on behaviour. Best noted among these research endeavors is Elton Mayo's (1933) work. Mayo conducted a series of experiments at the Hawthorne factory of the Western Electric Company in Chicago. He isolated two groups of women workers and studied the effect on their productivity levels of changing factors such as lighting and working conditions. He expected to see productivity levels decline as lighting or other conditions became progressively worse. What he actually discovered surprised him: whatever the change in lighting or working conditions, the productivity levels of the workers improved or remained the same. From this Mayo concluded that workers are best motivated by better communication between managers and workers, greater manager involvement in employees working lives and working in groups or teams. The role of group dynamics and the need to view employees as complex beings with multiple motivational influences were thus recognised as powerful influences on performance. Bendix (1956) summarised the principle contribution of this human relations movement by observing that the "failure to treat workers as human beings came to be regarded as the cause of low morale, poor craftsmanship, unresponsiveness, and confusion". McGregor (1960) later built on this in his classic early work, 'The Human Side of Enterprise'.

Need-based content models

By the 1950s, several new models of work motivation emerged, which collectively have been referred to as *content theories*, since their principal aim was to identify factors associated with motivation. Included here is work by Maslow, McClelland, Herzberg and Alderfer. Herzberg's work introduced the field to the role of job design – specifically, job enrichment – as a key factor in work motivation and job attitudes. In subsequent work, Hackman and Oldham (1976) and others have extended this line of research as it relates to work design, motivation, and job performance, while others, including Deci (1975), have articulated theories focusing specifically on task-based intrinsic versus extrinsic factors in motivation (e.g., self-determination theory).

Process-oriented theories

Beginning in the mid 1960s, a new approach to the study of work motivation emerged, which focused on delineating the processes underlying work motivation. Process theories contrast sharply with the earlier content theories, which focused on identifying factors associated with motivation in a relatively static environment. Process theorists view work motivation from a dynamic perspective and look for causal relationships across time and events as they relate to human behaviour in the workplace. Central to the process theory genre is a series of cognitive theories of motivation that collectively attempt to understand the thought processes that people go through in determining how to behave in the workplace. The best known of cognitive theories is expectancy theory formulated by Victor Vroom, expanded later by Porter and Lawler.

In addition to expectancy theory, a number of other important cognitive process theories have been developed since the 1960s, each with its own focus. Adams, for example, introduced equity theory to explain how employees respond both cognitively and behaviourally to perceived unfairness in the workplace. Goal-setting theory also emerged in the late 1960s, as researchers began to discover that the simple act of specifying targets for behaviour enhanced task performance.

Recent developments in work motivation

Many of the ideas emerging from the 1960s and 1970s have been extended and further developed to reflect an expanded pool of research findings and more sophisticated research methods. Researchers have made great strides in conceptual developments and empirical work focusing on social learning theory, goal-setting theory, job design, reward systems, punishment, procedural justice, innovation and creativity, and cross-cultural influences on work behaviour.

2.6 IMPORTANCE OF MOTIVATION IN ORGANISATIONS

Employee motivation is essential to the success of any organisation, big or small. In the modern workplace, human resources are valued above all others. Motivated employees are productive, happy and committed. The spin-off of this includes reduced employee turnover, results-driven employees, company loyalty and workplace harmony.

Motivation is very important for an organisation because of the following benefits it provides:

1) **Increased productivity and improved employee performance –** Perhaps the most significant impact of increased employee motivation is that of increased productivity. A motivated workforce is essential, as it inevitably drives the profitability of the organisation. Research has shown that motivation is a key determinant of job performance and that a poorly motivated force is costly in terms of excessive staff turnover, higher expenses, negative morale, increased cost of operations and increased use of managements' time.

2) **Stability of workforce –** If management neglects to educate and motivate their employees, they will inevitably become dissatisfied or disenchanted with their job. Disenchantment in the workplace leads to absenteeism, turnover, sick leave, strikes, grievances and even accidents. A motivated workforce alleviates disenchantment felt by employees and improves these factors.

3) **Positive workplace culture –** Motivation leads to an optimistic and challenging attitude at the work place. It instills a positive attitude among employees during challenging times. There is also more adaptability and creativity during periods of amendments. Motivation thus creates a workplace and culture of high achievers.

4) **Better teamwork –** Motivation encourages teamwork among employees. The more motivated the employees are, the more empowered the team is. The more is the team work and individual employee contribution, the more profitable and successful is the organisation.

5) **Workplace harmony –** A motivated workforce leads to greater understanding, acceptance, commitment to implementation, understanding of objectives and decision making between management and employees. It thus promotes harmony at the workplace.

Self Assessment Questions

1) Discuss the scientific management approach.

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2) Examine the role of Hawthorne studies in understanding and motivating employees.

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3) Describe and compare the need-based and process approaches to work motivation.

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4) Why do you think motivating employees is an important consideration for organisations?

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2.7   LET US SUM UP

Work is an important activity in an individual's life that serves not only economic, but also social relation, personal fulfillment and identity functions for an individual. Motivation at work is valuable as it serves to arouse, direct, maintain and intensify effort toward specific goals. Motivation can be understood as an inner directing force that influences people's willingness to work toward organisational goals. As a process, it is initiated when there is an internal need that drives an individual toward actions directed at obtaining incentives.

Motivation at the workplace is a complex process of needs and drives, and awareness of goals and incentives that motivate employees to exert effort. However, results occur only when motivated employees are provided with the opportunity to perform and when they have the resources and the ability to do so. When an employee is productive and the organisation takes note of it, rewards are distributed that result in the satisfaction of employee's original needs and drives.

There are several motives that can be classified as either primary or secondary. Primary motives are unlearned physiological motives that are related to the survival of the human species. Secondary motives are learned social motives that vary greatly in their presence and strength across individuals. Motives can also be classified as extrinsic or intrinsic. Extrinsic motivation requires an instrumentality between the activity and some separable consequences such as tangible or verbal rewards, so that satisfaction comes not from the activity itself but rather from the extrinsic consequences to which the activity leads. Intrinsic motivation, on the other hand, involves people doing an activity because they find it interesting and derive spontaneous satisfaction from the activity itself.

Developments in motivation theory can be traced back to Greek philosophers, though its scientific understanding began only when instinct approaches were propounded. While the concept of instincts highlighted the biological basis of motivation, the drive and reinforcement models emphasised that motives were primarily learned. Interest in motivation for improving work efficiency can be attributed to Taylor's scientific management. As opposed to the economic view of man inherent in scientific management, human relations movement brought to notice the human side to organisations. Later, content models built on human needs as important elements in work motivation while process theories examined the dynamic processes that underlie human behaviour at the workplace. Together, the several approaches contribute to a better understanding of work motivation.

Motivation is important to organisations because it leads to enhanced employee performance that translates into greater organisational productivity. It also promotes stability of the work force, a positive work culture, better teamwork and enhanced workplace harmony.

2.8   UNIT END QUESTIONS

1) Describe the meaning of work. How does work contribute to an individual's life?

2) Explain the concept of motivation by quoting suitable definitions.

3) What is work motivation? Describe some of its important characteristics.

4) Illustrate the MARS model to describe the relationship between motivation and performance.

5) Examine the general model of work motivation.

6) Trace the developments in motivation theory.

7) Discuss the importance of motivation in organisations.

2.9 GLOSSARY

Work	:	Human activity involving physical or mental exertion that is not undertaken solely for pleasure and that has economic value.
Motivation	:	Psychological process governing the arousal, direction, intensity, and persistence of voluntary actions that are goal directed.
Work motivation	:	Process that accounts for arousal, direction, magnitude, and maintenance of effort in a person's job.
Need	:	Physiological or psychological deficiency that creates a state of tension and imbalance.
Drive	:	Tension that provides an energising thrust toward achieving a certain goal or accomplishing a certain task.
Incentive	:	Anything that can mitigate a need and decrease the intensity of the drive.
Primary motives	:	Unlearned physiological needs that arise from the basic requirements of life and that are important for the survival of human race.
Secondary motives	:	Learned social motives that arise as a result of interaction with other people and that develop as people mature.
Extrinsic motivation	:	Motivation promoted by factors external to the individual and unrelated to the task being performed.
Intrinsic motivation	:	Internal desire to perform a particular task because it is enjoyable.
Hedonism	:	The doctrine holding that behaviour is motivated by the desire for pleasure and the avoidance of pain.

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UNIT 3 CONTENT THEORIES, PROCESS THEORIES AND SCHEDULES OF REINFORCEMENT

Structure

3.0 INTRODUCTION

The broad rubric of motivation and motivation theory is one of the most frequently studied and written-about topics in the organisational sciences, and is considered one of the most important areas of study in the field of organisational behaviour. Despite the magnitude of the effort that has been devoted to the study of motivation, there is no single theory of motivation that is universally accepted. The lack of a unified theory of motivation reflects both the complexity of the construct and the diverse backgrounds and aims of those who study it. This unit is devoted to the understanding of the various theories of motivation and their application to the management context.

3.1 OBJECTIVES

After reading this unit, you will be able to:

• Explain the content theories of motivation and evaluate their applicability;

• Describe the expectancy theory and its key tenets to motivating employees;

• Define equity theory and its implications for managers;

• Explain goal-setting theory; and

• Describe reinforcement theory and illustrate schedules of reinforcement.

3.2   THEORIES OF MOTIVATION

There are many competing theories which attempt to explain the nature of motivation. These theories center on three different aspects of motivation: the individual's predisposition, the cognitive process, and the consequences deriving from the individual's action. Based on these aspects, there are three types of theories of motivation:

- **Content theories** – These theories are concerned with identifying people's needs and their relative strengths, and the goals they pursue in order to satisfy these needs.

- **Process theories** – These theories are concerned more with how behaviour is initiated, directed and sustained and attempt to identify the relationship among the dynamic variables, which make up motivation.

- **Reinforcement theory (outcome theories) –** This theory seeks to explain what types of consequences motivate different people to work. It focuses on how environment teaches us to alter our behaviours so that we maximise positive consequences and minimise adverse consequences.

3.3   CONTENT THEORIES

Content (or need) theories of motivation focus on factors internal to the individual that energise and direct behaviour. In general, such theories regard motivation as the product of internal drives that compel an individual to act or move toward the satisfaction of individual needs. Major content theories of motivation are Maslow's hierarchy of needs, Alderfer's ERG theory, Herzberg's motivator-hygiene theory, and McClelland's learned needs or three-needs theory.

3.3.1   Maslow's Hierarchy of Needs

Maslow's hierarchy of needs theory (1954) proposes that humans are motivated by multiple needs and that these needs exist in a hierarchical order. Maslow identified five general types of motivating needs:

- **Physiological needs:** These are the most basic human physical needs, including food, water, and other conditions necessary for survival. In the organisational setting, these are reflected in the needs for pleasant working conditions and salary.

- **Safety needs:** These are the needs for a safe and secure physical and emotional environment and freedom from threats and emotional distress. In an organisational workplace, safety needs reflect the needs for safe jobs, fringe benefits and job security.

- **Social needs:** These needs reflect the desire to be accepted by one's peers, have friendships, be loved, and be part of a group. In the organisation, these needs influence the desire for good relationships with coworkers and supervisors and participation in a work group.

- **Esteem needs:** These needs relate to the desire for a positive self-image and to receive attention, recognition, and appreciation from others. Within an

organisation, esteem needs reflect a motivation for recognition, an increase in responsibility, high status, and credit for contributions to the organisation.

• **Self-actualisation needs:** These represent the need for self-fulfillment, which is the highest need category. They concern developing one's full potential, increasing one's competence, and becoming a better person. Self-actualisation needs can be met in the organisation by providing people with opportunities for growth, creativity, advancement and achievement.

Maslow suggested that a substantially satisfied need no longer motivates; it is the lowest level of ungratified need in the hierarchy that motivates behaviour; and lower-level needs (physiological and safety needs) must be met before upper-level needs (social, esteem and self-actualisation) can be motivational. Thus, individuals must have safe working conditions, adequate pay to take care of one's self and one's family, and job security before they will be motivated by increased job responsibilities, status, and challenging work assignments.

Because of the ease of its application, Maslow's theory has received wide recognition, particularly among practising managers. However, the theory has received little research support and has been criticized on the following grounds:

1) While Maslow viewed satisfaction as the main motivational outcome of behaviour, job satisfaction does not necessarily lead to improved work performance.

2) Gratification of one need does not necessarily lead to increased motivation to satisfy the next higher level need. Some people can be very hungry and yet strive to fulfill their social needs; others can self-actualise while working in a risky environment.

3) There are individual differences in the order in which needs are activated. Also, needs change more rapidly than what Maslow stated.

Despite criticisms, the theory made significant contributions to the study of work motivation. First, the model brought a more holistic perspective by introducing the notion that needs are related to one another. Second, Maslow's focus on higher-order need highlighted the role of social dynamics in human motivation. Third, the theory brought a more positive perspective of employee motivation by paying attention to strengths and not just deficiencies.

3.3.2 Alderfer's ERG Theory

The ERG theory is an extension of Maslow's hierarchy of needs. Alderfer (1972) suggested that needs could be classified into three categories, rather than five. These three types of needs are existence, relatedness, and growth. These needs encompass the needs proposed by Maslow and they can be satisfied within the work environment.

• Existence needs are concerned with physical survival and include the needs for food, water, shelter and physical safety. Organisations can satisfy these needs through pay, fringe benefits, a safe working environment and job security.

• Relatedness needs involve interactions with other people and the associated satisfaction in terms of emotional support, respect, recognition and

belongingness. These needs can be satisfied on the job by developing interpersonal relationships with co-workers and mentors and off the job by having family and friends.

- Growth needs are those related to the attainment of one's potential. These needs can be satisfied by using our skills and abilities to the fullest. A job can satisfy growth needs if it involves challenge, autonomy and creativity.

The ERG theory differs from the hierarchy of needs in several ways:

1) The ERG model does not assume a rigorous progression from one level to the other. Instead, it accepts the likelihood that all three levels might be active at any time – or even that just one of the higher levels might be active.

2) It suggests that if an individual is continually unable to meet upper-level needs, the person will regress and return to the lower-level needs and then progress again. For example, if employees cannot find emotional support or recognition on the job (relatedness needs), they may demand higher pay or better health coverage (existence needs) as compensation for failing to satisfy the other needs.

3) The model proposes that growth needs are not only unlimited but are actually awakened each time some satisfaction is attained. Thus while Maslow suggested that a satisfied need no longer motivates us, ERG model predicts that a satisfied need may actually increase its strength. For example, if a job provides a great deal of challenge and creativity, our growth needs might become stronger, leading us to seek greater challenges at work.

3.3.3 Herzberg's Motivator-Hygiene Theory

On the basis of research with engineers and accountants, Frederick Herzberg (1966) developed the motivator-hygiene theory. He asked his subjects to think about the times they felt especially good or bad about their jobs. Tabulating the reported good and bad feelings, Herzberg concluded that there are two sets of needs: the *hygiene needs*, which produce job dissatisfaction and the *motivator needs*, which produce job satisfaction. Taken together, the hygiene factors and motivators are known as Herzberg's two-factor theory of motivation.

Hygiene factors (lower needs) are factors which 'surround the job' rather than the job itself; they are related to *job context*. These involve features of the work environment such as company policy, supervision, interpersonal relations, working conditions and salary and benefits. The hygiene factors dissatisfy employees when they are absent. However, their presence brings employees only to a neutral state and by themselves, they are not strongly motivating. For example, a worker will only turn up to work if a business has provided a reasonable level of pay and safe working conditions but these factors will not make him work harder at his job once he is there.

The motivator needs (higher needs) motivate employees to high job performance and promote satisfaction. These needs are internal to the work itself; they are allied to *job content*, and include factors such as achievement, responsibility, recognition, growth, advancement and recognition. The motivator factors operate

to build motivation, but their absence is not strongly dissatisfying. These are the characteristics that people find intrinsically rewarding and serve as strongly motivating factors.

Although Herzberg's theory is a popular explanation of work motivation, it has been criticized on the following grounds:

1) It is not universally applicable, because it was based on and applies best to managerial, professional and upper-level white-collar employees.

2) The model appears to reduce the motivational importance of pay, status and relations with others, since these are maintenance factors.

3) The model is limited by its self-report methodology. The appearance of two factors could very well be an outcome of people's tendencies to take credit themselves when things are going well and to blame the extrinsic environment for failure.

4) The model makes no absolute distinction between the effects of the two major factors but outlines only general tendencies. This has limited applicability and no significant predictive outcomes for productivity.

Regardless of the criticisms, Herzberg has contributed substantially to the study of work motivation. He extended Maslow's need hierarchy concept and made it more applicable to work motivation. He also drew attention to the importance of job content factors in work motivation, which previously had been neglected and often overlooked. The job design technique of job enrichment is also one of Herzberg's contributions. Overall, Herzberg added much to the better understanding of job content factors, but fell short of a comprehensive theory of work motivation.

3.3.4 McClelland's Learned Needs Theory

McClelland's theory (1971) suggests that needs are amplified or suppressed through self-concept, social norms, and past experience. Therefore, needs can be "learned". Three of the primary needs in this theory are as follows:

- **Need for achievement (*nAch*)** – The desire to excel, to achieve in relation to a set of standards and to purse and attain goals.

- **Need for affiliation (*nAff*)** – The desire for friendly and close interpersonal relationships.

- **Need for power (*nPow*)** – The desire to control one's environment and to influence others.

People with a strong need for achievement want to accomplish reasonably challenging goals through their own effort. They prefer tasks with a moderate degree of risk and those that provide immediate and precise feedback information on progress toward a goal. High achievers find accomplishment of a task to be intrinsically satisfying; they do not expect or necessarily desire the accompanying material rewards. Also, when high achievers select a goal, they tend to be totally preoccupied with the task until it is successfully completed. They tend to be realistic about their abilities and tend to persist in their efforts to accomplish goals.

People with a strong need for affiliation try to project a favourable image of themselves. They tend to actively support others and try to smooth out workplace conflicts. High nAff employees generally work well in coordinating roles to mediate conflicts, and in sales positions where the main task is cultivating long-term relations. However, they tend to be less effective at allocating scarce resources and making other decisions that potentially generate conflict.

People with a high need for power want to exercise control over others and are concerned about maintaining their leadership positions. They frequently rely on persuasive communication, make more suggestions in meetings and tend to publicly evaluate situations more frequently. McClelland pointed out that there are two types of nPow. Those who enjoy their power for its own sake and use it to advance personal interest have *personalised power*. Others have a high need for *socialised power* because they desire power as a means to help others.

An extensive amount of research done on the theory makes several predictions about the relationship between needs and job performance:

1) When jobs have a high degree of personal responsibility and feedback and an intermediate degree of risk, high achievers are strongly motivated. High achievers, for example, are successful in entrepreneurial activities such as running their own businesses and managing self-contained units within large organisations.

2) High achievers do not necessarily make good mangers. People with a high achievement need are interested in how well they do personally and not in influencing others to do well. Typically, high achievers make excellent salespersons but seldom good sales managers.

3) People with low need for affiliation tend to do better in decision-making positions because their choices and actions are not biased by a personal need for approval.

4) A high power motive is related to managerial effectiveness. Power-motivated people make excellent managers especially when they have a high need for socialised rather than personalised power.

3.3.5 Job Characteristics Model

The job characteristics model (Hackman & Oldham, 1976) proposes that motivation, satisfaction, performance quality, and withdrawal behaviours such as absenteeism and turnover are a function of three critical psychological states: experienced meaningfulness, responsibility for outcomes, and knowledge of results. Experienced meaningfulness is thought to be determined by three core job characteristics: skill variety (being challenged to use a variety of one's capabilities), task identity (completing a whole, identifiable piece of work from start to finish), and task significance (having an impact on other people inside or outside the organisation). Experienced responsibility is thought to be shaped by the job characteristic of autonomy (freedom and discretion about when and how to complete the work), and experienced knowledge of results is shaped by the job characteristic of feedback (information from completing the work itself about one's progress and effectiveness). Thus, from a motivational standpoint, well-designed jobs are those that incorporate high levels of the five core job dimensions. When people perform such jobs, they should feel highly motivated, perform high-quality work, be highly satisfied with their jobs, be absent infrequently and be unlikely to resign from their jobs.
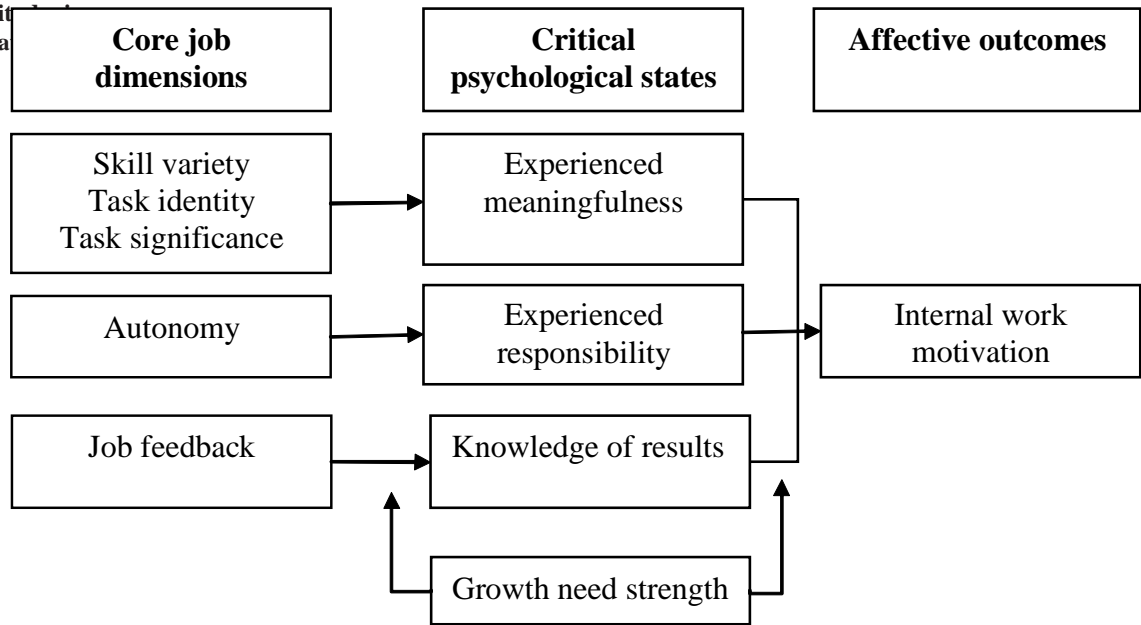
| **Core job dimensions** | **Critical psychological states** | **Affective outcomes** |

Skill variety Task identity Task significance	Experienced meaningfulness	
Autonomy	Experienced responsibility	Internal work motivation
Job feedback	Knowledge of results	
	Growth need strength	

Fig 3.1: The Job Characteristics Model

To assess the relationship between core job dimensions and motivation, a questionnaire known as the Job Diagnostic Survey (JDS) has been developed. Based on responses to the JDS, an index known as the motivating potential score (MPS) is computed as follows:

$$\text{MPS} = \frac{\text{Skill variety} + \text{Task identity} + \text{Task significance} \times \text{Autonomy} \times \text{Feedback}}{3}$$

The MPS is a summary index of a job's potential for motivating people. The higher the score for a given job, the greater the likelihood of experiencing positive outcomes specified by the model. These effects are, however, moderated by individual differences in growth need strength, such that employees who value learning and development are more responsive to both the enriched job characteristics and the critical psychological states, as well as by knowledge, skill, and autonomy in the work context.

Self Assessment Questions

1) Present the three main categories of theories in the area of work motivation.

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2) Critically evaluate Maslow's need hierarchy. Relate it to Alderfer's ERG model.

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3) Describe Herzberg's two-factor theory. Evaluate its contribution to the study of work motivation.

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4) Examine McClelland's learned needs theory. What are some of the research predictions made from the theory?

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5) Explain and evaluate the job characteristics model.

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3.4   PROCESS THEORIES

Process (or cognitive) theories of motivation focus on conscious human decision processes as an explanation of motivation. The process theories are concerned with determining how individual behaviour is energised, directed, and maintained in the specifically willed and self-directed human cognitive processes. Process theories of motivation are based on early cognitive theories, which posit that behaviour is the result of conscious decision-making processes. The major process theories of motivation are expectancy theory, equity theory, goal-setting theory, and reinforcement theory.

3.4.1 Vroom's Expectancy Theory

Vroom (1964) suggested that motivation is a product of three factors: *expectancy*, one's estimate that effort will lead to successful performance; *instrumentality*, one's estimate that performance will result in certain outcomes or rewards; and *valence*, the extent to which expected outcomes are attractive or unattractive. This relationship is stated in the following formula:

$$\text{Expectancy} \times \text{Instrumentality} \times \text{Valence} = \text{Motivation}$$

Expectancy: Expectancy is the strength of belief that one's work-related effort will result in a given level of performance. For example, a person selling insurance policies may know from experience that volume of sales is directly related to the number of sales calls made. Expectancies are stated as probabilities and range from 0.0 to 1.0. In some situations, employees may believe that they can unquestionably accomplish the task ($p = 1.0$). In other situations, they expect that even their highest level of effort will not result in the desired performance level ($p = 0.0$). Normally, employee estimates of expectancy lie somewhere between the two extremes.

Instrumentality: Instrumentality represents the employee's belief that a specific performance level will lead to specific outcomes or rewards. This belief is stated as a probability ranging from 0.0 to 1.0. Thus if an employee sees that promotions are usually based on performance data, instrumentality will be rated high. However, if the basis for such decisions is unclear or managerial favouritism is suspected, a low instrumentality estimate will be made.

Valence: Valence refers to the strength of a person's preference for receiving a reward. It is the anticipated satisfaction or dissatisfaction that an individual feels toward an outcome. It ranges from positive to negative. Outcomes have a positive valence when they are consistent with our values and satisfy our needs; they have a negative valence when they oppose our values and inhibit need fulfillment. Valence for a reward is unique to each employee and is thus a reflection of individual differences. For example, if an individual has a strong need for social interaction, working alone from home will have a strong negative valence. On the other hand, if a person prefers solitary activities and has a high desire to excel, working away from home with opportunities for career advancement may have a strong positive valence.

Expectancy theory claims that motivation is a multiplicative function of all three components. This means that for an individual to be highly motivated, all three components of the expectancy model must be high. It also implies that if any one of these three components is zero, the overall level of motivation will be zero. So, for example, even if an employee believes that her effort will result in performance, which will result in reward, motivation will be zero if the valence of the reward she expects to receive is zero.

Porter and Lawler (1968) published an extension of the Vroom expectancy model, which is known as the Porter-Lawler expectancy model. The basic premise of the model is the same as Vroom's. But it extends the model by stating that motivation alone does not predict successful performance. It is a function of two other factors:

1) Skills and abilities – Motivation alone cannot ensure successful performance of a task. The employee should also have the abilities and skills required to successfully perform the task.

2) Role perceptions – The employee should have a clear perception of his role in the organisation and an accurate knowledge of the job requirements. This will enable him to focus his efforts on accomplishing the assigned tasks.

Thus although the basic premise of the model is the same as for Vroom's model, it is more complex.

Managerial implications of expectancy theory

The expectancy model is a valuable tool for helping managers design a motivational climate that will stimulate appropriate employee behaviour. It provides clear guidelines for increasing employee motivation by altering expectancies, instrumentalities and outcome valences. These are discussed below:

1) **Increasing effort-performance expectancies –** Effort-performance expectancies can be increased by training employees to do jobs more effectively, by providing sufficient time and resources, by giving supportive feedback and by following employees' suggestions about ways to change their jobs. Selecting people with required skills and knowledge, matching employees to jobs and communicating tasks required for the job are also an important part of this process.

2) **Increasing performance-outcome instrumentalities –** The most obvious way to improve outcome expectancies is to measure performance accurately and distribute more valued rewards to those with higher job performance. However, in addition to a having a high performance-based reward system, companies need to regularly communicate the system through examples, anecdotes and public ceremonies, and clearly demonstrate the link between valued rewards and performance.

3) **Increasing outcome valences –** Performance outcomes influence work effort only when those outcomes are valued by employees. This implies that companies must develop individualised reward systems so that employees who perform well are offered a choice of rewards. Incentive systems that allow employees to choose from a menu of available alternatives like a pay raise, additional vacation days, improved insurance benefits or daycare facilities may serve to increase the satisfaction with the rewards that they receive. There are also performance outcomes that have negative valences that reduce the effectiveness of existing reward systems. For example, when there is peer pressure to perform at the minimum standard, formal rewards may not serve as motivators. Companies must therefore minimise the presence of such counter-valent outcomes.

Evaluation of expectancy theory

Expectancy theory remains one of the better theories for predicting work effort and motivation. It has been applied to a wide variety of studies, such as predicting student motivation to participate in teaching evaluations, using a decision support system, leaving the organisation and engaging in organisational citizenship behaviours. However, the theory seems to ignore the role of emotion in employee behaviour.

3.4.2 Equity Theory

Equity theory (Adams, 1963) suggests that individuals engage in social comparison by comparing their efforts and rewards with those of relevant others. The perception of individuals about the fairness of their rewards relative to others influences their level of motivation. Equity exists when individuals perceive that the ratio of efforts to rewards is the same for them as it is for others to whom they compare themselves. Inequity exists when individuals perceive that the ratio of efforts to rewards is different for them than it is for others to whom they compare themselves. There are two types of inequity—under-reward and over-reward. Under-reward occurs when a person believes that she puts in more effort than another, yet receives the same reward, or puts in the same effort as another for a lesser reward. For instance, if an employee works longer hours than her coworker, yet they receive the same salary, the employee would perceive inequity in the form of under-reward. Conversely, with over-reward, a person will feel that his efforts to rewards ratio is higher than another person's, such that he is getting more for putting in the same effort, or getting the same reward even with less effort.

The theory suggests that there are four possible referents for comparison:

- **Self-inside:** The employee compares his experiences in the present position with the experiences of those holding a similar position in the same organisation.

- **Self-outside:** The employee compares his experiences in the present position with the experiences of those holding a similar position in another organisation.

- **Other-inside:** The employee compares his experience in the present position with the experience of another individual or group of individuals holding a different position but belonging to the same organisation.

- **Other-outside:** The employee compares his experiences in the present position with that of another individual or group of individuals holding a different position and belonging to a different organisation.

Whatever be the source of referent comparison, individuals are motivated to reduce perceived inequity and may attempt to reduce inequity in various ways:

- **Change the inputs** – A person may change his or her level of effort; an employee who feels under-rewarded is likely to work less hard.

- **Change the outcomes** – A person may try to change his or her rewards, such as by asking for a raise or making unauthorised use of company resources.

- **Change the comparison other's inputs** – A person may change the behaviour of the reference person, perhaps by encouraging that person to put forth more effort.

- **Change the comparison other's outcomes** – A person may change the outcome of the reference person perhaps by asking the boss to stop giving favourable treatment to him/her.

- **Change the comparison other** – A person experiencing inequity may change the reference person and compare him or herself to a different person to assess equity.

- **Change one's perception** – A person may believe that the co-worker is doing more or that the higher outcomes that the other receives are no better that his/hers.

- **Leave the field** – A person may avoid thinking about the inequity by keeping away from the office, moving to another department or quitting the job.

While research suggests that under-reward motivates individuals to resolve the inequity, research also indicates that the same is not true for over-reward. Individuals who are over-rewarded often engage in cognitive dissonance, convincing themselves that their efforts and rewards are equal to another's. Evidence also reveals that some employees decrease their motivation and effort, others increase it and still other show no change in response to over-reward inequity. One approach to resolving these conflicting findings has involved understanding individual differences in equity sensitivity. Huseman, Hatfield, and Miles (1987) proposed that employees can be classified into one of three categories of equity preferences:

- Benevolent (preferring a lower outcome/input ratio than comparison others)

- Equity sensitive (preferring an equal outcome/input ratio to comparison others)

- Entitled (preferring a higher outcome/input ratio than comparison others)

Accordingly, under-reward inequity leads to higher motivation among benevolent employees than equity sensitive and entitled employees. While benevolent employees are willing to work hard even when they receive lower outcomes than others, equity sensitive and entitled employees find this distressing.

Managerial implications of equity theory

Equity theory has important implications for ways of motivating people. The three key one are discussed below:

1) **Avoiding underpayment** – Companies that attempt to save money by reducing employees' salaries may find that employees respond in different ways to settle scores. For example, they may steal, shave a few minutes off their work, or otherwise withhold production. In extreme cases, they may go on strike. Thus making people feel underpaid is an unwise decision and ineffective managerial practice.

2) **Avoiding overpayment** – Overpaying employees to motivate them is also an ineffective strategy mainly for two reasons: (a) Increases in performance in response to overpayment inequity is only temporary. As time goes on, people begin to believe that they actually deserve the higher pay they are getting and drop their level of work down to normal. (b) Overpaying one employee implies that other are being underpaid. When the majority of employees feel underpaid, they will lower their performance resulting in a net decrease in productivity and widespread dissatisfaction.

3) **Being open and honest with employees** – Openness and honesty about pay is critical because it helps employees understand the basis of their pay. This, in turn, leads to trust in their company, motivating them to put forth the effort required to excel.

Evaluation of equity theory

Equity theory has been widely studied and is quite successful in predicting various situations involving feelings of workplace injustice. However it has a few limitations. First, the theory doesn't identify the inputs or outcomes that are most valuable and the comparison other against which evaluation is made. Second, it assumes that people are individualistic, rational and selfish. However, people are social creatures who share goals with other members and commit themselves to the norms of the group. Third, the theory accounts for only distributive justice in the workplace. Experts now believe that procedural justice is equally important that has been overlooked in the theory.

4.4.3 Goal-Setting Theory

The goal-setting theory was developed primarily by Locke and Latham (1990). It posits that people will be motivated to the extent to which they accept specific, challenging goals and receive feedback that indicates their progress toward goal achievement. The basic components of goal-setting theory are:

- **Goal acceptance** – Effective goals need to be accepted by employees. Goals that are not personally accepted will have little capacity to guide behaviour. A powerful method of obtaining acceptance is to allow employees to participate in the goal-setting process. Communicating the purpose and necessity of the goal also ensures greater commitment to the goal.

- **Specificity** – Specific goals often involve clear, measurable quantitative targets for improvement in the behaviour of interest. Research indicates that specific performance goals are much more effective than those in which a person is told to "do your best."

- **Challenge** – Challenging goals are difficult but not impossible to attain. They cause people to raise the intensity and persistence of their work effort and fulfill a person's achievement and self-actualisation needs when they are met. Empirical research supports the proposition that goals that are challenging are more motivational than goals that are relatively easy to achieve.

- **Feedback** – Feedback is any information that people receive about the consequences of their behaviour. It is central to goal-setting because it communicates what behaviours are appropriate or necessary in a particular situation. An effective feedback is specific, relevant, timely, credible and sufficiently frequent.

Goal-setting promotes superior performance by (1) increasing one's persistence of effort (2) regulating one's effort toward effective work behaviours (3) directing one's attention to the assigned roles and tasks, and (4) encouraging the development of goal attainment strategies or action plans.

Managerial implications of goal-setting theory

Goal setting theory implies that managers must assign specific, challenging goals; make sure workers truly accept organisational goals; and provide frequent, specific performance-related feedback. A systematic way of using goal-setting is with a management by objectives program. Management by objective (MBO) emphasises participatively set goals that are tangible, verifiable and measurable.

It emphasises four aspects: goal specificity, participation in decision-making, an explicit time period and performance feedback.

Evaluation of goal-setting theory

Goal-setting theory has been supported by research conducted over 40 years suggesting that it is a valuable source of insight into how goal-setting process works. However, there is evidence that goals have a more substantial effect on performance when tasks are simple, well-learned and independent. Also, the theory appears to be culture-bound. It is well adapted to Western nations because its key components align well with individualistic cultures.

Self Assessment Questions

1) Examine Vroom's expectancy theory. Discuss the managerial implications of the theory.

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2) What are the important propositions made by equity theory? Describe the notion of equity sensitivity that explains conflicting research findings on over-reward inequity.

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3) What are the major elements of goal-setting as a motivational tool? Evaluate its contribution to management practice.

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3.5 REINFORCEMENT THEORY

Reinforcement theory seeks to explain what types of consequences motivate different people to work. Traditionally, it can be traced to the work of the pioneering behaviourist B.F. Skinner (1953). It posits that behaviour depends on its consequences. Behaviour that is accompanied by favourable consequences is

likely to continue, while behaviour that is followed by unfavourable consequences is not likely to be repeated. Based on this principle, reinforcement theory describes four contingency methods of shaping behaviour:

1) **Positive reinforcement –** It occurs when behaviour is followed by a favourable consequence that encourages the repetition of that behaviour. For example, a supervisor may praise the employee for a job well done. In this case, praise serves as a positive reinforcer that strengthens high-quality work. Other common positive reinforcers are recognition, promotion, money, approval, fringe benefits etc.

2) **Negative reinforcement –** It occurs when behaviour is accompanied by the removal of an unfavourable consequence that results in strengthening of that behaviour. For example, an employee may work till late at the office to revise a sales presentation to prevent being rebuked by the boss next morning. In this example, rebuking serves as a negative reinforcer that encourages avoidance behaviour.

3) **Punishment –** It occurs when the administration of an unfavourable consequence discourages certain behaviour. Giving an employee a two-day suspension from work without pay for showing up drunk is an example of punishment.

4) **Extinction –** It occurs when the target behaviour decreases because no reinforcement follows it. For example, research suggests that when mangers stop congratulating employees for their good performance, that performance tends to decline.

Schedules of Reinforcement

The effects of reinforcement depend heavily on the schedule according to which reinforcers are delivered. The two major types of reinforcement schedules are *continuous* and *intermittent.* A continuous reinforcement schedule reinforces the desired behaviour each and every time it is demonstrated. For example, to reinforce punctuality in an employee with a history of tardiness, the manager might compliment the employee whenever he is punctual.

With intermittent or partial reinforcement, on the other hand, not every instance of the desirable behaviour is reinforced, but reinforcement is given often enough to make the behaviour worth repeating. Intermittent partial schedules are distinguished by whether they are based on time (interval) or number of behavioural events (ratio), and whether that interval or ratio is fixed or variable. The two dimensions result in four classes of intermittent schedules:

1) **Fixed interval schedule –** Reinforcement is given after uniform time intervals. For example, being paid the salary on a monthly basis.

2) **Fixed ratio schedule –** Reinforcement is given after a fixed number of responses. For example, being paid on a piece work basis or being given a day off after serving a specific number of customers.

3) **Variable interval schedule –** Reinforcement is given after varying time intervals. For example, randomly timed unannounced visits to a company office by the audit staff or getting promotions after undefined time intervals.

4) **Variable ratio schedule** – Reinforcement is given after a varying (unpredictable) number of responses. For example, making a variable number of calls to a potential customer for securing a sale.

Continuous reinforcement produces rapid learning for newly emitted, unstable or low-frequency responses. However, continuously reinforced responses extinguish more rapidly because the shift to no reinforcement is sudden and easier to perceive. Intermittent reinforcement, on the other hand, produces behaviour that is learned more slowly but is more resistant to extinction. It is therefore more appropriate for stable or high-frequency responses. Further, among the intermittent schedules, the variable ones tend to lead to higher performance and produce a rapid rate of responding than fixed schedules. Variable schedules are also more resistant to extinction. Thus the best way to promote fast learning and high resistance to extinction is to begin reinforcing a desired behaviour on a continuous schedule until the behaviour is well established and then shift to a variable intermittent schedule that is gradually made more demanding.

Managerial implications of reinforcement theory

Reinforcement concepts have been applied in the managerial setting using organisational behaviour modification (OB Mod). The typical OB Mod program follows a five-step problem-solving model:

1) **Identify critical behaviours** – Everything that an employee does is not equally important in terms of performance outcomes. It is therefore important to identify critical behaviours that make a significant impact on the employee's job performance.

2) **Develop baseline data** – It requires that the manager determines the number of times the identified behaviour is occurring under present conditions.

3) **Identify behavioural consequences** – It involves performing a functional analysis to identify the behavioural contingencies or consequences of performance. It tells the manager the antecedent cues that emit the behaviour and the consequences that are currently maintaining it.

4) **Develop and implement an intervention strategy** – It involves implementing an appropriate intervention strategy that will entail changing some elements of performance-reward linkage with the goal of making high-level performance more rewarding.

5) **Evaluate performance improvement** – It requires that the observed behavioural change be evaluated to ensure that learning had taken place.

A number of organisations have used OB Mod to improve employee productivity; to reduce errors, absenteeism, tardiness and accident rates; and to improve friendliness toward customers.

Evaluation of reinforcement theory

Although the effectiveness of reinforcements in the form of rewards and punishments has a lot of support in the literature, the theory has been criticized for overlooking thoughts and feelings that are evoked by environmental stimuli. The theory assumes that it is not necessary to study needs or cognitive processes to understand motivation, but that it is only necessary to examine the consequences

of behaviour. However, increasing research on cognitive processes has challenged this basic assumption of the theory.

Self Assessment Questions

1) Quoting suitable examples, describe the various contingency procedures used to shape behaviour.

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2) What are the various schedules of reinforcement? Describe the effectiveness of the schedules in shaping behaviour.

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3) What are the implications of reinforcement theory for management practice?

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3.6 LET US SUM UP

There are several popular approaches to the study of work motivation. Content theories given by Maslow, Alderfer, Herzberg and McClelland attempt to identify specific content factors in the individual or in the job environment that motivate employees. Although such a content approach is easy to understand and can be readily translated into practice, there is very little research support for these models' theoretical basis and predictability. However, the job characteristic model is supported by some research and represents an extension of the content theories to the job design approach.

The process theories provide a much sounder theoretical explanation of work motivation. Vroom's expectancy model explains the important cognitive variables and how they relate to one another in the complex process of work motivation. Equity theory explains how people respond when they are inequitably treated.

Goal setting theory describes the process of motivating employees by the establishment of performance objectives and clarification of role perceptions.

Reinforcement theory highlights the consequences of one's actions and how these consequences influence motivated behaviour in future. Several types of procedures are described that can be delivered according to varying schedules. Together, the three sets of theories contribute much to the understanding of the complex process of work motivation. The theories also suggest applied principles to be used in management settings for motivating employees and improving performance effectiveness.

3.7 UNIT END QUESTIONS

1) Describe the three major categories of motivation theories.

2) Explain Maslow's theory of motivation. Compare it with Alderfer's ERG model and Herzberg's two-factor theory.

3) Discuss the motivators and hygiene factors in Herzberg's two-factor theory. How has the theory contributed to the understanding of motivation in the workplace?

4) Describe the three-need classification given by McClelland.

5) Present the job characteristic model. What is MPS?

6) Explain the three variables in Vroom's expectancy model. Highlight some of the important implications of the theory for management practice.

7) Discuss equity theory. Present the critical examination of the theory.

8) What is goal-setting theory? How does it contribute to the understanding of work motivation?

9) Describe reinforcement theory. Present the types and schedules of reinforcement.

3.8 GLOSSARY

Self-actualisation : Highest need category in Maslow's need hierarchy that concerns developing one's full potential, increasing one's competence, and becoming a better person.

Need for achievement : A learned need in which people want to accomplish reasonably challenging goals and desire unambiguous feedback and recognition for their success.

Need for affiliation : A learned need in which people seek approval from others, conform to their wishes and expectations, and avoid conflict and confrontation.

Need for power : A learned need in which people want to control their environment, including people and material resources, to benefit either themselves (personalised power) or others (socialised power).

Skill variety	:	The extent to which employees must use different skills and talents to perform tasks within their job.
Task identity	:	The degree to which a job requires completion of a whole or identifiable piece of work.
Task significance	:	The degree to which one's job has a substantial impact on the organisation and/or larger society.
Autonomy	:	The degree to which a job gives employees the freedom, independence, and discretion to schedule their work and determine the procedures used in completing it.
Feedback	:	Information that people receive about the consequences of their behaviour.
Expectancy	:	The individual's belief that work-related effort will result in a given level of performance.
Instrumentality	:	The individual's belief that a specific performance level will lead to specific outcomes or rewards.
Valence	:	The anticipated satisfaction or dissatisfaction that an individual feels toward an outcome.
Self-efficacy	:	The individual's belief that he or she can successfully complete a particular task.

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UNIT 4   ORGANISATIONAL COMMITMENT

Structure

4.0   INTRODUCTION

Organisational commitment has received significant attention in the studies of workplace. This is due to the general recognition that this variable can be the major determinant of organisational performance and effectiveness. When employees are dissatisfied at work, they are less committed and will look for other opportunities to quit. If opportunities are unavailable, they may emotionally or mentally withdraw from the organisation. Thus, organisational commitment is an important attitude in assessing employees' overall contribution to the organisation.

This unit is devoted to the understanding of the nature, determinants, and consequences of organisational commitment. Various means of securing organisational commitment are also highlighted in this unit.

4.1   OBJECTIVES

After reading this unit, you will be able to:

- Define organisational commitment and its component types.
- Explain the difference between organisational commitment and job satisfaction.
- Give an account of the determinants of organisational commitment.
- Understand the consequences of organisational commitment.
- Present ways of promoting organisational commitment.

4.2   COMMITMENT AND RELATED ASPECTS

In a broad sense of the word, "commitment" can be defined as an obligation, agreement, or pledge to someone or something in the future. One can be committed to a friend, romantic partner, team, school, job or, as is the focus of this unit, to one's organisation. Understanding what commitment is, what leads to a sense of commitment, and what those committed feelings can predict, has been of great interest to both researchers and employers over the last several decades. Recognising the ways in which employers can foster a sense of commitment among their employees, and knowing what the behavioural results of that commitment will be, can create a more efficient and productive workplace.

Worker commitment has been defined and measured in over twenty five ways (Morrow & McElroy, 1986). Some researchers, such as Blau (1989), have looked at career commitment, measuring an employee's commitment to the specific occupation, with items that look like, "this is the ideal profession for a life's work." Becker, Billings, Eveleth and Gilbert (1996) have examined and measured an employee's commitment to his/her supervisor within the organisation. Other types of work commitment that have been measured include job attachment, career salience, organisational commitment, work ethics, as well as numerous others. With such an abundance of constructs, Morrow (1983) suggested that there was much redundancy among the many models. Rather, she proposed five predominant types of work commitment – the intrinsic *value* of one's work, commitment to one's *career* or profession, commitment to one's particular daily *job*, an employee's commitment to his/her *organisation*, and commitment to one's *union*.

Among these models, organisational commitment has received significant attention. Unlike scales measuring, for example, an employee's commitment to a particular supervisor, which is relatively narrow in focus, organisational commitment is a broad construct. Additionally, unlike several of the other forms of commitment that have been measured, such as career commitment, which focuses more on individual differences, organisational commitment is centered on behavioural outcomes. For these reasons, commitment to one's organisation has been a popular subject of research over the past several decades. It offers insight into the psychological bases of commitment, while also providing valuable knowledge about worker behaviour to employers.

4.3   NATURE OF ORGANISATIONAL COMMITMENT

As discussed in the previous section, organisational commitment is of considerable interest to organisational psychologists because of two primary reasons:

1) It is a broad attitudinal construct. It is theory-based, holds significant integrative potential, and is more manageable than other forms of organisational attitudes.

2) It is significantly related to favourable organisational outcomes. At the individual level of analysis, commitment predicts important employee

behaviours such as staff turnover, absenteeism, organisational citizenship or extra-role behaviours, and performance (Allen & Meyer, 1996; Mathieu & Zajac, 1990; Steers, 1977). Furthermore, when aggregated to the organisational subunit level, high levels of commitment are associated with elevated levels of customer satisfaction and sales achievement (e.g., Gelade & Young, 2005).

4.3.1 Defining Organisational Commitment

Organisational commitment is defined as an individual's feelings about the organisation as a whole. It is the psychological bond that an employee has with an organisation and has been found to be related to goal and value congruence, behavioural investments in the organisation, and allegiance to the organisation.

Over the years, two basic approaches have been used to study organisational commitment: attitudinal (Allen & Meyer, 1990; Mowday, Steers & Porter, 1979) and behavioural (Becker, 1960). In the attitudinal approach, organisational commitment is viewed as a positive individual orientation toward the organisation. It is defined as "an affective attachment to the goals and values of the organisation, and to the organisation for its own sake, apart from its purely instrumental worth" (Buchanan, 1974). According to Porter et al. (1974) organisational commitment is the relative strength of an individual's identification with and involvement in a particular organisation. According to Mowday, Steers and Porter (1979), organisational commitment represents a state in which an individual identifies with a particular organisation and its goals and wishes to maintain membership in order to facilitate these goals. These authors describe three components of commitment:

1) A strong belief in and acceptance of the organisation's goals and values.

2) A willingness to exert considerable effort on behalf of the organisation.

3) A strong desire to maintain membership in the organisation.

The commitment-related behaviour approach focuses on a behavioural pattern guided by internalised normative pressures to act in ways that meet organisational goals and interest (Wiener, 1982). Wiener and Gechman (1977) argued that the pattern of behaviour resulting from commitment should possess the following characteristics: (1) it should reflect personal sacrifices made for the sake of the organisation; (2) it should show persistence – that is, the behaviours should not depend primarily on environmental controls such as reinforcements or punishment, and (3) it should indicate a personal preoccupation with the organisation, such as devoting a great deal of personal time to organisation-related actions and thoughts. Thus according to the behaviourists, organisational commitment is demonstrated by "overt manifestations of commitment" (Mowday, Steers, & Porter, 1979) to the organisation such as extra-role behaviours that link employees to their respective institution.

In essence, organisational commitment can be viewed as follows:

1) Willingness of an individual to identify with and the desire not to leave an organisation for selfish interest or marginal gains;

2) Desire to contribute to the effectiveness of an organisation;

3) Willingness to make personal sacrifice, to perform beyond normal expectations and to endure difficult times with an organisation;

4) Belief in and acceptance of organisation's values and goals.

4.3.2 Components of Organisational Commitment

O'Reilly and Chatman (1986) conceptualised organisational commitment as a psychological attachment and developed a model in which three dimensions of organisational commitment were described: internalisation, identification, and compliance. *Internalisation* measures the extent to which the employee feels they share the same mission and values as the organisation. *Identification* describes the employee's desire to affiliate with their organisation without accepting the organisation's values as his/her own. *Compliance* describes an employee who accepts the organisation's values for his/her own personal gain, but does not internalise or hold any of those same values. Although this model represents the first attempt to understand the multi-dimensional nature of organisational commitment, it is not very popular.

The model of organisational commitment proposed by Meyer and Allen (1991) is the most popular and comprehensively validated multidimensional model. Three components are contained in Meyer and Allen's (1991) organisational commitment model: affective, continuance, and normative. Affective commitment is a feeling of emotional attachment demonstrated in the statement, "I work here because the people are great and the work is fun." Continuance commitment is a feeling that the costs of leaving are too high or it is too much trouble to go somewhere else. For example, "I'd leave if I knew I could get another job that paid as much." Normative commitment is a feeling of obligation. For example, "I work here because they hired me when I needed a job so I owe it to them." The three components are now described in greater detail.

Affective commitment refers to the employees' perceptions of their emotional attachment to or identification and involvement with their organisation and its goals. It results from and is induced by an individual and organisational value congruency. As a result, it becomes almost natural for the individual to become emotionally attached to and enjoy continuing membership in the organisation (O'Reily & Chatman, 1986, Meyer & Allen, 1984). Steers (1977) identified factors which help create intrinsically rewarding situations for employees to be antecedents of affective commitment. These factors include such job characteristics as task significance, autonomy, identity, skills variety and feedback concerning employee job performance, perceived organisational support or dependence (the feeling that the organisation considers what is in the best interest of employees when making decisions that affect employment conditions and work environment), and the degree that employees are involved in the goal-setting and decision-making processes.

Continuance commitment refers to employees' perceptions of the costs associated with leaving the organisation. It is the willingness to remain in an organisation because of personal nontransferable investments in the form of close working relationships with coworkers, retirement investments and career investments, acquired job skills which are unique to a particular organisation, years of employment in a particular organisation, involvement in the community in which the employer is located, and other benefits that make it too costly for

one to leave and seek employment elsewhere. Meyer and Allen (1974) explain that if employees share continuance commitment with the employer, it makes it very difficult for them to leave the organisation.

Normative commitment refers to employees' perceptions of their obligation to their organisation. Such a feeling of obligation often results from what Wiener (1982) characterised as "generalised value of loyalty and duty." This is an almost natural predisposition to be loyal and committed to institutions such as family, marriage, country, religion and employment organisation as a result of socialisation in a culture that places a premium on loyalty and devotion to institutions. This view of commitment holds that an individual demonstrates commitment behaviour solely because she or he believes it is the moral and right thing to do. This feeling of moral obligation is measured by the extent to which a person feels that he or she should be loyal to his or her organisation, make personal sacrifice to help it out and not criticize it.

Meyer, Allen, & Smith (1993) say that the three types of commitment are a psychological state "that either characterises the employee's relationship with the organisation or has the implications to affect whether the employee will continue with the organisation". Meyer et al. (1993) further state that employees with a strong affective commitment will remain with an organisation because they want to, those with a strong continuance commitment remain because they have to, and those with a normative commitment remain because they feel that they ought to. Meyer & Allen (1997) define a committed employee as being one who "stays with an organisation, attends work regularly, puts in a full day and more, protects corporate assets, and believes in the organisational goals". This employee positively contributes to the organisation because of its commitment to the organisation.

In arguing for their framework, Meyer & Allen (1991) contended that affective, continuance, and normative commitment were components rather than types because employees could have varying degrees of all three. For example, one employee might feel both a strong attachment to an organisation and a sense of obligation to remain. A second employee might enjoy working for the organisation but also recognise that leaving would be very difficult from an economic standpoint. Finally, a third employee might experience a considerable degree of desire, need, and obligation to remain with the current employer (Meyer & Allen, 1997). Even though the authors present this argument, they stress that these three classifications of commitment are conceptually and empirically separable. In support of the three-pronged classification, researchers have clarified the unique antecedents and outcomes related to each type. Reliable measures of the three types of commitment have also been developed and validated.

4.3.3   Organisational Commitment and Job Satisfaction

Differences between commitment and job satisfaction are seen in several ways:

1) Job satisfaction is a response to a specific job or facet of the job while commitment is more of a global response to an organisation. Job satisfaction can thus be viewed as a micro work attitude while organisational commitment is more macro in its orientation of the individual to the organisation.

2) Job satisfaction implies an affective response to one's job as opposed to organisational commitment that refers to the strength of employee identification to the entire organisation. Therefore, organisational commitment tends to be more consistent than job satisfaction over time. Although day-to-day events in the workplace may affect an employee's level of job satisfaction, such transitory events do not significantly alter his or her attachment to the overall organisation (Mowday et al., 1982).

3) Job satisfaction reflects immediate affective reactions to the job and job facets (Locke, 1976). Thus, it forms soon after organisational entry. On the other hand, due to its macro orientation, organisational commitment is thought to develop more slowly, and after the individual possesses a firm understanding of not only the job and job facets but also of organisational goals and values, performance expectations and their consequences, and the implications of maintaining membership in the organisation (Mowday et al., 1982). Consequently, commitment is seen as forming and stabilising sometime after organisational entry.

4) Job satisfaction and organisational commitment differ in the ways they contribute to work behaviours, especially turnover. Job satisfaction tends to be correlated with turnover intention, whereas organisational commitment shows stronger correlation with actual turnover.

4.4 ANTECEDENTS OF ORGANISATIONAL COMMITMENT

Organisational commitment is related to three antecedent categories: personal variables, work situation and organisational characteristics, and work experiences. Age, gender, organisational tenure, educational level, and personal attributes are examples of personal variables. Job and role characteristics contain career mobility, job challenge, job level, role conflict, role ambiguity, level of autonomy and working hours. Finally, social involvement, personal importance and formalisation are structural factors.

4.4.1 Personal Characteristics

Research has shown that commitment is related to personal characteristics such as age, length of service in a particular organisation, gender, marital status, employee's level of education and personality attributes.

Age and Tenure: Research shows age and tenure to be positively correlated with commitment. According to Meyer and Allen (1997), as people get older and remain in their organisations, they may develop an emotional attachment with the organisation that makes it difficult to switch jobs. It may also be because older workers or those with longer organisational tenure accumulate more "side bets," such as pension plans and other benefits (Meyer & Allen, 1984) that make them more committed to stay with the organisation. Older people are also more likely to be committed probably because alternative employment opportunities diminish for them or because commitment may be a successful strategy in getting along. Meyer and Allen (1997) also suggest that the results of a positive relationship between tenure and organisational commitment might be a simple reflection of the fact that uncommitted employees leave an organisation, and only those with a high commitment remain.

Gender: Earlier research reported that women were more committed than men (Mathieu & Zajac, 1990). More recent studies, however, found no relationship between gender and organisational commitment (Van der Velde, Bossink, & Jansen, 2003).

Marital Status: Marital status has emerged as a consistent predictor of organisational commitment. Findings reported by Hrebiniak and Alutto (1972), John and Taylor (1999), and Tsui, Leung, Cheung, Mok, and Ho (1994) indicate that married people were more committed to their organisation than unmarried people. Married people have greater financial burdens and family responsibilities and need more stability and security in their jobs. Therefore, they are likely to be more committed to their current organisation than their unmarried counterparts.

Education: Level of education has been found to have a negative relationship with organisational commitment (Steers, 1977). Higher education is associated with lower commitment, perhaps because educated people have expectations the organisation cannot meet or are more committed to professions (their occupational community) than to organisations. It may also be that alternative work opportunities are greater for people with higher education. People with low levels of education, on the other hand, generally have more difficulty changing jobs and therefore show a greater commitment to their organisations.

Personal attributes: Several personal attributes are related to commitment, among them are work-oriented life interests, achievement motivation, and a sense of competence. These kinds of relationships support the notion of exchange between the employee and his organisation.

4.4.2 Work Situation and Organisational Characteristics

Commitment has been found to be related to such work characteristics as task autonomy, feedback and job challenge, promotion opportunities, training and mentoring opportunities, and supportive and considerate leadership. Finally, research studies have revealed that commitment is influenced by perceptions of organisational justice.

Job and role characteristics: Concerning job and role characteristics, both career mobility (Bhagat & Chassie, 1981) and job challenge (Kirchmeyer, 1995) are found to be positively correlated with organisational commitment. Further, role conflict, role overload and role ambiguity have a negative correlation with organisational commitment (e.g. Mayer and Schoorman, 1998). The level of autonomy in the work place is found to be very important as autonomy is significantly positively related to organisational commitment (e.g. Hall et al., 1970). Thus organisations have a greater chance of retaining their employees if they offer them interesting, challenging, unambiguous, and clearly-defined jobs and those that give them a sense of accomplishment.

Promotion Opportunities: Policies and practices concerning the movement of employees, particularly upward movement, once they are in the organisation tend to affect their commitment. For example, Gaertner and Nollen (1989) found that commitment was greater among employees who had been promoted and that it was also positively related to employees' perceptions that the company had a policy of promoting from within. Such a policy might be perceived by employees as evidence of organisational support, which in turn instills a greater commitment to the organisation.

Training Opportunities: Although commitment might not be the intended or at least the most obvious objective of training, it can nevertheless be influenced in the process. The provision of training and development sends a message to the employees that the organisation cares about them and supports them, and this is likely to lead to increased organisation commitment. Several studies have shown that training and education activities not only develop and improve employees' skills and abilities, but also enhance their commitment to the organisation (Bartlett, 2001). Bartlett's (2001) study of nurses in public U.S. hospitals demonstrated that employee attitudes toward training, such as perceived access to training, social support for training, motivation to learn, and perceived benefits of training were highly associated with organisational commitment. Meyer and Allen (1997) concluded that commitment can be impacted by training experience and affect employees' motivation for future training.

Job Security: Research studies have found job security to be positively related to organisational commitment (Yousef, 1998). The existence of job security is likely to bolster employees' perceptions of organisational support which would help to foster organisational commitment. Thus, there is a positive relationship between job security and organisation commitment.

Leadership behaviours: DeCotiis & Summers (1987) found that when employees were treated with consideration, they displayed greater levels of commitment. Bycio, Hackett, & Allen (1995) reported positive correlations between the leadership behaviours of charisma, intellectual stimulation, individualised consideration, and contingent reward and affective, continuance, and normative commitment.

Organisational justice: There are two important dimensions of organisational justice: procedural justice and distributive justice. Distributive justice refers to the perceived fairness of the amounts of compensation employees receive, whereas procedural justice refers to the perceived fairness of the means used to determine those amounts (Folger & Konovsky, 1989). Research indicates that both distributive justice and procedural justice are related to organisational commitment (McFarlin & Sweeney, 1992). Although both dimensions of organisational justice are important and have been linked to commitment, research evidence suggests that procedural justice is a better predictor of employee commitment to the organisation than distributive justice. Distributive justice, however, is a better predictor of personal outcomes such as pay satisfaction. One reason for this could be that use of fair procedures in decision making provides evidence of a genuine caring and concern on the part of the organisation for the well being of employees (Lind & Tyler, 1988). This in turn motivates the employees to continue their association with their current organisation.

Organisational support: Perceived organisational support is defined as "the extent to which employees perceive that the organisation values their contribution and cares about their wellbeing" (Eisenberger, Fasolo, & Davis-LaMastro, 1990). Researchers have discovered a positive relationship between perceived organisational support and affective organisational commitment (Meyer & Allen, 1997). Employees exchange commitment to the organisation for greater care, concern, and support from the organisation.

Organisational culture: Recent studies point to the importance of organisational culture in predicting organisational commitment. Organisational culture refers to a complex pattern of assumptions, beliefs and values that guide the behaviour of individuals in organisations (Schein, 1996). Lok and Crawford (2001) found that innovative organisational culture, characterised by a willingness to experiment and innovate was a strong predictor of organisational commitment Hatton et al. (1999) indicated that greater employee commitment was associated with cultures that were more tolerant, staff-oriented, achievement oriented, innovative, and rewarding. Furthermore, organisational cultures that foster staff empowerment and trust in management have been linked to higher organisational commitment (Laschinger et al., 2001). It is reasoned that organisational culture influences employees' sense of engagement, identification and belonging and such sentiments seem to have an impact on commitment.

Working Conditions: Good working conditions such as clean, attractive surroundings enable employees to perform their work smoothly and thus are likely to have a positive impact on organisational commitment. Research by Painter and Akroyd (1998) found that the general working conditions were significantly related to organisational commitment.

Type of work sector: Research has found that government employees have higher levels of continuance commitment than other sectors (Perry, 1997; Meyer & Allen, 1997). This is due to the antecedents of public service motivation. Because public sector employees in the past have high levels of commitment to the organisation and its goals because it is argued that they are a different type of employee, with strong ethics as well as job security (Perry, 1997). Lio (1995) states "facing today's difficult times, many public employees appreciate the relatively secure job situation associated with public employment and consider it a major reason for their organisational commitment".

4.4.3   Work Experiences

The extent of job involvement, level of job satisfaction and the degree of trust are some of the important work experiences that influence an employee's commitment to his/her organisation.

Job Involvement: Job involvement concerns an individual's ego involvement with the job–that is, the degree to which an individual's self esteem is affected by his/her work performance (Lodahl & Kejner, 1965). Several studies have revealed a significant positive relationship between organisational commitment and job involvement. One explanation for this could be that for employees with a high level of job involvement, the job is important to one's self image. These high-involvement employees identify with, and care about, their jobs and are thus less likely to quit their jobs.

Job satisfaction: Although there is certainly a chicken-and-egg debate over issues regarding the relationship between job satisfaction and organisational commitment, several researchers have made the case that job satisfaction is a predictor of organisational commitment (Porter, Steers, Mowday, & Boulian, 1974).

Trust: Trust refers to the person's degree of confidence in the words and actions of another. Trust in organisational authorities has been shown to influence a

variety of subordinate's work attitudes and behaviour (Brockner et al., 1997). When trust levels are high, employees are supportive of, or committed to, authorities and the institutions that the authorities represent. Brockner et al. (1997) report that trust has a positive effect on employee commitment. In a similar vein, Dirks and Ferrin's (2002) research findings demonstrate a substantial relationship between trust in leadership and organisation commitment.

Self Assessment Questions

1) Examine the personal characteristics that influence organisational commitment.

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2) Discuss the role of promotional and training opportunities in determining employee commitment.

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3) Examine organisational culture as an antecedent to organisational commitment.

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4) How do employee perceptions of organisational justice influence their commitment?

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5) Discuss the ways in which work experiences affect organisational commitment.

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4.5 CONSEQUENCES OF ORGANISATIONAL COMMITMENT

In general, organisational commitment is considered a useful measure of organisational effectiveness (Steers, 1977). In particular, "organisational commitment is a "multidimensional construct" (Morrow, 1993) that has the potential to predict organisational outcomes such as performance, turnover, absenteeism, tenure, and organisational goals" (Meyer & Allen, 1997).

Meta analyses indicate that commitment is negatively related to turnover (Cooper-Hakim & Viswesvaran, 2005), absenteeism (Farrell & Stamm, 1988), and counterproductive behaviour (Dalal, 2005) and positively related to job satisfaction (Cooper-Hakim & Viswesvaran, 2005), motivation (Mathieu & Zajac, 1990), and organisational citizenship behaviours (Riketta, 2002). Moreover, research studies have provided evidence of a positive correlation between organisational commitment and job performance (e.g., Meyer, Paunonen, Gellatly, Goffin, & Jackson, 1989). Low commitment has also been associated with low levels of morale (DeCottis & Summers, 1987) and decreased measures of altruism and compliance (Schappe, 1998). Finally, non-committed employees may describe the organisation in negative terms to outsiders thereby inhibiting the organisation's ability to recruit high-quality employees (Mowday, Porter, & Steers, 1982). These findings have important implications for both organisation theory and the practice of management.

In general, affective commitment seems more strongly related to organisational outcomes such as performance and turnover than the other two commitment dimensions. One study found that affective commitment was a significant predictor of various outcomes (perceptions of task characteristics, career satisfaction and intention to leave) in 72% of the cases, compared with only 36% in normative commitment and 7% for continuance commitment. Research further suggests that employees with high levels of continuance commitment have lower performance ratings and less likely to engage in organisational citizenship behaviours. Furthermore, unionised employees with high continuance commitment are more likely to use formal grievances, whereas employees with high affective commitment engage in more constructive problem solving when employee-employer relations turn sour.

However, it is important to note that too much of affective commitment can also have negative consequences for an organisation. One concern is the organisational loyalty reduces turnover, which may limit the organisation's opportunity to hire new employees with different knowledge and fresh perspectives. Another concern is that loyalty results in conformity, which can undermine creativity and ethical conduct.

4.6 BUILDING ORGANISATIONAL COMMITMENT

Increasing employees' organisational commitment is a major challenge in today's world primarily because there is an intense competition among organisations in recruiting and retaining a highly skilled workforce. There have also been drastic changes in the labour market since the past two decades, including increased globalisation, frequent mergers, and organisational restructuring that are

contributing to employee job insecurity and the rapid growth of a temporary workforce. Further, to cope with the uncertainty of the labour market, employees are devoting more attention to aspects of their lives outside of their organisations in which they believe that they have more control. For all of these reasons, strengthening employees' organisational commitment is increasingly becoming difficult. Nonetheless, there are ways in which organisational commitment can be promoted that are discussed below:

Justice and support – Affective commitment is higher in organisations that fulfill their obligations to employees and abide by humanitarian values such as fairness, courtesy, forgiveness, and moral integrity. When organisations have a comprehensive grievance procedure and provide for extensive two-way communications, they tend to foster commitment among its employees. Thus employers that support employee well-being tend to cultivate higher levels of loyalty in return.

Shared interests – Commitment tends to be higher in organisations that align their interests with those of their employees. Many companies introduce profit-sharing plans – that is, incentive plans in which employees receive bonuses in proportion to the company's profitability. Such plans are often quite effective in enhancing organisational commitment, especially when they are perceived to be administered fairly. By letting employees share in the company's profitability, they are more likely to see their own interest as consistent with those of their company. And when these interests are aligned, commitment tends to be high.

Trust – Trust refers to positive expectations one person has toward another in situations involving risk. Trust means putting faith in the other person or group. It is also a reciprocal activity: to receive trust, one must demonstrate trust. Employees identify with and feel obliged to work for an organisation only when they trust its leaders. This explains why layoffs are one of the greatest blows to employee loyalty – by reducing job security, companies reduce the trust employees have in their employers and the employment relationship.

Organisational comprehension – Commitment is strengthened when employees understand the company, including its past, present and future. Thus loyalty tends to increase with open and rapid communication to and from corporate leaders, as well as with opportunities to interact with co-workers across the organisation.

Employee involvement – Employee involvement increases affective commitment by strengthening the employee's social identity with the organisation. Employees feel that they are part of the organisation when they take part in decisions that guide the organisation's future. They also feel involved when they get to perform a wide variety of tasks and enjoy considerable autonomy in doing them. Therefore programs designed to provide job challenge, enrichment and empowerment helps to increase employee commitment to the organisation.

Training and development – Training and development of employees not only helps them grow and sharpen their skills, it also ensures employees' commitment and retains the best talent in the organisation. Thus programs designed to develop cross-functional skills and to facilitate mobility within the organisation, foster employees' bond with the organisation by reinforcing the organisation's concern with the development of the individual.

Self Assessment Questions

1) Describe the consequences of organisational commitment.

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2) Discuss the ways of building employee commitment to the organisation.

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4.7 LET US SUM UP

Organisational commitment is an important attitudinal variable in organisational research and applied settings. It is believed to be a multi-dimensional construct with affective, continuance and normative components. There are several factors that influence employees' organisational commitment including personal variables, work situation and organisational factors, and work experiences. Organisational commitment is an important attitude as it influences important outcomes both for the employee and the organisation.

4.8 UNIT END QUESTIONS

1) Describe the significance of organisational commitment as an organisational variable.

2) Explain the meaning of organisational commitment. Describe the components of commitment using Meyer & Allen's multidimensional model.

3) Distinguish between organisational commitment and job satisfaction.

4) Examine the personal characteristics that influence an employee's commitment to his/her organisation.

5) Describe the work situation and organisational factors that have an impact on organisational commitment.

6) Give an account of the outcomes of organisational commitment.

7) What steps can an organisation take to ensure that employees stay committed to them?

4.9 GLOSSARY

Organisational commitment	:	The psychological bond that an employee has with an organisation that has been found to be related to goal and value congruence, behavioural investments in the organisation, and allegiance to the organisation.
Affective commitment	:	Employees' perceptions of their emotional attachment to or identification and involvement with their organisation and its goals.
Continuance commitment	:	Employees' perceptions of the costs associated with leaving the organisation.
Normative commitment	:	Employees' perceptions of their obligation to their organisation.
Job satisfaction	:	Affective response to one's job.
Distributive justice	:	Perceived fairness of the amounts of compensation employees receive.
Procedural justice	:	Perceived fairness of the means used to determine the amounts of compensation employees receive.
Organisational support	:	Extent to which employees perceive that the organisation values their contribution and cares about their wellbeing.
Organisational culture	:	Complex pattern of assumptions, beliefs and values that guide the behaviour of individuals in organisations.
Trust	:	Positive expectations one person has toward another in situations involving risk.
Profit-sharing plans	:	Incentive plans in which employees receive bonuses in proportion to the company's profitability.

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UNIT 1   DEFINITION OF LEADERSHIP AND IMPORTANCE OF TEAM BUILDING

Structure

1.0   INTRODUCTION

This unit covers the leadership and team building. We start with definition of leadership and importance of team building. This is followed by classification of leadership which consists of executive appointed leadership, leadership appointed by the group, self appointed leader etc. Then we also deal with democratic, authoritarian and institutional leaderships. Then we take up the various factors constituting leadership and within this we discuss the leader, followers, communication and situations. Then we take up characteristics of leadership within which we discuss the interpersonal skills, communication skills, values, organisational consciousness etc. Then we take up the tasks of leadership within which we deal with confidence, flexibility, creative skills, achieving results etc. This is followed by approach of leadership and this is discussed in terms of the trait approach, authoritarian approach, Likert system approach, managerial grid approach etc. Then we present the team definition and team building aspects and present 12 Cs for team building.

1.1   OBJECTIVES

After completing this unit you will be able to:

- Define leadership;

- Understand the types of leadership;

- Describe the approaches to leadership;

- Explain the tasks of leadership; and

- Describe the team and team building.

1.2   DEFINITION OF LEADERSHIP

What is leadership? A simple *definition of leadership* is that leadership is the art of motivating a group of people to act towards achieving a common goal.

This definition of leadership captures the leadership essentials of inspiration and preparation. Effective leadership is based upon ideas, but will not happen unless those ideas can be communicated to others in a way that engages them.

Put even more simply, the leader is the inspiration and director of the action. He is the person in the group that possesses the combination of personality and leadership skills that makes others want to follow his direction.

In business, leadership is welded to performance. Those who are viewed as effective leaders are those who increase their company's bottom lines.

Leadership is a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent.

Leaders carry out this process by applying their leadership knowledge and skills. This is called *Process Leadership*. However, we know that we have traits that can influence our actions. This is called *Trait Leadership* in that it was once common to believe that leaders were born rather than made.

Peter Drucker defined leader as someone who has followers. To gain followers requires influence but does not exclude the lack of integrity in achieving this. Indeed, it can be argued that several of the world's greatest leaders have lacked integrity and have adopted values that would not be shared by many people today.

In the 21 Irrefutable Laws of Leadership, John Maxwell sums up his definition of leadership as "leadership is influence - nothing more, nothing less." This moves beyond the position defining the leader, to looking at the ability of the leader to influence others, that is, both those who would consider themselves followers, and those outside that circle. Indirectly, it also builds in leadership character, since without maintaining integrity and trustworthiness, the capability to influence will disappear.

Warren Bennis' definition of leadership is focused much more on the individual capability of the leader. He defined leadership as a function of knowing oneself, having a vision that is well communicated, building trust among colleagues, and taking effective action to realize one's own leadership potential.

Leadership is the art of influencing others to direct their will, abilities and efforts to the achievement of leader's goals. In the context of organizations, leadership lies in influencing individual and group effort toward the optimum achievement of organizational objectives.

Leadership focuses on "people" aspect of management and is based on the assumption that organizational effectiveness significantly depends on their motivation, effort and abilities. The human relations movement, beginning with the Hawthorne studies in early thirties, focused on the important role of employee motivation and group norms of organizational success. This led to the recognition of leadership effectiveness as an important determinant of organizational effectiveness.

It is the manager in his leadership role who has to stimulate and inspire the employees to contribute willingly and cooperatively to the optimum achievement

of organizational goals. In this context, one important term we can use, i.e., team. Generally, team members support one another. They offer suggestions and give feedback to other members. They may disagree but work to resolve differences and reach consensus. Each and every member of the team trust and support other members.

Any one who acts as a model to others is often called a "leader". Leadership is attribute of that person who is an ideal for the other members of the group. Leadership is the behaviour that affects the behaviour of other people, more than their behaviour affects that of the leader. In fact we can say that in every group every member bears some relation to the others and all of them influence and affect each other. Leader leads, suggests, orders and also guides. Other people follow him. We can say that leadership and domination are not the same meaning.

According to MacIver and Page Leadership is the capacity to persuade or to direct man that comes from personal qualities apart from office. It indicates the difference between leadership and office. An individual does not become a leader only by occupying an office which carries responsibility. It is a matter of secondary importance that his important office is of assistance to him in his endeavour to become a leader. Leadership depends upon the individual qualities of the person and not the office that he holds. Leadership is the term which denotes the behaviour or functions of the leader. The leader affects the individual in such a way they surrender themselves and follow his dictates.

According to Pigors, "Leadership is a process of control in which by the assumption of superiority a person or group regulates the activities of others for purposes of his own choosing." Considering this, we can further say that the *characteristics of leadership* are as follows:

1) Leader is the total ideal of the followers.

2) Leader is shown regard.

3) Leader and the followers influence each other.

4) Leader's order is a command.

5) Leader controls the other member of the group.

6) Leader determines the group's conduct.

7) Leader is a respected and revered person.

1.3 CLASSIFICATION OF LEADERSHIP

To know about leadership more we need to understand about the bases of leadership. We can classify leadership on the basis of origin, viz., (i) executive appointed leadership (ii) leader appointed by the group (iii) self appointed leader. These are being presented below.

1.3.1 Executive Appointed Leadership

The person is appointed by the executive and the leadership stems from the office or post to which the person is appointed by the executive. The class of government officers is of this type.

1.3.2 Leader Appointed By the Group

These leaders are elected by the group. Public leaders of panchayats, local groups, the Lok Sabha and Rajya Sabha are elected by the group.

1.3.3 Self-Appointed Leader

There are some leaders whose authority derives neither from the executive nor the group because it is not vested in them by these groups. They advance because of their individual qualities and having attained the central position, lead the people. They are recognized as such because of their qualities.

Besides the above, we can classify leadership on the basis of some purpose. Different groups make efforts for the achievement of different aims in their respective individual spheres. The individuals who appear to be most resourceful in the attainment of any purpose and a qualified person are accepted as leader. We can classify this into two categories, viz., (i) intellectual leadership and (ii) artistic leadership and (iii) exective leadership.

1.3.4 Intellectual Leadership

This leadership is in the intellectual field. In the field of philosophy, science etc. the greatest thinkers can be said as intellectual leaders because they show the way and the others follow them.

1.3.5 Artistic Leadership

This leadership is in the field of art, only the great artists can provide the leadership.

1.3.6 Executive Leadership

This type of leadership is in the sphere of administration, it is the authoritative personality who becomes the leader.

Also leadership can be on the basis of nature, viz., (i) authoritarian leader (ii) democratic leader (iii) institutional leader (iv) dominant leader (v) expert leader (vi) persuasive leader

1.3.7 Authoritarian Leadership

The authoritarian leader is an individual who likes to assert his authority. He does not consult any one in taking decisions and leads by creating fear into the hearts of his followers and subordinates. He keeps all his authority in his hands and appoints reliable subordinates at crucial position. Leader of this kind is an officer and an authoritarian. He prefers to issue orders and punishes who disobey him.

1.3.8 Democratic Leadership

This type of leader is of a democratic mould in his thoughts, modes of action and conduct. He takes advice from every one and is always anxious to enlist the cooperation of any one who is willing to give it. His leadership is based upon sympathy, belief and affection. He does not call himself a leader and neither does he take all the authority into his own hands.

1.3.9 Institutional Leadership

There are some individuals who occupy the highest post. His orders are appreciated and implemented because of the authority vested in his chair. The institutional leader is not leader but the officiating head.

1.3.10 Dominant Leader

The leader is so called because he maintains a relation of authority and dominance with his followers or subordinates. He does not rule over them. However successful he may appear because of his power and authority.

1.3.11 Expert Leadership

A Leader of this type does not put any premium on maintaining social contact with their followers, understanding them or even knowing their thoughts. People come to them for advice from time to time, respect their opinions.

Expert leaders are experts, and should not be considered as leaders. The basis of their contact with their followers and subordinates is their special ability and efficiency.

1.3.12 Persuasive Leadership

The persuasive leaders win the heart of their followers and do their best to maintain the closest social contact with them. These are the real leaders. It is only this kind of individual who really exhibits all the qualities of leadership.

The overall picture reveals a variety of leadership style and their characteristics which we have to know about leadership. In can context of organizational setting only three major leadership style we can discuss here. These are autocratic, democratic and lassiez-faire leadership style and each of which have some significant features.

Salient Features of Autocratic/Authoritarian/Production Centered leadership

- Exercises close supervision.
- Makes most decision himself.
- Emphasizes on production.
- Permits little or no initiative to subordinates.
- Gives detailed instructions and directions.
- Subordinates' suggestions and ideas are not allowed.
- Authority oriented.

Salient features of Democratic/ Employee centered leadership

- Delegate authority and responsibility.
- Manages through objectives.
- Permits initiative and responsibility.
- Seeks and encourages employees' suggestions.
- Participative decision-making.
- Emphasizes production as well as employee satisfaction.

Laissez-Faire leadership

- Emphasizes neither production, nor employee satisfaction.

- It is directionless.

- Employees are left to drifting.

Transformational leadership

Besides this, there is another type of leadership, named transformational leadership. It is defined as leadership that goes beyond normal expectations by inspiring new ways of thinking, stimulating learning experiences and transmitting a sense of mission. These leaders are sometimes called super leaders. They act in such a way that it is possible to transform average organization into exceptional organization.

1.4 FACTORS OF LEADERSHIP

1.4.1 Leader

The leader must have an honest understanding of who he is, what he knows, and what he can do. Also, note that it is the followers, not the leader or someone else who determines if the leader is successful. If they do not trust or lack confidence in their leader, then they will be uninspired. To be successful the leader must convince his followers, that he is worthy of being followed.

1.4.2 Followers

Different people require different styles of leadership. For example, a new hire requires more supervision than an experienced employee. A person who lacks motivation requires a different approach than one with a high degree of motivation. The leader must therefore know his people. The fundamental starting point is having a good understanding of human nature, such as needs, emotions, and motivation. The leader must know his employees and their attributes.

1.4.3 Communication

The leader leads through two way communication. He has to set the example and xcommunicate to them that he would not ask them to perform anything that he would not be willing to do. What and how the leader communicates either builds or harms the relationship between the leader and his employees.

1.4.4 Situation

All situations are different. What one does in one situation will not always work in another. The leader must use his judgment to decide the best course of action and the leadership style needed for each situation. For example, the leader may need to confront an employee for inappropriate behavior, but if the confrontation is too late or too early, too harsh or too weak, then the results may prove ineffective.

Also note that the *situation* normally has a greater effect on a leader's action than his or her traits. This is because while traits may have an impressive stability over a period of time, they have little consistency across situations. This is why a number of leadership scholars think the *Process Theory of Leadership* is a more accurate than the *Trait Theory of Leadership*.

Various forces will affect these four factors. Examples of forces are the leader's relationship with his seniors, the skill of his followers, the informal leaders within his organization, and how his organization is organized.

1.5 CHARACTERISTICS OF LEADERSHIP

Leadership characteristics are an interesting topic because some people wonder if they possess these characteristics without completely understanding what they might be. In other words, we have people trying to figure out if they are leaders, but they do not really understand what defines a leader. Let us take a close look at some of the characteristics of a leader.

Characteristics of a Leader

Listed below are eight leadership characteristics

1.5.1 Interpersonal Skills

The first leadership characteristic is the interpersonal skills. Leaders that have earned the trust and respect of their followers can use this trust to move the organization towards the achievements of its goal. These leaders are able to use their interpersonal skills to work through difficult relationships, and keep the peace in their departments. These individuals are good at listening as well as providing constructive feedback.

1.5.2 Communication Skills

Leaders demonstrating communication skills are both good speakers and listeners. Through their words they can help keep the workforce motivated and committed. They also listen to their followers, and ask questions when they want to make sure they have a good understanding of what is being expressed.

1.5.3 Values

Leaders must also value the diversity of a workforce, and understand that a diverse group of employees will bring a broader perspective to the organization. They will treat followers with the respect they deserve, and do not display favoritism. They operate with a high level of ethics, which becomes an example for others to follow.

1.5.4 Organizational Consciousness

Leadership characteristics sometimes go beyond personal traits, and touch on areas such as organizational consciousness or knowledge. These are leaders that understand what the organization wants to achieve, and know how it can be accomplished. They create networks within the organization to help their groups get work done, and are just as adept at breaking down organizational barriers to progress.

1.5.5 Confidence

Leaders need to carry themselves with confidence, and should not be afraid to take ownership for both popular and unpopular decisions. They must be able to learn from criticisms, and be often acutely aware of their own shortcomings. Confident leaders are able to maintain a calm demeanor even during emergencies, and this can be contagious when it needs to be.

1.5.6 Flexibility

Another important characteristic of leaders are their ability to remain flexible, and adapt their leadership style to meet the demands of the current work environment. They must be able to work with others to meet organizational goals, and shift focus as necessary.

1.5.7 Creativity Skills

Leaders demonstrating creativity skills are able to develop innovative solutions to old problems. The diversity they build in their organizations helps them to develop more comprehensive answers to routine questions. Creative leaders are able to translate technical information into solutions that are understood by everyone.

1.5.8 Achieving Results

Leaders just do not set the example for others to follow. They also play a big role in achieving the goals of the organization. Through their leadership skills, they maintain a high level of performance in their organizations, and they are able to help keep their workforce motivated even when faced with a seemingly impossible situation.

Since they have a deep understanding of what an organization needs to accomplish, they are able to quickly identify and solve the important objectives of an organization.

Leadership is much more complex than merely earning a high-status position in a company, and the ability to order people to do things. It is a participative journey that the leader must be willing to walk with others. It is a skill that's acquired over a lifetime, and these characteristics are something we can practice about every day of our life. A great leader is one who learns from his mistakes

1.6 TASKS OF LEADERSHIP

The principal tasks of leadership are presented below:

1) To recognize that people differ in their motivational pattern.

2) To gain an understanding of group dynamics.

3) To create an environment that produces convergence of individual goals and organizational goals.

4) To stimulate and inspire employees as individuals and group members to make their optimum contribution to organizational efficiency and effectiveness.

5) To make sense of changing environment, interpret it to employees and redirect their efforts to adapt to changing situation.

1.7 APPROACHES OF LEADERSHIP

The main approaches of leadership are:

1) The trait approach.

2) Approaches based on the use of authority.

3)   Likert's approach.

4)   The managerial grid approach.

5)   The path-goal approach.

6)   The contingency approach.

7)   The continuum approach.

Let us discuss these aspects one by one below.

1.7.1   The Trait Approach

The trait approach aims at identifying some unique qualities that would distinguish more effective managers from less effective managers.

1.7.2   The Use of Authority Approach

One approach classified managers as democratic, authoritarian and lassiez-faire. The Ohio State University studies identified leadership on two orthogonal dimensions, viz., consideration and initiation. The University of Michigan studies distinguished between production oriented and employee oriented leaders on a simple dimension.

1.7.3   Likert System Approach

There are mainly four types of approach. System I is Exploitative Authoritarian system, System II is Benevolent Authoritative system, System III is Consultative and System IV is Participative group leadership. The system IV is most effective for employee need satisfaction as well as optimum organizational performance.

1.7.4   Managerial Grid Approach

Leadership style in on a grid with 9-point on the horizontal axis and 9-point on vertical axis. Horizontal axis indicates "Concern for production" and vertical axis indicates " concern for people".

We can say 1, 1 leadership style is impoverished management with minimum concern for production and minimum concern for people; 9,1 style leader indicates maximum concern for production and minimum concern for people. We can further say that 1,9 style indicates minimum concern for production and maximum concern for people. 9,9 style is most effective because it indicates maximum concern for production and maximum concern for people. In this context it can be said that 5,5 style is recognized as mid-of-the-road style.

1.7.5   Path-Goal Approach

Leader's effectiveness depends on his ability to provide opportunities for employee need satisfaction and make need satisfaction contingent on performance effectiveness.

1.7.6   Contingency Approach

There are mainly two kinds of behaviour – (i) task-oriented and (ii) people and interpersonal-oriented. What kind of leader will succeed depends on the three situations mainly:

•   Leader's personal relationship with group members.

- Formal authority of the leader and

- Degree of task structure.

Task oriented leaders will be effective when situation is very favourable or very unfavourable. In intermediate situations, people and inter-personal oriented leader will be effective.

1.7.7 Continuum Approach

There are mainly seven types of leader's behaviour on a continuum. At one end of the continuum, the leader has almost full freedom to make decision and at the other end subordinate group has it. In the middle, both have equal freedom when leader presents tentative decisions subject to change after non-manager input. Mainly the choice of leadership style depends on the situation. On the other hand, manager consider three following factors, viz.,

- forces within himself,

- forces in the subordinate and

- forces in the situation.

An organization may choose any approach considering the above mentioned leadership approaches.

1.8   TEAM AND TEAM BUILDING

When group interaction is necessary to job performance, team building can be used to foster team spirit, cooperation and commitment to group success. Some special features we can say about team:

Performance includes individual efforts and collective work products which are the result of joint and coordinated attempts.

1) Indication of shared leadership roles.

2) Indication of individual and mutual accountability.

3) Encourages open-ended active, problem-solving meeting.

4) Complementary by nature.

5) Indication of positive action.

6) Discusses, decides and does real work together.

7) Indication of trust among the group members.

8) Each and every member of the team supports one another willingly.

9) If disagreement happens, still team members work to resolve differences and reach consensus.

10) Team members offer suggestions and give feed-back to other members.

11) Actually teams create the potential for an organization to generate greater outputs.

People in every workplace talk about building the team, working as a team, and my team, but few understand how to create the experience of team work or how to develop an effective team. Belonging to a team, in the broadest sense, is a result of feeling part of something larger than one's self. It has a lot to do with one's understanding of the mission or objectives of the concerned organization.

In a team oriented environment, the individuals contribute to the overall success of the organization. Every employee works with fellow members of the organization to produce these results. Even though an individual employee may have a specific job function and he belongs to a specific department, such persons are unified with other organization members to accomplish the overall objectives. The bigger picture drives management's actions and the manager's function exists to serve the bigger picture.

One needs to differentiate this overall sense of teamwork from the task of developing an effective intact team that is formed to accomplish a specific goal. People confuse the two team building objectives. This is why so many team building seminars, meetings, retreats and activities are deemed failures by their participants. Leaders fail to define the team they want to build. Developing an overall sense of team work is different from building an effective, focused work team when the management considers team building approaches.

1.9 TWELVE CS FOR TEAM BUILDING

Executives, managers and organization staff members universally explore ways to improve business results and profitability. Many view team-based, horizontal, organization structures as the best design for involving all employees in creating business success.

No matter what one calls the team-based improvement effort, whether it is continuous improvement, total quality, lean manufacturing or self directed work teams, it is clearly evident that the management are striving to improve results for customers. Few organizations, however, are totally pleased with the results and their team improvement efforts produce. If the team improvement efforts are not living up to one's expectations, this self diagnosing checklist may tell you why. Successful team building, that creates effective, focused work teams, requires attention to each of the following.

1.9.1 Clear Expectations

Has executive leadership clearly communicated its expectations for the team's performance and expected outcomes? Do team members understand why the team was created? Is the organization demonstrating constancy of purpose in supporting the team with resources of people, time and money? Does the work of the team receive sufficient emphasis as a priority in terms of the time, discussion, attention and interest directed its way by executive leaders?

1.9.2 Context

Do team members understand why they are participating on the team? Do they understand how the strategy of using teams will help the organization attain its communicated business goals? Can team members define their team's importance to the accomplishment of corporate goals? Does the team understand where its work fits in the total context of the organization's goals, principles, vision and values?

1.9.3 Commitment

Do team members want to participate on the team? Do team members feel the team mission is important? Are members committed to accomplishing the team

mission and expected outcomes? Do team members perceive their service as valuable to the organization and to their own careers? Do team members anticipate recognition for their contributions? Do team members expect their skills to grow and develop on the team? Are team members excited and challenged by the team opportunity?

1.9.4 Competence

Does the team feel that it has the appropriate people participating? (As an example, in a process improvement, is each step of the process represented on the team?) Does the team feel that its members have the knowledge, skill and capability to address the issues for which the team was formed? If not, does the team have access to the help it needs? Does the team feel it has the resources, strategies and support needed to accomplish its mission?

1.9.5 Charter

Has the team taken its assigned area of responsibility and designed its own mission, vision and strategies to accomplish the mission. Has the team defined and communicated its goals; its anticipated outcomes and contributions; its timelines; and how it will measure both the outcomes of its work and the process the team followed to accomplish their task? Does the leadership team or other coordinating group support what the team has designed?

1.9.6 Control

Does the team have enough freedom and empowerment to feel the ownership necessary to accomplish its charter? At the same time, do team members clearly understand their boundaries? How far may members go in pursuit of solutions? Are limitations (i.e. monetary and time resources) defined at the beginning of the project before the team experiences barriers and rework?

Is the team's reporting relationship and accountability understood by all members of the organization? Has the organization defined the team's authority? To make recommendations? To implement its plan? Is there a defined review process so both the team and the organization are consistently aligned in direction and purpose? Do team members hold each other accountable for project timelines, commitments and results? Does the organization have a plan to increase opportunities for self-management among organization members?

1.9.7 Collaboration

Does the team understand team and group process? Do members understand the stages of group development? Are team members working together effectively interpersonally? Do all team members understand the roles and responsibilities of team members? team leaders? team recorders? Can the team approach problem solving, process improvement, goal setting and measurement jointly? Do team members cooperate to accomplish the team charter? Has the team established group norms or rules of conduct in areas such as conflict resolution, consensus decision making and meeting management? Is the team using an appropriate strategy to accomplish its action plan?

1.9.8 Communication

Are teams members clear about the priority of their tasks? Is there an established method for the teams to give feedback and receive honest performance feedback?

Does the organization provide important business information regularly? Do the teams understand the complete context for their existence? Do team members communicate clearly and honestly with each other? Do team members bring diverse opinions to the table? Are necessary conflicts raised and addressed?

1.9.9 Creative Innovation

Is the organization really interested in change? Does it value creative thinking, unique solutions, and new ideas? Does it reward people who take reasonable risks to make improvements? Or does it reward the people who fit in and maintain the status quo? Does it provide the training, education, access to books and films, and field trips necessary to stimulate new thinking?

1.9.10 Consequences

Do team members feel responsible and accountable for team achievements? Are rewards and recognition supplied when teams are successful? Is reasonable risk respected and encouraged in the organization? Do team members fear reprisal? Do team members spend their time finger pointing rather than resolving problems? Is the organization designing reward systems that recognize both team and individual performance? Is the organization planning to share gains and increased profitability with team and individual contributors? Can contributors see their impact on increased organization success?

1.9.11 Coordination

Are teams coordinated by a central leadership team that assists the groups to obtain what they need for success? Have priorities and resource allocation been planned across departments? Do teams understand the concept of the internal customer—the next process, anyone to whom they provide a product or a service? Are cross-functional and multi-department teams common and working together effectively? Is the organization developing a customer-focused process-focused orientation and moving away from traditional departmental thinking?

1.9.12 Cultural Change

Does the organization recognize that the team-based, collaborative, empowering, enabling organizational culture of the future is different than the traditional, hierarchical organization it may currently be? Is the organization planning to or in the process of changing how it rewards, recognizes, appraises, hires, develops, plans with, motivates and manages the people it employs?

Does the organization plan to use failures for learning and support reasonable risk? Does the organization recognize that the more it can change its climate to support teams, the more it will receive in pay back from the work of the teams?

1.10 DEVELOPMENT OF A TEAM

We know that in each and every step of our common activity we require to develop a team so that performance level will be increased and effective one considering the existing scenario of the activity. The significant points in this context we can mention here are as follows:

1) Have to create a balanced set of roles.

2) Have to develop communication and process awareness.

3) Have to understand team preferences.

4) Have to establish review mechanism.

5) Have to develop facilitation skills for effective meetings.

6) Have to confront issues and problems.

7) Have to manage stress.

8) Have to define team goal.

9) Have to take decisions based on consensus.

10) Have to implement shared leadership and create equality of contribution.

According to, Richard Beckhard, team building efforts typically have one or more of the following goals:

- To set team goals and priorities.

- To analyze or allocate the work performed.

- To examine the way the group is working, i.e., to examine processes such as norms, decision-making and communications.

- To examine relationships among the people doing the work.

According to Moorhead and Griffin, team building precedes in much the same manner as other change processes: identification of the problem, data gathering, diagnosis, planning, implementing and evaluation. Its distinguishing feature is group participation at each step in the process. A permanent team is generally composed of members from several departments or work units who meet regularly for the purpose of resolving problems of a common interest. Permanent team is similar to a task force and in fact, it has been known to remain in place for several years.

1.11 LET US SUM UP

Managers generally use the formal position and power of their jobs to influence subordinates. On the other hand, leaders use social processes. Thus a person may be a both a manager and a leader. A formal leader is one who is appointed but an informal leader emerges from the work group. A successful leader may have the trait characteristics, like, adaptable to the situation, cooperative, persistent, tolerant of stress, decisive, alert to the social environment, ambitious and achievement-oriented, energetic, self-confident, energetic and willing to assume responsibility. For the proper development of an organization appropriate leadership style and characteristics of the leader as well as suitable team work is necessary. Undoubtedly, team should have suitable goals, spirit, cooperation and commitment to group success. To build a team a process should be followed appropriately.

1.12 UNIT END QUESTIONS

1) What do you mean by the term leadership?

2) What is the difference between autocratic and democratic leadership style?

3) What is managerial grid approach?

4) What do you mean by the term 'team'?

5) How can you develop a team?

6) What is team building?

7) Is there any relationship between leadership and team? –Discuss.

8) Discuss the properties of team

1.13 SUGGESTED READINGS

Fred Luthans, (1998). *Organizational Behaviour*, International Eighth edition, Irwin McGraw Hill.

Robbins, S.P. (1994). *Organizational Behaviour, concepts, controversies and applications*, 6th edition, N.J. Prentice Hall.

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UNIT 2   CHANGE MANAGEMENT

Structure

2.0 INTRODUCTION

In this unit we will be discussing about change management. To understand change management we need to know first all about management. Thus we start this unit giving details about important aspects related to management. Then we define management,. This is followed by approaches of management. Then we take up nature of management under which we discuss management an economic resource, a system of authority, a class team or group.

We also consider management as an art and as a science. Finally we consider management as a profession. This is followed by management principles followed by elucidating the management functions which includes planning, organizing, stffing, directing, coordinating and controlling. In the following section we deal with change management, its definition etc. This is followed by issues related to change management that includes responsibility for managing change, how to involve people so as to make the changes effective. Then we elucidate the change management principles and the eight steps to successful change. Then we discuss how organsiational change training and learning and motivation contribute to change in the organization. It is then pointed out as to how people normally would not consent to change and hence what are all to be done in order to get people consent to change and these are given in facts 1,2 and 3. Then we delineate the 5 basic principles of change and how to apply the same to effect change in an organization. Finally we discuss the psychological contract and people organizational relationship.

2.1 OBJECTIVES

After reading this unit you will be able to:

- Explain the concept of management;

- Describe the characteristics of management;

- Elucidate the approaches to management;

- Explain the management functions;

- Define change management

- Elucidate the principles of change management

- Describe psychological contract and people-organization relationship; and

- Analyse change management and principles of change management.

2.2 IMPORTANT ASPECTS ABOUT MANAGEMENT

Human beings, from the very beginning of their existence on this planet, have engaged themselves in activities, which have provided them better way of living. When the people found it difficult to perform various activities alone, they sought cooperation of others which later on took the shape of the organization. With the technological innovation, greater degree of specialization and division of labour were needed which also resulted in the large number of individuals working together and getting the collective objectives through their integrated efforts. However, in this process an agency to integrate these efforts was needed and that gave rise to management.

Management is the integrating force in all kinds of organized activity. It is not unique to business organizations but common to all kinds of social organizations. Management is the social process of planning, organizing, staffing, directing, coordinating and controlling for the determination and achievement of organizational objectives in a dynamic environment.

2.2.1 Definition of Management

There are various definitions about managent, which are as given below:

1) Management is the function of executive leadership everywhere.

2) Management is the process of getting things done through the agency of a community. The functions of management are the handling of a community with a view to fulfilling the purposes for which it exists.

3) Management is a technique by means of which the purposes and objectives of a particular human group are determined, clarified and affected.

4) The six essential functions of management are planning, organizing, directing, staffing, coordinating and controlling.

5) Management embraces all duties and functions that pertain to the initiation of an enterprise, its financing, the establishment of all major policies.

6) Management entails the coordination of human effort and material resources toward the achievement of organizational objectives.

7) Management is the art of directing and inspiring people.

8) Management is the complex of the continuous, coordinated activities by means of which any undertaking or any administration or other service, public or private, is conducted.

9) Management is the art of getting things done through the efforts of other people.

10) Management is the art and science of organizing and directing human effort applied to control the forces and utilize the materials of nature for the benefit of man.

2.3 APPROACHES OF MANAGEMENT

The three approaches in which management can be defined are as follows:

i) **Management as a field of study:** It includes principles, techniques, functions and problems.

ii) **Management as a team or class of people:** It includes individuals who perform the managerial activities in the organization and the actions performed by them which come under managerial activities.

iii) **Management as a process:** In studying the management process, various managerial activities takes as a basis for defining management are two ways of identifying managerial activities. One is inductive and other is deductive. Inductive method means management is what manager does. Under deductive method we can classify total activities of the organization as managerial or non-managerial or operative.

2.4 NATURE OF MANAGEMENT

The concept of management is universal. The nature we can analyze in the context of it being

i)   an economic resource,

ii)   a system of authority,

iii)   a class of team,

iv)   a science or art and

v)   a profession.

2.4.1 Management: An Economic Resource

There are five factors of production, viz., land, labour, capital, management and entrepreneur. These various factors are classified as human and non-human factors in organization.

2.4.2 Management: A System of Authority

Management is a system of authority. A system can be defined as a set of things can be defined as a set of things connected or interrelated and interdependent so as to form a complex unity. The authority may be defined as the legal right to command others to act or not to act in a prescribed manner.

2.4.3 Management: A Class, Team or Group

Here we refer management as individuals or group of individuals occupying managerial positions and performing managerial functions. These are

i)   paternal or family management,

ii)   political management and

iii)   professional management.

2.4.4 Management: Science or Art

It is said that management is the oldest of art and the youngest of science. It is a science because it evolves and uses certain principle. It is an art because it requires continuous practice to get the desired result in the best way.

2.4.5 Management: A Profession

Management is a comparatively new field of knowledge and has been developed as a result of rapid industrialization. It is increasingly being treated as a profession because of the need for acquiring management skills to solve the complex problem of the organization.

2.5 MANAGEMENT PRINCIPLES

Management has been defined as science, though an inexact science. It means that managerial functions are based on certain principles. Principles are a fundamental truth which establishes cause and effect relationship of a function and theory is a systematic grouping of inter-related principles. The significant points in this context we can mention are as follows:

- To increase efficiency.
- To crystallize the nature of management.
- To carry on researches.
- To attain social objectives.

2.6 THE MANAGEMENT FUNCTIONS

The main functions are planning, organizing, staffing, directing, coordinating and controlling.

2.6.1 Planning

Planning is the most fundamental and the most pervasive of all the managerial functions. It includes:

o determination of long and short-range objectives,

o development of strategies and courses of actions for the achievement of these objectives and

o formulation of policies, procedures, rules etc. for the implementation of strategies and plans.

2.6.2 Organizing

Organizing involves

o identification of activities required for the achievement of objectives and implementation of plans,

o grouping of activities so as to create self-contained jobs,

o assignment of jobs to employees,

o delegation of authority and

o establishment of coordinating relationships.

Organizing process results in a structure of the organization. It comprises organizational positions, accompanying tasks and responsibilities and a network of roles and authority-responsibility relationships.

2.6.3 Staffing

Staffing process comprises of

- man-power planning,
- recruitment,
- selection, induction and orientation,
- transfer, promotion and termination and
- employee training and development.

2.6.4 Directing

It is the function of leading the employees to perform efficiently and effectively and contribute their optimum to the achievement of organizational goals. It includes the sub-function of leadership, motivation and communication.

2.6.5 Coordinating

Coordinating is the integrating function. It is the process of tying together all the parts of the organization so that they all pull in the direction of organizational goals.

It includes the following sub-function:

o keeping authority and responsibility relationships clearly defined,

o unity of direction,

o unity of command,

o effective communication and effective leadership.

2.6.6 Control

Control involves:

o measurement of performance against predetermined goals,

o identification of deviation from these goals and

o corrective action to rectify deviation.

Management performs all these functions in interaction with its environment. In the course of performing these functions, it is influenced by as well as it influences its environment.

Management theory and principles have universal applicability to all kinds of organizations, operating in differing socio-cultural environments.

They are transferable from developed to underdeveloped countries. Without people there can be no organization and no meaningful activity.

Organizations can only achieve their aims and objectives through the coordinated efforts of other members. It is the job of management to get things done through other people. This involve the effective management of human resources.

It is people who are being managed and people should be considered in human terms. Human behaviour is the end result of a multiplicity of influences, many of which are hard to identify, so they need to be measured scientifically under experimental control.

2.7 CHANGE MANAGEMENT

Change management is a structured approach to transitioning individuals, teams as well as organizations from current state to a desired future state. In this context we can consider organizational change.

The important types of organizational change are mainly,

i) strategic changes,

ii) technological changes,

iii) structural changes, and

iv) change the attitudes and behaviours of personnel.

An effective change management plan needs to address all the dimensions of change. Organizations consist of people who are united by a common purpose. To meet the objectives of the organization, a structure is created, maintained and used.

Generally, there are three levels of organizations, viz.,

- strategic,
- managerial and
- operating.

At the strategic level, policies are formulated, goals are set and objectives are formed. Strategies are also designed to achieve the objectives taking into consideration the environmental influences on the organization. At the management level the programs regarding the procurement and allocation of all types of resources are formulated to achieve the strategies and formulated to achieve the strategic and objectives. At the operating level, the programs are implemented, i.e., the actual operations are carried out in the process of day to day activities in order to carry out the strategies and achieve the objectives. Human resources have a plus value in that they can convert the disorganized resources into a useful, productive organization. For smooth running of the organization and also for organizational development, effective management is desirable.

2.8 ISSUES ABOUT CHANGE MANAGEMENT

Change management entails thoughtful planning and sensitive implementation, and above all, consultation with, and involvement of, the people affected by the changes. If change is forced on people normally problems arise. Change must be realistic, achievable and measurable. These aspects are especially relevant to managing personal change. Before starting organizational change, the manager should ask self what is it one wants to achieve with this change, why, and how will we know that the change has been achieved? Also the other question to be asked is who are affected by this change, and how will they react to it? And whether the amount of change being visualized could be achieved by the organisation and what parts of the change would the organisation need help with? These aspects also relate strongly to the management of personal as well as organizational change.

Change should not be sold to people as a way of accelerating 'agreement' and implementation. 'Selling' change to people is not a sustainable strategy for success, unless the aim of the organisation is to face problems at some time in the future when when least expected.

Instead, change needs to be understood and managed in a way that people can cope effectively with it. Change can be unsettling, so the manager logically needs to be a settling influence.

It is important to find out if people affected by the change agree with, or at least understand, the need for change, and have a chance to decide how the change will be managed, and to be involved in the planning and implementation of the change. For this, face to face communication must be used, so that sensitive aspects of organisational change management could be handled effectively. The

managers in the organization must be encouraged to communicate face-to-face with their people when one has to manage an organizational change. Email and written notices are extremely weak at conveying and developing understanding.

Where there is a need to make a change quickly, probe the reasons and ask the question if the urgency is real. Will the effects of agreeing a more sensible time-frame really be more disastrous than presiding over a disastrous change? Quick change prevents proper consultation and involvement, which leads to difficulties that take time to resolve.

For complex changes, the organization must ensure that they augment this change with consultative communications so as to make the people agree and gain support for the reasons for the change. Involving and informing people also creates opportunities for others to participate in planning and implementing the changes, which lightens the burden, spreads the organizational load, and creates a sense of ownership and familiarity among the people affected.

For organizational change that entails new actions, objectives and processes for a group or team of people, the organization must use workshops to achieve understanding, involvement, plans, measurable aims, actions and commitment. The management team should be encouraged to use workshops with their people too if they are helping them to manage the change.

The organization should even apply these principles to very tough change like making people redundant, closures and integrating merged or acquired organizations. Bad news needs even more careful management than routine change. Hiding behind memos and middle managers will make matters worse. Consulting with people, and helping them to understand does not weaken the management's position, rather it would strengthen it. Leaders who fail to consult and involve their people in managing bad news are perceived as weak and lacking in integrity. If the management must treat people with humanity and respect and they will reciprocate.

It must be remembered that the chief insecurity of most staff is change itself. Senior managers and directors responsible for managing organizational change do not, as a rule, fear change. They generally thrive on it. So the management must remember that its people do not relish change, and they find it deeply disturbing and threatening. The people's fear of change is as great as one's own fear of failure.

2.8.1   Responsibility for Managing Change

The employee does not have a responsibility to manage change. The responsibility of the employee is actually to do their best, which is different for every person and depends on a wide variety of factors (health, maturity, stability, experience, personality, motivation, etc). Responsibility for managing change is with management and executives of the organization They must manage the change in a way that employees can cope with it.

The manager has a responsibility to **facilitate** and **enable** change. The management must help people to understand reasons, aims, and ways of responding positively according to employees' own situations and capabilities. Increasingly the manager's role is to interpret, communicate and enable He should not instruct and impose, which nobody really responds to well.

2.8.2 Change Must Involve the People

In other words, change must not be imposed on people. If people are not approaching their tasks or the organization effectively, then the organization has the wrong mindset, not the people. Change such as new structures, policies, targets, acquisitions, disposals, re-locations, etc., all create new systems and environments, which need to be explained to people as early as possible, so that people's involvement in validating and refining the changes themselves can be obtained.

Whenever an organization **imposes** new things on people there will be difficulties. Participation, involvement and open, early, full communication are the important factors.

Staff surveys are a helpful way to repair damage and mistrust among staff, provided the management allows people to complete them anonymously, and publish and act on the findings.

Management training, empathy and facilitative capability are priority areas - managers are crucial to the change process - they must enable and facilitate, not merely convey and implement policy from above, which does not work.

Change cannot be imposed. In fact people and teams need to be empowered to find their own solutions and responses, with facilitation and support from managers, and tolerance and compassion from the leaders and executives. Management and leadership style and behaviour are more important than clever process and policy. Employees need to be able to trust the organization.

The leader must agree and work with these ideas, or change is likely to be very painful, and the best people will be lost in the process.

2.8.3 Change Management Principles

1) At all times involve and agree support from people within system (system = environment, processes, culture, relationships, behaviours, etc., whether personal or organisational).

2) Understand where the organisation is at the moment.

3) Understand where the management wants to be, when, why, and what the measures will be for having got there.

4) Plan development towards above No.3 in appropriate achievable measurable stages.

5) Communicate, involve, enable and facilitate involvement from people, as early and openly and as fully as is possible.

There are mainly ten principles of change management. These are as follows:

- Address the human side systematically.

- Start at the top.

- Involve every layer.

- Make the formal case.

- Create ownership.

- Communicate the message.

- Assess the cultural landscape.

- Address culture explicitly.

- Prepare for the unexpected.

- Speak to the individual.

Actually change management grew from the recognition that organizations are composed of people and the behaviour of people make up the outputs of an organization.

2.8.4 John P Kotter's 'Eight Steps to Successful Change'

American John P Kotter (b 1947) is a Harvard Business School professor and leading thinker and author on organizational change management. Each stage acknowledges a key principle identified by Kotter relating to people's response and approach to change, in which people **see**, **feel** and then **change**.

Kotter's eight step change model can be summarized as:

1) **Increase urgency** - inspire people to move, make objectives real and relevant.

2) **Build the guiding team** - get the right people in place with the right emotional commitment, and the right mix of skills and levels.

3) **Get the vision right** - get the team to establish a simple vision and strategy, focus on emotional and creative aspects necessary to drive service and efficiency.

4) **Communicate for buy-in** - Involve as many people as possible, communicate the essentials, simply, and to appeal and respond to people's needs. De-clutter communications - make technology work for you rather than against.

5) **Empower action** - Remove obstacles, enable constructive feedback and lots of support from leaders - reward and recognise progress and achievements.

6) **Create short-term wins** - Set aims that are easy to achieve - in bite-size chunks. Manageable numbers of initiatives. Finish current stages before starting new ones.

7) **Don't let up** - Foster and encourage determination and persistence - ongoing change - encourage ongoing progress reporting - highlight achieved and future milestones.

8) **Make change stick** - Reinforce the value of successful change via recruitment, promotion, new change leaders. Weave change into culture.

2.8.5 Organizational Change, Training and Learning

Here are some modern principles for organizational change management and effective employee training and development. These principles are for forward thinking emotionally mature organizations, who value integrity above results, and people above profit.

Do you train or do you facilitate learning? There is a big difference:

- 'Training' implies putting skills into people, when actually **we should be developing people from the inside out, beyond skills**, ie., facilitating learning.

- So focus on **facilitating learning**, not imposing training.

- **Emotional maturity, integrity, and compassion** are more important than skills and processes. If you are in any doubt, analyse the root causes of your organization's successes and your failures - they will never be skills and processes.

- Enable and encourage **the development of the person** - in any way that you can.

- **Give people choice** - we all learn in different ways, and we all have our own strengths and potential, waiting to be fulfilled.

Talk about **learning**, not training. **Focus on the person, from the inside out, not the outside in**; and offer opportunities for people to develop **as people** in as many ways you can.

2.8.6 Organizational Change, Training and Development and 'Motivation'

Conventional organizational change, which typically encompasses training and development, and 'motivation', mostly fails, because people look at things in a different way.

Bosses and organizations still tend to think that people whom are managed and employed and paid to do a job should do what they're told to do. We are conditioned from an early age to believe that the way to teach and train, and to motivate people towards changing what they do, is to tell them, or persuade them. From our experiences at school we are conditioned to believe that skills, knowledge, and expectations are imposed on or 'put into' people by teachers, and later, by managers and bosses in the workplace.

But just because the boss says so, doesn't make it so. People today have a different perspective. Imposing new skills and change on people doesn't work because:

- It assumes that people's personal aims and wishes and needs are completely aligned with those of the organization, or that there is no need for such alignment, and

- It assumes that people want, and can assimilate into their lives, given all their other priorities, the type of development or change that the organization deems appropriate for them.

2.9 CONSENT TO CHANGE

It is not easy to get the employees consent to change. Instead, organizations, managers, bosses and business owners would do better to think first about exploring ways to align the aims of the business with the needs of their people. The following facts must be kept in mind.

2.9.1 Fact 1

People will never align with bad aims. Executive greed, exploitation, environmental damage, inequality, betrayal, false promises are transparent for all decent persons to see.

Re-assess and realign the organization's aims, beliefs, integrity - all of it - with those of people's. Then they might begin to be interested in helping with new skills and change, etc.

2.9.2 Fact 2

People can't just drop everything and 'change', or learn new skills, just because the management says so. Even if they want to change and learn new skills, they have a whole range of issues that keep them fully occupied for most of their waking hours

The reason why consulting with people is rather a good idea is that it saves the management from itself and from its own wrong assumptions. Consulting with people does not mean that the management hands over the organization to them. Consulting with people gives the management and workers a chance to understand the implications and feasibility of what the management thinks needs doing. And aside from this, consulting with people, and helping them to see things from both sides generally throws up some very good ideas for doing things better than the management could have dreamt of by itself. It helps the management you to see from both sides too.

2.9.3 Fact 3

Organizations commonly say they do not have time to reassess and realign their aims and values, etc., or do not have time to consult with people properly, because the organization is on the edge of a crisis.

Organizations get into crisis because they ignore facts one and two. Ignoring these facts again will only deepen the crisis.

Crisis is no excuse for compromising integrity. Crisis is the best reason to realign management aims and consult with people. Crisis is indicative of wake up and change the organization and its purpose and not change the people. When an organization is in crisis, the people are almost always okay.

So, whatever way one looks at the organizational change, one is deceiving oneself that one can come up with a plan for change and then simply tell or persuade people to implement it.

Instead, they must start by looking at their organization's aims and values and purposes. What does the organization actually seek to do? Whom does the organization benefit? And whom does it exploit? Who are the winners, and who are the losers? Does the organization have real integrity? Is the management proud of the consequences and implications of what their organization does? Will the management be remembered for the good that they did? And what do people in the organization say to themselves about the way they are managing change?

2.10 FIVE BASIC PRINCIPLES AND HOW TO APPLY THEM FOR CHANGE

Change management is a basic skill in which most leaders and managers need to be competent. There are very few working environments where change management is not important.

When leaders or managers are planning to manage change, there are five key principles that need to be kept in mind:

1) Different people react differently to change

2) Everyone has fundamental needs that have to be met

3) Change often involves a loss, and people go through the "loss curve"

4) Expectations need to be managed realistically

5) Fears have to be dealt with

Here are some tips to apply the above principles when managing change:

1) Give people information. That is they have to be open and honest about the facts, but at the same time need not give overoptimistic speculation. It is important to meet their openness needs, but in a way that does not set unrealistic expectations.

2) For large groups, the management must produce a communication strategy that ensures information is disseminated efficiently and comprehensively to everyone. It must be ensured tha the grapevine does not take over. For example the management must tell everyone at the same time. However, follow this up with individual interviews to produce a personal strategy for dealing with the change. This helps to recognise and deal appropriately with the individual reaction to change.

3) People should be given choices to make, and the management must be honest about the possible consequences of those choices. They must be given enough time to express their views, and support their decision making, providing coaching, counselling or information as appropriate, to help them through the losses.

4) Where the change involves a loss, the management must identify what will or might replace that loss. The loss is easier to cope with if there is something to replace it. This will help assuage potential fears.

5) Where it is possible to do so, the individuals must be given an opportunity to express their concerns and provide reassurances. This would help assuage potential fears.

6) The management should keep observing good management practice, such as making time for informal discussion and feedback (even though the pressure might seem that it is reasonable to let such things slip. During difficult change such practices are even more important.

Where management is embarking on a large change programmes, the change programme should be treated as a project. That means the management should

apply all the rig ours of project management to the change process. In other words, produce plans, allocate resources, appoint a steering board and/or project sponsor etc.. The five principles above should form part of the project objectives.

When leaders or managers are planning to manage change, there are five key principles that need to be kept in mind:

2.10.1 Principle 1

Different people react differently to change

The stability and change can be considered on a continuum with stability at one extreme and change at another extreme.

Different people have different preferences for where they like to be on this spectrum. Some people like to be at the **stability** end of the spectrum. They like things to be the way they have always been. Other people like to be at the **change** end of the spectrum. Such persons are always looking for something different and new.

Problems arise when the individual's preferences differ from the situation they find themselves in. That is, if:

- a stability-oriented person finds that circumstances are changing quite rapidly, or

- a change-oriented person finds that everything is the same and there is nothing new

In these situations, the individuals involved can experience:

- strong disatisfaction

- stress

- negative attitudes towards individuals with preferences at the other end of the spectrum (eg: distrust, dislike)

- resistance (to change, or to the status quo)

- intense emotions

- loss of rational judgement

People tend to resist, therefore, approaches on other parts of the spectrum than where they themselves prefer to be.

2.10.2 Principle 2

Everyone has fundamental needs that have to be met

A famous psychologist called Will Schutz identified three basic needs that people have in interpersonal relations. These basic needs are also of fundamental importance in people's reaction to change:

- The need for control

- The need for inclusion

- The need for openness

Whilst the need for these can vary between people, in any change process there is always some degree of need for control over one's environment/destiny, some degree of need to be included in the process of forming the change that is taking place, and some degree of need for managers/leaders to be open with their information.

If a change programme fails to meet the control, inclusion and openness needs of the individuals affected by it then that programme is likely to encounter a range of negative reactions, ranging from ambivalence through resistance to outright opposition.

2.10.3   Principle 3

Change often involves a loss, and people go through the "loss curve"

The relevance of the "loss curve" to a change management programme depends on the nature and extent of the loss. If someone is promoted to a more senior position, the 'loss' of the former position is rarely an issue because it has been replaced by something better. But if someone is made redundant with little prospect of getting a new job, there are many losses (income, security, working relationships) that can have a devastating effect.

There are many variations of the "loss curve". One is known as "Sarah" - that is, the individual experiences (in this order):

* S-hock

* A-nger

* R-ejection

* A-cceptance

* H-ealing

The common factors amongst all "loss curves" are:

1) that there can be an initial period where the change does not sink in. For example, feelings may be kept high by the individual convincing themselves that the change is not going to happen.

2) that when the loss is realised, the individual hits a deep low. The depth of this 'low' is deepened if the loss is sudden/unexpected.

3) that the period of adjustment to the new situation can be very uncomfortable and take a long time. In the case of bereavement, the period of adjustment can be as long as two years.

2.10.4   Principle 4

Expectations need to be managed realistically

The relationship between expectations and reality is very important. One can see this in customer relations, as for example, if a supplier fails to meet expectations then the customer is unhappy, and if the supplier exceeds expectations then the customer is happy.

To some extent the same principle applies to staff and change. If their expectations are not met, they are unhappy. If their expectations are exceeded, they are happy.

Sometimes, enforced change inevitably involves the failure to meet expectations. That is there had been an expectation of job security, which has now been taken away.

What leaders/managers have to do, however, is make sure they don't aggravate the situation by making promises that can not or will not be kept. Expectations have to be set at a realistic level, and then exceeded.

2.10.5 Principle 5

Fears have to be dealt with

In times of significant change rational thought does not seem to function. This means that people often fear the worst, that is they fear far more than the worst, because their subconscious minds suddenly become illogical and see irrational consequences. Given below are a few examples of this type of situation.

1) Our company is reducing staff, which means...

2) They will make people redundant, and...

3) I'll be the first to be kicked out, and...

4) I'll have no hope of getting another job, and...

5) I won't be able to pay the mortgage, so...

6) I'll lose the house, so...

7) My family won't have anywhere to live, and...

8) My wife won't be able to cope, so...

9) She'll leave me, and...

10) I'll be so disgraced the children won't speak to me ever again.

Such fears need to be addressed, by helping people to recognise that most people who are made redundant find a better job with better pay and have a huge lump sum in their pocket. Or, where appropriate, by explaining how the reductions in staff numbers are going to be achieved (by natural wastage or voluntary redundancy)

2.11 PSYCHOLOGICAL CONTRACT AND PEOPLE ORGANIZATIONAL RELATIONSHIP

Many problems in the people organizational relationship arise not so much from what management does, but the manner in which it is done.

Often, it is not so much the intent but the manner of implementation that is the root cause of staff unrest and dissatisfaction.

Accordingly, how managers exercise the responsibility for, and duties of, management is important.

Management should, therefore, endeavour to create the right balance among the inter-related elements which make up the total organization. So, attention should be given on psychological contract and the people organization relationship.

2.11.1   Psychological Contract

The psychological contract covers a range of expectation of rights and privileges, duties and obligations, which do not form part of a formal agreement but still have an important influence on people's behaviour.

The psychological contract is a useful concept in examining the socialization of new members of staff to the organization. Early orientations or inductions about the contractual obligations have a major effect on an individual's subsequent career in organization, and influence job satisfaction, attitude and level of productivity. The nature and extent of individual's expectations vary so widely that it is not possible to finalize an exhaustive list with all inclusive variables. The employer must :

- provide safe and hygienic working conditions,
- make every possible effort to provide job security,
- attempt to provide challenging and satisfying jobs,
- allow staff genuine participation in decisions which affect them,
- provide opportunity for personal development and carrier progression,
- treat members or staff with respect and
- demonstrate an understanding and considerate attitude towards personal problems of staff.

On the other hand, the organizations also have some expectations :

The organizational expectations show also wide variations in their requirements and conflicting areas with employee expectations. The important points in this context we can mention here are the following:

- achieving organizational goals,
- sufficient involvement, commitment and initiative,
- requiring high interest towards role and responsibility,
- specific task performance effectively (with loyalty),
- having high regards to policies, rules and procedure,
- having high responsiveness to leadership, and
- having high interest for the viability of the organization.

2.11.2   The People Organization Relationship

The classical schools of management were mainly concerned with managing organizing without caring much about the human factors or people participating in "man-machine" system of production. Findings of Hawthorne experiments made management cautious about the importance of human factors. Practically, Hawthorne effect on increasing production rate laid down the foundations of human relations approach in industrial management where a harmonious interpersonal relation in work supervision was given priority attention.

Human relations could not think of any dynamic organization life without lively people in organizational set up. Of course, there are certain shortcomings in putting exclusive importance on the classical human relations approach in public and private sector undertakings with equal emphasis.

Acknowledging the importance of human factor, organizational life was studied in terms of the relationship between technical and social variables within the system. Where, changes in our part, technical or social, would affect other parts and thus the whole system.

Thus, the socio-cultural system is concerned with the interactions between the psychological and social factors and the needs and demands of the human part of the organization and its befitting structural and technological requirements. Thus, due importance was given on effective decision-making and communication processes. There is a need for cooperative action in organizations.

People's ability to communicate and their commitment and contribution to the achievement of a common purpose, were necessary for the existence of a cooperative system. Without proper infrastructure, democratic leadership style can not grow to achieve finally the goals of industrial democracy where:

- the role, responsibility and dignity of each people is duly respected and recognized,

- cooperation is the core spirit of team work and

- continuous learning opportunities are available for human resource development and for conflict resolution.

Modern organizations are composed of competing sub-groups and work teams with their own loyalties, goals and leaders are working for a common cause – the viability of the organization by overcoming conflicts. This view is widely acceptable and trade unions get legitimate access to intervene into an increasing range of managerial prerogative areas.

2.12 LET US SUM UP

Effective management is at the heart of organizational development and improved performance and the contribution to economic and social needs of society. The quality of management is one of the most important factors in the success of any organization. There is continual need for managerial development to ensure the development of both present and future managers. Manager can be seen to draw plans, set-up goals and objectives and subsequent actions. Manager organizes the program of job analysis, decision-making and forms work groups and controls human relationship in supervisory practices. Besides this, managers motivate and trains work group and leads the group (teams) and identify the needs of both people and organization. In the present scenario, manager also conducts performance evaluation of the staff and self. Finally we can say that manager's role are mainly interpersonal, informational and decisional, on the other hand, behaviour styles are mainly authoritative, benevolent authoritative, consultative and participative style. The process of management development should be related to the nature, objectives and requirements of the organization as a whole. An essential feature of management development is performance review – related to knowledge acquired, skills developed and qualification and experience of the people concerned. An effective system of performance review will help to identify individual strength and weaknesses, potential for promotion and training and development needs. It provides also a framework for measuring results, identifying training needs, personal career planning, agreeing objectives and standards of performance and organizational succession planning. All these are under the category of change management.

2.14   UNIT END QUESTIONS

1)   What do you mean by the term change management?

2)   What is management?

3)   Write in brief about psychological contract and people-organizational relationship.

4)   What are the principles of change management?

5)   Briefly discuss about management functions.

6)   What is nature of management?

7)   Elucidate the functions of management.

2.15   SUGGESTED READINGS

Fred Luthans, (1998). *Organizational Behaviour*, International Eighth edition, Irwin McGraw Hill.

Robbins, S.P. (1994). *Organizational behaviour, concepts, controversies and applications*, 6th edition, N.J. Prentice Hall.

Schultz, D.P. and Schultz, S.E.(1990). *Psychology and Industry today*, *An introduction to industrial and organizational psychology*, 5th edition, NY. McMillon.

UNIT 3   TEAM MANAGEMENT

Structure

3.0   INTRODUCTION

In this unit we will be dealing with team management. We start with definition and nature of Team as such. Then we discuss how to build a team and 12 Cs, for team building. This consists of clear expectations, context, commitment, competence, charter, control etc. Then we discuss the methods used to make the team work take place, and we also delineate the typical methods to create effective team. It is pointed out that in order to make an effective team it is important to use certain techniques such as setting ground rule, creating a team mission statement and how to use team building techniques for creating successful teams. Then we take up steps for effective training approach for team and make them a efficient team to work together, and provide the various techniques forf the same.

Then we deal with the organizational culture, structure and team management and present the modern concept in regard to team management.

3.1   OBJECTIVES

After reading this unit you will be able to:

- Define team;

- Describe the nature of the team;

- Explain team building;

- Elucidate the 12 Cs of team building;

- Explain how to create an effective team;

- Delineate the characteristics of an effective team;

- Describe organizational culture, structure and team management; and

- Analyse the modern concept of team management.

3.2   DEFINITION AND NATURE OF TEAM

A group of people with a full set of complementary skills required to complete a task, job, or project. Team members

1) Operate with a high degree of interdependence,

2) Share authority and responsibility for self-management,

3) Are accountable for the collective performance, and

4) Work toward a common goal and shared rewards(s).

Another definition is that a team is any group of people organized to work together interdependently and cooperatively to meet the needs of their customers by accomplishing a purpose and goals. Teams are created for both long term and short term interaction. A product development team, an executive leadership team, and a departmental team are long lasting planning and operational groups. Short term teams might include a team to develop an employee on boarding process, a team to plan the annual company party, or a team to respond to a specific customer problem or complaint. Three common types of teams include functional or departmental, cross-functional, and self-managing.

Functional or departmental teams: Groups of people from the same work area or department who meet on a regular basis to analyze customer needs, solve problems, provide members with support, promote continuous improvement, and share information.

Cross-functional teams: Groups of people who are pulled together from across departments or job functions to deal with a specific product, issue, customer, problem, or to improve a particular process.

Self-managing teams: Groups of people who gradually assume responsibility for self-direction in all aspects of work.

A team becomes more than just a collection of people when a strong sense of mutual commitment creates synergy, thus generating performance greater than the sum of the performance of its individual members.

People in every workplace talk about building the team, working as a team, and my team, but few understand how to create the experience of team work or how to develop an effective team. Belonging to a team, in the broadest sense, is a result of feeling part of something larger than yourself. It has a lot to do with your understanding of the mission or objectives of the organization.

In a team oriented environment, you contribute to the overall success of the organization. You work with fellow members of the organization to produce these results. Even though you have a specific job function and you belong to a specific department, you are unified with other organization members to accomplish the overall objectives. The bigger picture drives your actions; your function exists to serve the bigger picture.

You need to differentiate this overall sense of team work from the task of developing an effective intact team that is formed to accomplish a specific goal. People confuse the two team building objectives. This is why so many team building seminars, meetings, retreats and activities are deemed failures by their participants. Leaders failed to define the team they wanted to build. Developing an overall sense of team work is different from building an effective, focused work team when you consider team building approaches.

3.3   TWELVE CS FOR TEAM BUILDING

Executives, managers and organization staff members universally explore ways to improve business results and profitability. Many view team based, horizontal, organization structures as the best design for involving all employees in creating business success.

No matter what you call your team based improvement effort, continuous improvement, total quality, lean manufacturing or self-directed work teams, you are striving to improve results for customers. Few organizations, however, are totally pleased with the results their team improvement efforts produce. If your team improvement efforts are not living up to your expectations, this self-diagnosing checklist may tell you why. Successful team building, that creates effective, focused work teams, requires attention to each of the following.

3.3.1   Clear Expectations

Do team members understand why the team was created? Is the organization demonstrating constancy of purpose in supporting the team with resources of people, time and money? Does the work of the team receive sufficient emphasis as a priority in terms of the time, discussion, attention and interest directed its way by executive leaders?

3.3.2   Context

Do team members understand why they are participating on the team? Do they understand how the strategy of using teams will help the organization attain its communicated business goals? Can team members define their team's importance to the accomplishment of corporate goals? Does the team understand where its work fits in the total context of the organization's goals, principles, vision and values?

3.3.3   Commitment

Do team members want to participate on the team? Do team membersfeel the team mission is important? Are members committed to accomplishing the team mission and expected outcomes? Do team members perceive their service as valuable to the organization and to their own careers? Do team members anticipate recognition for their contributions? Do team members expect their skills to grow and develop on the team? Are team members excited and challenged by the team opportunity?

3.3.4   Competence

Does the team feel that it has the appropriate people participating? (As an example, in a process improvement, is each step of the process represented on the team?) Does the team feel that its members have the knowledge, skill and capability to address the issues for which the team was formed? If not, does the team have access to the help it needs? Does the team feel it has the resources, strategies and support needed to accomplish its mission?

3.3.5   Charter

Has the team taken its assigned area of responsibility and designed its own mission, vision and strategies to accomplish the mission. Has the team defined and communicated its goals, its anticipated outcomes and contributions, its timelines, and how it will measure both the outcomes of its work and the process the team followed to accomplish their task? Does the leadership team or other coordinating group support what the team has designed?

3.3.6   Control

Does the team have enough freedom and empowerment to feel the ownership necessary to accomplish its charter? At the same time, do team members clearly understand their boundaries? How far may members go in pursuit of solutions? Are limitations (i.e. monetary and time resources) defined at the beginning of the project before the team experiences barriers and rework?

Is the team's reporting relationship and accountability understood by all members of the organization? Has the organization defined the team's authority? To make recommendations? To implement its plan? Is there a defined review process so both the team and the organization are consistently aligned in direction and purpose? Do team members hold each other accountable for project timelines, commitments and results? Does the organization have a plan to increase opportunities for self-management among organization members?

3.3.7   Collaboration

Does the team understand team and group process? Do members understand the stages of group development? Are team members working together effectively interpersonally? Do all team members understand the roles and responsibilities of team members? team leaders? team recorders? Can the team approach problem solving, process improvement, goal setting and measurement jointly? Do team members cooperate to accomplish the team charter? Has the team established group norms or rules of conduct in areas such as conflict resolution, consensus decision making and meeting management? Is the team using an appropriate strategy to accomplish its action plan?

3.3.8   Communication

Are team members clear about the priority of their tasks? Is there an established method for the teams to give feedback, and receive honest performance feedback. Does the organization provide important business information regularly? Do the teams understand the complete context for their existence? Do team members communicate clearly and honestly with each other? Do team members bring diverse opinions to the table? Are necessary conflicts raised and addressed?

3.3.9   Creative Innovation

Is the organization really interested in change? Does it value creative thinking, unique solutions and new ideas? Does it reward people who take reasonable risks to make improvements? Or does it reward the people who fit in and maintain the status quo? Does it provide the training, education, access to books and films, and field trips necessary to stimulate new thinking?

3.3.10   Consequences

Do team members feel responsible and accountable for team achievements? Are rewards and recognition given when teams are successful? Is reasonable risk respected and encouraged in the organization? Do team members fear reprisal? Do team members spend their time finger pointing rather than resolving problems? Is the organization designing reward systems that recognize both team and individual performance? Is the organization planning to share gains and increased profitability with team and individual contributors? Can contributors see their impact on increased organization success?

3.3.11   Coordination

Are teams coordinated by a central leadership team that assists the groups to obtain what they need for success? Have priorities and resource allocation been planned across departments? Do teams understand the concept of the internal customer—the next process, anyone to whom they provide a product or a service? Are cross-functional and multi-department teams common and working together effectively? Is the organization developing a customer-focused process-focused orientation and moving away from traditional departmental thinking?

3.3.12 Cultural Change

Does the organization recognize that the team-based, collaborative, empowering, enabling organisational culture of the future is different than the traditional, hierarchical organization it may currently be? Is the organization planning to or in the process of changing how it rewards, recognizes, appraises, hires, develops, plans with, motivates and manages the people it employs?

Does the organization plan to use failures for learning and support reasonable risk? Does the organization recognize that the more it can change its climate to support teams, the more it will receive in pay back from the work of the teams?

Spend time and attention on each of these twelve tips to ensure your work teams contribute most effectively to your business success. Your team members will love you, your business will soar, and empowered people will "own" and be responsible for their work processes. Can your work life get any better than this?

Fostering teamwork is creating a work culture that values collaboration. In a teamwork environment, people understand and believe that thinking, planning, decisions and actions are better when done cooperatively. People recognize, and even assimilate, the belief that "none of us is as good as all of us. It's hard to find work places that exemplify teamwork. In America, our institutions such as schools, our family structures, and our pastimes emphasize winning, being the best, and coming out on top. Workers are rarely raised in environments that emphasize true teamwork and collaboration.

3.4   METHODS TO MAKE TEAMWORK HAPPEN

To make teamwork happen, these powerful actions must occur.

- Executive leaders communicate the clear expectation that teamwork and collaboration are expected.

- Executives model teamwork in their interaction with each other and the rest of the organization.

- The organization members talk about and identify the value of a teamwork culture.

- Teamwork is rewarded and recognized.

The lone ranger, even if she is an excellent producer, is valued less than the person who achieves results with others in teamwork. Compensation, bonuses, and rewards depend on collaborative practices as much as individual contribution and achievement.

- Important stories and folklore that people discuss within the company emphasize teamwork.

- The performance management system places emphasis and value on teamwork.

- Form teams to solve real work issues

- Hold department meetings to review projects and progress.

- Build fun and shared occasions into the organization's agenda.

- Use ice breakers and teamwork exercises at meetings.

- Celebrate team successes publicly.

3.5   METHODS TO CREATE EFFECTIVE TEAM

How to create effective teams, team work, and team building is a challenge in every organization. Work environments tend to foster rugged individuals working on personal goals for personal gain. Typically, reward, recognition, and pay systems single out the achievements of individual employees.

Effective teams can be created if (i) we practice good communication skills (ii) refrain from communication roadblocks (iii) listen well (iv) observe carefully and (v) give feedback constructively.

It is important that we observe communication behaviours in a team so as to make it effective. This would involve observing (i) Who participates and who

does not (ii) How do people take turns and who talks to whom and who responds to whom etc. (iii) how are interruptions handled? Is silence O.K.? Is anyone dominating the conversation? (iv) How are decisions made? Are they by consensus? Or are they by voting? Or by one person? While doing all this, one should be sure to observe one's own feelings, reactions, and behaviors.

All communication takes place on the content and relationship level. Often the problem with communication is the assumption of it. Metacommunication is very useful.

When the person has built trust, that means he has acted with consistency and coherence, demonstrated concern, treated others with a sense of fairness, fulfilled obligations and commitments, etc.

When the person is engaging in a dialogue, that means he or she is Seeing things from the other person's perspective, really listening, expressing their concerns as one's own concern, and not as another person's problem and giving others a stake in the process or outcome.

The three concrete tips to follow include using a facilitator or coordinator, delegating taks effectively using a work breakdown structure and set some ground rules.

Work Break down structure

Work breakdown structure refers to the way to organize a series of tasks to accomplish a project objective. This consists of (i) Hierarchical diagram of tasks (ii) Person responsible for executing the task (iii) Deadline to have the task completed (iv) Interdependencies with other tasks (v) Each task in a WBS should contribute to the goal of delivering the required material on time and done well.

The function of facilitator / coordinator includes (i) Focus the team toward the task (ii) Get all team members to participate (iii) Keep the team to its agreed-upon time frame (iv) Suggest alternatives (v) Help team members confront problems and (vi) summarise team decisions.

3.5.1   Setting Ground Rules

This involves goals and expectations, work norms, Facilitator norms, Communication norms, Meeting norms, and Consideration norms

The teams give trouble when individuals misbehave and become highly egoistic. The team can also give trouble when groups interest is subserved under individual interest. It can also happen due to different styles of learning, interaction, expression sub group interest etc. The group psychology may also play a role in the sense that group behaviours such as defensive routines, Us versus them, reluctance to test assumption publicly, getting off task, lack of boundaries or ill defined roles and unclear objectives and or expectations.

The common problems in teams include talking too much (higging), jumping from topic to topic (frogging), getting stuck on an issue (bogging) and tip toeing around a contentious issue.

3.5.2 Creating a Team Mission Statement

Creating a team mission statement can help you focus your team effort and do a lot of good in bringing your team together behind a common theme. The key to success is not just creating a team mission statement but it is living the mission statement.

A mission statement identifies the major purpose that your team fulfills when providing products and services to customers.

The mission statement should:

- Include the reason for your team

- Identify your team's unique 'value added'

- Reflect your teams's core business activity

- Provide a focus for your team

- Identify the team purpose

Step One : Develop the Team Mission Statement By Identifying

- Stakeholders - Those people who are directly affected by the team's successes and failures. Stakeholders could be employees, internal customers, organizational customers, external customers.

- Products and Services - Items that your team produces for its customers. Products and services might include consulting, training, products or services for individual use, products or services for business use.

- Value Added - The key advantage your team provides over the competition. Why would a customer come to your team for service? What makes your team special?

Step Two: Construct a First Draft

The name of the team must meet the needs of stakeholders.

Step Three. Refine the Team Mission Statement

Whether the mission statement is too wordy, too brief, and to the point. Whether the team members will remember it. Would the mission statement make sense to the stakeholders? Is it a true mission statement and not a goal? Does it inspire the organisation's team and whether it describes the focus and effort of the team? It is important to know if the mission statement Is unique.

Step Four: Make It Visible

Post the mission statement for easy review by all team members and customers.

Step Five. Live it!

To make a mission statement one must be involved in the entire team process. The mission statement must be used as a guide for everything the team does. Bounce team goals and activities against it to ensure the organization is doing the right thing.

In order to make the team effective, the organization must engage the team in dialogue

Employee involvement, teams, and employee empowerment enable people to make decisions about their work. This employee involvement, team building approach, and employee empowerment increases loyalty and fosters ownership. These resources tell you how to do team building and effectively involve people.

Employee empowerment is a strategy and philosophy that enables employees to make decisions about their jobs. Employee empowerment helps employees own their work and take responsibility for their results.

Employee involvement is creating an environment in which people have an impact on decisions and actions that affect their jobs. Employee involvement is not the goal nor is it a tool, as practiced in many organizations. Employee involvement is a management and leadership philosophy about how people are enabled to contribute to continuous improvement and the ongoing success of their organization.

3.5.3   Team Building And Successful Teams

People in every workplace talk about team building, working as a team, and my team, but few understand how to create the experience of team building or how to develop an effective team.

Many view teams as the best organization design for involving all employees in creating business success and profitability. Learn how team building helps enable the success of work teams and team work.

Team is a very well known word. Certainly one has heard this word and one uses it off and on undoubtedly. Everyone including friends also use this word. It is very common and popular word and it is used in many places. This word "team" is used to describe any routine work group in a workplace expressing a desirable degree of morale during performance. Within the frame of traditionally formal work group life, through regular social interaction, interpersonal relations are developed and informal groups are formed and they express high group morale when and where necessary. The quality of cooperation, motivation and determination to achieve goals which are expressed by the informal group members reminds us of a good team work. But the said team work has no formal recognition, no stable quality, not premised always on rational ground and it hardly obeys any norms. Thus, it fails to satisfy the requirements and characteristics of a formal "team", the most important group phenomena in the modern workplace.

Team management refers to techniques, processes and tools for organizing and coordinating a group of individuals working towards a common goal. Here the team as a whole work together to reach the common goal. To maximize the effectiveness of the organization, managers must be able to work with one another to achieve common goals. There are mainly six principles which are effective one. Accountability is one of the important factors of every initiative. Proper communication which encourages innovation and creativity is also another important factor.

Regular performance discussions should be scheduled and strictly held to for betterment. Performance management and performance measurement are the key contributors to improved team management. It is sometimes difficult for

information sharing and effective communication. Teams must have unrestricted access to all relevant information. Lastly we can say that the manager's role must be redefined for the team environment and an emphasis on the servant style of leadership. The feeling of mutual respect, trust and maturity becomes the foundation for team work and problem solving.

A team is a composite body which functions to yield "collective work-products." It refers to a production of any formal work-group and reflects the joint, real contribution of team members. In this connection it may be mentioned that (i) the team has shared leadership roles, (ii) it has individual and mutual accountability, (iii) has a specific purpose to yield "collective work-products", (iv) encourages open-ended, active problem-solving meetings and product-centered direct evaluation. Actually the team discusses, decides and does real work together. According to Sandstorm, teams can be formed for any purpose and which may be put under four categories :

1) Advice

2) Production

3) Project

4) Action.

We mainly have to know about the two types of teams, viz., quality circles and autonomous or self-managed teams. Team effectiveness depends on both individual and organizational factors. Under individual factors, older habits, beliefs, unequal sense of responsibility and involvement, are most significant. Organizational factors may be socio-cultural and related to terms and conditions for work alone with limitations of workplace.

3.6 STEPS FOR EFFECTIVE TRAINING APPROACH FOR TEAM

There are mainly ten steps for effective training approach for team. These are:

1) Establish credibility.

2) Ventilation of emotionality.

3) Orientation about team building.

4) Problem identification.

5) Setting up group goals.

6) Facilities the group process.

7) Establish intra-group procedures.

8) Establish inter-group procedure.

9) Change the active role of the trainer (active to passive).

10) Put an end on the trainers' involvement (self-managing team).

Besides this, team building for organizational development may be structured considering the following six steps:

1) Team skills workshop (to unfreeze various teams and get them ready to accept change).

2) Data collection (questionnaire survey to collect data on work climate, supervisory behaviour and job content).

3) Data confrontations (open discussion on the problem areas and know the suggestions to solve the problems).

4) Action planning (develop specific plans for change).

5) Team building (team identities the barriers, develop plans and try to accomplish change).

6) Inter-group buildings (establish collaboration on share goals and problems and generalize the OD effort to the total organization).

On the other hand, we can say that the organizational outcomes of organizational development include increased effectiveness, problem solving and adaptability for the future. Organizational development attempts to provide opportunities to be "human" and to increase awareness, participation and influence. An overriding goal is to integrate individual and organizational objectives by inculcating values in people to serve the organizational cause sand learning to recognize valuable things for proper usage. Team management is one of the important things which we can mention in this context. The key points are as follows :

- Change agents should focus on systematic change in work-settings – at the starting point and on individual behaviour as the key mediator associated with organization outcome change.

- Results for technology interventions indicate that negative behaviour change does not necessarily leads to negative organizational outcome change.

- Well-developed theories should provide a better basis for choosing interventions than simply the change agents' personal preferences values and styles.

3.7 TECHNIQUES OF TRAINING TEAM

Under the broad coverage of training group technique, the most popular techniques over the years are:

- grid training
- survey feedback and
- team building.

Blake and Mouton's leadership grid (position 9, 9) indicates a maximum concern for both people and production and signifies an implied goal of grid training. The following six steps are generally followed under grid training for organizational development.

1) Laboratory seminar training

2) Team development

3) Inter-group development

4) Organizational goal setting

5) Goal attainment

6) Stabilization.

Organizational program banks on the growth of empathy, improved communication and highly active joint participation for managing change effectively. There are five key areas of the team which remains open for monitoring and evaluation. These are:

1) Team mission

2) Goal achievement

3) Empowerment

4) Open and honest communication

5) Positive roles and norms.

In connection with the team management we can further say that the following elements make up the modern organizational development approach to the management of change. These are :

1) It would be planned change

2) Takes the system perspective

3) Has a short and long term objectives

4) Concerned mainly with organizational processes than content

5) Designed to solve problems and

6) Focused primarily on human and social relationship.

Caution

At any point, team members can slide back to a lower level of effectiveness, if they do not continually work together as a team, listen and communicate effectively, deal with conflict effectively, recognize each other's unique contribution, provide honest feedback and demonstrate other characteristics of an effective team.

Besides this, there are some practical guidelines which are not meant to dampen the excitement and enthusiasm for change efforts but to put realistic expectations into the process. The important points are as follows:

- Do not promise that all employees undergoing a change effort will be winner.

- Do not blame those who lose out for their negative attitudes.

- Do not focus only on the new and forget the old.

- Avoid symbolic participation in the change effort.

- Avoid destroying the old culture without building a new one.

- Do not launch HRM programs in the context of a major change without considering the necessary time and resource to support them.

3.8 ORGANIZATIONAL CULTURE, STRUCTURE AND TEAM MANAGEMENT

Organizational culture is the product of all the organization's feature, viz., its people, objectives, size, technology, unions, policies, its successes and failures. It is the sum total of shared values, beliefs and habits within an organization and in short may be called the organizational personality. The challenge for human resource professionals is to adjust positively to the culture of the organization. They have to choose paths the best reflect the culture of the firm and the attitudes of its people. To carry out tasks, managers generally follow certain steps :

- Identify the work, delegate it to various people.

- Establish relationship between people and positions.

- Measure and evaluate the work done at various levels.

There are three levels of organizations, viz., strategic, managerial and operating. At the strategic level, policies are formulated, goals are set, and objectives are framed. Strategies are also designed to achieve the objectives taking into consideration to achieve the objectives taking into consideration the environmental influences on the organization.

At the management level the programs regarding the procurement and allocation of all types of resources are formulated to achieve the strategies and objectives. At the operating level, the programs are implemented, i.e., actual operations are carried out in the process of day to day activities in order to carry out the strategies and achieve the objectives.

Basically, there are two types of organization structure, flat and tall. Tall or pyramid type of organizational structures are suitable to the companies which are labour-oriented. Flat organizations are suitable to the technology-oriented companies.

Since most of the modern organizations are technology based and endowed with capital and highly educated employees they tend to have an organization structure where the number of employees at the operating level are relatively less. In view of this, personnel management is not only challenging but also significant one in a modern organization. Moreover, human resources have a plus value in that they can convert the disorganized resources into a useful and productive organization. It is true that there is a close relationship between the organizational structure and culture and the team management.

3.9 MODERN CONCEPT

Organization is the foundation of management. If the organization's plan isd ill designed, then management is rendered difficult and ineffective. If, on the other hand, it is logical, clear cut and streamlined to meet present-day requirements, then the first requisite of sound management has been achieved. Organization is the means of multiplying the strength of an individual It takes his knowledge and uses it as the resource, the motivation and the vision of the other workers. A good organization facilitates administration, promotes specialization, encourages growth and stimulates creativity. The work of management proceeds smoothly only if it is well-defined, systemic and certain and appropriate functional groups

are provided to help the managers to manage. A sound organization stimulates independent creative thinking and initiative by providing well-defined areas of work with broad latitude for the development of new and improved ways of doing things. Management development is a continuous process. Team management is a significant factor for the enrichment of management development.

3.10 LET US SUM UP

Team culture is necessary for success. It is not automatic to work together effectively. It takes a specific effort and the development of a culture that is supported by executive management. Knowledge transfer is essential for an organization to grow. Without knowledge transfer and the sharing of success it is difficult for the group to share any vision and work toward common goals. For team management trust and respect is necessary. Brainstorming must be encouraged to release team innovation. Reliance on team effectiveness minimizes risk by being more flexible and adaptive than relying on a single individual. No one individual alone can jeopardize success.

3.11 UNIT END QUESTIONS

1) What do you mean by the term team?

2) What is team management?

3) Write in brief about the steps of effective training for team.

4) Is there any relationship between organizational structure and culture and team management? – Discuss.

5) Discuss about the cautions in team management.

6) Briefly discuss about the nature of team.

3.12 GLOSSARY

Team : Team is a composite body which functions to yield collective work products.

Team management : Team management refers to techniques, processes and tools for organizing and coordinating a group of individuals working towards a common goal.

3.13 SUGGESTED READINGS

Fred Luthans, (1998). *Organizational Behaviour*, International Eighth edition, Irwin McGraw Hill.

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UNIT 4   RESOLVING CONFLICTS

Structure

4.0   INTRODUCTION

Conflict is a natural ingredient in every organization in every organization, managers have to learn not only to live with it but also to manage it. So there is a need to resolve conflict. There are various ways to resolve conflict. Bargaining, negotiating, mediating, communication facilitation, etc are the ways to resolve conflicts considering the existing scenario of the organization. So, undoubtedly we can say that there is a need to resolve conflict as far as possible for the improvement of the organization. In this unit we will be dealing with conflicts and resolution of conflicts in an organization. We start with definition of conflicts and types of conflicts. We then move on to the causes of conflicts and sources of interpersonal conflicts. This is followed by the next section that deals with conflict resolution and resolving work place conflict. In the latter we will be dealing with the various techniques in conflict resolution. We then present the preventive techniques and other techniques and the positive outcome of conflicts.

4.1 OBJECTIVES

After reading this unit you will be able to:

* Define conflict;

* Describe the types of conflict;

* Explain the reasons for conflict; and

* Analyse the methods to resolve conflict.

4.2 CONFLICTS AND TYPES OF CONFLICT

We, the individuals, always suffer from different types of conflict. Sometimes we are able to manage it and sometimes not. We feel disturbance if we are unable to solve the conflict. Conflict can be defined as the disagreement between individuals or groups. Obviously, it is expected in groups, especially in the early stages of group formation. Conflict has a strong influence on organizational performance. When conflict reaches at the high level, it can be a major disruptive force that reduces organizational effectiveness. Organizational resources may be money, information, material human resources etc. Job boundaries and responsibilities sometimes are not clear at all. This creates conflict. Not only this communication may be defective, causing misunderstanding and conflict among group. Besides this, personality clashes are also one of the important factors for conflict and it is very common in organization. Actually personality conflicts are caused by fundamental differences in values, attitudes, behaviour and personality. Besides this, another important factor is power and status which creates conflict. Conflict occurs when different people are pursuing different goals within the same group or organization.

We will be dealing with definitions of conflicts and types of conflicts in this section.

4.2.1 Definition of Conflicts

Conflicts occur when people (or other parties) perceive that, as a consequence of a disagreement, there is **a threat to their needs, interests or concerns**. Although conflict is a normal part of organization life, providing numerous opportunities for growth through improved understanding and insight, there is a tendency to view conflict as a negative experience caused by abnormally difficult circumstances. Disputants tend to perceive limited options and finite resources available in seeking solutions, rather than multiple possibilities that may exist 'outside the box' in which we are problem-solving.

Workplace conflict is a time consuming and costly problem that can have a severe impact on the bottom line. Conflict in the workplace is generally the result of serious disagreement over needs or goals and can result in behaviour such as gossip, avoidance, verbal abuse, passive communication and hostility. We can consider the following steps to resolve the conflict:

* A conflict is more than a mere disagreement. It is a situation in which people **perceive a threat** (physical, emotional, power, status, etc.) to their well-being. As such, it is a meaningful experience in people's lives. It just does not pass off on its own. It has to be resolved.

- Participants in conflicts tend to **respond on the basis of their perceptions of the situation**, rather than an objective review of it. As such, people filter their perceptions and reactions through their values, culture, beliefs, information, experience, gender, and other variables. Conflict responses are both filled with ideas and feelings that can be very strong and powerful guides to our sense of possible solutions.

- As in any problem, **conflicts contain substantive, procedural, and psychological dimensions** to be negotiated. In order to best understand the threat perceived by those engaged in a conflict, we need to consider all of these dimensions.

- Conflicts are normal experiences within the work environment. They are also, to a large degree, **predictable and expectable situations that naturally arise** as we go about managing complex and stressful projects in which we are significantly invested. As such, if we develop procedures for identifying conflicts likely to arise, as well as systems through which we can constructively manage conflicts, we may be able to discover new opportunities to transform conflict into a productive learning experience.

- **Creative problem solving strategies are essential** to positive approaches to conflict management. We need to transform the situation from one in which it is 'my way or the highway' into one in which we entertain new possibilities that have been otherwise elusive.

4.2.2 Types of Conflicts

We generally identify three types of conflict, viz.,

i)   **Approach Approach Conflict: the** individual is motivated to approach two or more positive but mutually exclusive goals.

ii) **Approach Avoidance Conflict:** the individual is motivated by approach a goal and at the same time is motivated to avoid it.

iii) **Avoidance Avoidance Conflict:** the individual is motivated to avoid two or more negative but mutually exclusive goals.

Besides this, the dynamics of interactive behaviour create impact on organizational behaviour and there seems to be indication of interpersonal and inter-group conflict. Conflict at the intra-individual level involves frustration, goal conflict, role conflict and ambiguity. On the other hand, goal conflict can come from approach-approach, approach-avoidance and avoidance-avoidance conflict.

4.2.3 Sources of Inter Personal Conflict

There exists individual difference where intelligence, ability, aptitude, motivation vary from one person to other. In the organizational set up, there seem to be conflict among the managers, subordinates, team members and others also. There are mainly four sources of interpersonal conflict:

i)   **Personal differences:** Everyone is unique. Family background, culture, socialization, values and so many indicators vary from one person to another. So, conflict may arise.

ii) **Information deficiency:** There seems to be indication of communication gap and also there seems to be indication of misinformation.

iii) **Role incompatibility:** This type of interpersonal conflict mainly draws from both intra-individual role conflict and inter-group conflict.

iv) **Environmental stress:** This is mainly due to stressful environmental condition. Here downsizing, competition, uncertainty etc. are the significant factors.

Besides this there exists inter-group conflict in any organizational set up. The reasons are mainly as follows:

i)   Competition for resources.

ii) Task interdependence

iii) Status struggle

iv) Ambiguity.

All these factors create impact in the group. There are number of strategies to manage inter-group conflict, viz., avoidance, diffusion, containment and confrontation.

Not only this, the individual in the organization faces different types of conflict considering only the structural aspects. The types are mainly:

i)   Hierarchical conflict

ii) Functional conflict

iii) Line-Staff conflict and

iv) Formal-informal conflict.

4.2.4   Causes of Conflict

Conflict is a normal and necessary part of healthy relationships. After all, two people can't be expected to agree on everything at all times. Therefore, learning how to deal with conflict—rather than avoiding it—is crucial.

When conflict is mismanaged, it can harm the relationship. But when handled in a respectful and positive way, conflict provides an opportunity for growth, ultimately strengthening the bond between two people. By learning the skills you need for successful conflict resolution, you can face disagreements with confidence and keep your personal and professional relationships strong and growing.

Conflict arises from differences. It occurs whenever people disagree over their values, motivations, perceptions, ideas, or desires. Sometimes these differences look trivial, but when a conflict triggers strong feelings, a deep personal need is at the core of the problem¾a need to feel safe and secure, a need to feel respected and valued, or a need for greater closeness and intimacy.

Conflicts arise from differing needs

Everyone needs to feel understood, nurtured, and supported, but the ways in which these needs are met vary widely. Differing needs for feeling comfortable

and safe create some of the most severe challenges in our personal and professional relationships.

Think about the conflicting need for safety and continuity versus the need to explore and take risks. You frequently see this conflict between toddlers and their parents. The child's need is to explore, so the street or the cliff meets a need. But the parents' need is to protect the child's safety, so limiting exploration becomes a bone of contention between them.

It is important to acknowledge that both parties' needs play important roles in the long-term success of most relationships, and each deserves respect and consideration. In personal relationships, a lack of understanding about differing needs can result in distance, arguments, and break-ups. In workplace conflicts, differing needs are often at the heart of bitter disputes. When you can recognize the legitimacy of conflicting needs and become willing to examine them in an environment of compassionate understanding, it opens pathways to creative problem solving, team building, and improved relationships.

- **A conflict is more than just a disagreement.** It is a situation in which one or both parties perceive a threat whether or not the threat is real.

- **Conflicts continue to fester when ignored.** Because conflicts involve perceived threats to our well-being and survival, they stay with us until we face and resolve them.

- **We respond to conflicts based on our perceptions** of the situation, not necessarily to an objective review of the facts. Our perceptions are influenced by our life experiences, culture, values, and beliefs.

- **Conflicts trigger strong emotions.** If you aren't comfortable with your emotions or able to manage them in times of stress, you won't be able to resolve conflict successfully.

- **Conflicts are an opportunity for growth.** When you're able to resolve conflict in a relationship, it builds trust. You can feel secure, knowing your relationship can survive challenges and disagreements.

4.3 CONFLICT RESOLUTION

Conflict in the work place is a very common phenomenon that occurs almost daily. People generally work in different situations. The goals and needs also vary from one setting to another. Sometimes it is adjustable and sometimes not. So conflict may happen. In many cases effective conflict resolution skills can make the difference between positive and negative outcomes. You can solve many problems considering the following three main points. These are

Increased understanding: Sometimes discussion is needed to resolve the conflict and ultimately it improves the awareness level. It also helps to achieve the goal.

Increased group cohesion: Team members can develop mutual respect and renewed faith in their ability to work together.

Improved self-knowledge: Conflict helps individuals to sharpen their focus and enhancing their effectiveness.

Kenneth Thomas and Ralph Kilman (1970) identified five main styles of dealing with conflict. These are:

i)   **Competitive:** Individuals who tend towards a competitive style take a firm stand and they know what they want. This style is useful when there is an emergency and decision needs to be made fast, when the decision is unpopular.

ii) **Collaborative:** Individuals is tending towards a collaborative style because he or she is willing to meet the needs involving all the other people. They are highly assertive; they cooperate effectively and acknowledge that everyone is important.

iii) **Compromising:** Here everyone is expected to give up something and want to solve the problem as early as possible. It is useful when the cost of conflict is higher than the cost of losing ground.

iv) **Accommodating:** This style indicates a willingness to meet the needs of others at the expense of the person's own needs. Accommodation is appropriate when the issues matter more than the other. People may get return from this.

v)   **Avoiding:** This style is typified by delegating controversial decisions, accepting default decisions, and not wanting to hurt anyone's feelings.

Another important theory we can mention here is the Interest Based Relational Approach. This approach indicates the following points in connection with resolving conflict.

• We have to make sure that good relationships are the first priority.

• We have to keep people and problems separately.

• We have to pay attention to the interests that are being presented.

• We have to listen first and talk second.

• We have to set out the facts.

• We have to explore options together.

Considering the above points we can resolve our conflicts and it will be positive and constructive one.

4.3.1   Principles of Conflict Resolution

We can further say that there are some common principles which we can apply to resolve conflicts, whether it is within individuals, or group or communities or nations. The salient points are as follows:

We may be calm: It may help to resolve the conflict.

We may be magnanimous: Here one can concentrate on the important issues of difference rather than the smaller one.

Need for discussion or debate: Sometimes it happens that conflict is created and maintained because there is no real discussion or debate.

Need to apply rationality: It is true that there are some conflict which is not about substance but perception.

We have to acknowledge emotions: In one side there is fact and this is rational and we can not resolve much conflict because how people perceive those facts is coloured by their emotions.

Need to think creatively: If we think the incidence or the matter creatively, sometimes we can easily solve the problem.

Need to change the environment: We can easily observe it that if we change the existing environmental condition, sometimes conflict may resolve.

Compromise: Compromise is another important factor to resolve the conflict.

Need to change the wording: Agreement or any settlement help to resolve the conflict in many situations.

Have to accept the situation: There is not always a solution waiting to be found and if there is a solution, it is unlikely to be the only one.

Besides, above mentioned ten points there are so many factors by which we can resolve conflict. It can also be said that conflict can not always be avoided, especially when fundamental differences, as opposed to perceived differences, are involved; not all conflict is negative.

4.4 RESOLVING WORKPLACE CONFLICT

Generally there are two parties to a conflict due to one being unable to agree with the other. While the disagreeing parties may resolve their differences themselves in certain instances with their own conflict resolution methods, the intervention of a third party with good conflict resolution strategies may be required in other cases.

The best way to resolve a conflict is by facing it, analyzing and acting in a fair and equitable manner by both parties; and not by ignoring or pushing it under the carpet. Here are some good conflict resolution techniques to resolve conflicts.

4.4.1 Conflict Resolution Techniques

i) **Good self-control:** This is an important prerequisite in resolving conflicts. Though one may be highly tensed up and unwilling to listen to anybody other than having their own way during a conflict, once it is history, the person will find that there was a good lesson to learn from that experience, if not already learnt.

ii) **Patient listener:** Another good qualification is to be a patient listener and assess the problem realistically without getting emotional or biased. Ask appropriate questions for further clarification, but if you go to talk too much, you could get carried away, and off the track. This is true of all conflict resolution techniques.

iii) **To have a give and take attitude:** If you are really interested in resolving a conflict and having lasting peace, do not expect to have the final solution

fully in your favor and 100% according to your way of thinking. Everybody involved in the dispute must adopt a "give and take" attitude, as happens with all good conflict resolution strategies. One has to give up a less important part in order to retain a more important part. When everybody thinks and acts like that, the earlier dislodged jig saw puzzle pieces will start falling into their grooves to give a unitary undivided wholesome picture. This wholesomeness comes of using efficient conflict resolution techniques.

To sum up these conflict resolution methods, first identify the conflict in its proper perspective. Once it is done, we hope the foregoing conflict resolution strategies will be of help to the person in resolving any conflict to everybody's satisfaction.

4.4.2 Confront the Conflict

We can call meeting and discuss about the facts.

- Confront the possible negative issues in the relationship.

- Have to encourage both people to look at the possible positive sides to their relationship.

- Have to search various options and you can start gaining greater commitment from them.

- To achieve the listed aspiration adequate strategies are needed.

- We have to set supporting structure to accomplish the aspirations and selected directions.

- To know the feedback and cost of non-compliance.

- Need evaluation and re-evaluation.

- Need for summarization.

Identification of the problem properly and need for ability to manage the problem properly at all levels.

Conflict in organization is inevitable. Managers can not avoid conflict problems and need to have the skills to resolve them appropriately.

4.4.3 Techniques of Conflict Resolution

There are the numbers of techniques for conflict resolution:

Bargaining/negotiating.: Bargaining: a means of reaching agreement or settlement through give and take, often synonymous with negotiation. Lulofs (1994) makes the distinction that bargaining refers to business contexts, usually involving money, and negotiation refers to all other contexts.

Bargaining range/**Settlement range**: in a single issue negotiation, the range of overlap in solutions where both parties would prefer a settlement to no settlement. For example, Party A has a car to sell and is asking $5,000, but will actually be satisfied with as little as $4,300. Party B wishes to purchase the car and has an initial desire to pay no more than $4,000, but is willing to pay as much as $4,600.

Negotiated rulemaking (NEG-REG): Representatives of agencies and private stakeholders are brought together to negotiate new government rules or regulations.

Negotiator's dilemma/Claiming value: Claiming value is the taking of resources during a conflict or negotiation; the opposite of creating value which is the discovery or invention of options or resources (see Lax and Sebenius, 1986). The negotiator's dilemma is knowing when to create value and when to take value.

Mediation, as used in law, is a form of alternative dispute resolution (ADR), is a way of resolving disputes between two or more parties. A third party, the mediator, assists the parties to negotiate their own settlement (facilitative mediation). In some cases, mediators may express a view on what might be a fair or reasonable settlement, generally where all the parties agree that the mediator may do so (evaluative mediation).

Mediation has a structure, timetable and dynamics that "ordinary" negotiation lacks. The process is private and confidential. The presence of a mediator is the key distinguishing feature of the process. There may be no obligation to go to mediation, but in some cases, any settlement agreement signed by the parties to a dispute will be binding on them.

4.4.4 Ten (10) Steps in Conflict Resolution

Here are the 10 steps with a few thoughts on each:

1) **Set a time and place for discussion**

   In most cases blogging conflict happens in posts and comments between bloggers. This is something I actually enjoy (if done well) but is also something of a problem for constructive resolution (due to its public nature and the fact that conflict rarely stays between two people). If a comment thread is becoming destructive I generally attempt to take the discussion to a more private setting either via email or IM. Doing this tends to take some of the sting out of the interaction. Also to set up a discussion for some point in the future helps to give each party a little space to calm down and approach the interaction more reasonably.

2) **Define the problem or issue of disagreement**

   Many online conflicts tend to spill out into related topics to the point where parties end up not really knowing what they're fighting about at all. Attempting to keep a discussion to one main point (at a time) can mean you're more likely to move through it and then tackle another issue.

3) **How do you each contribute to the problem?**

   Conflict is rarely a result of one person solely being at fault in a situation. Communicating to each other not only what the other person has done wrong but identifying your own failings can be a humbling experience and usually brings you a long way closer to resolving the issue.

4) **List past attempts to resolve the issue that were not successful**

   As blogging conflicts don't usually come out of longer term relationships this might not be as relevant. However there are occasions where the same

issues surface again and again and it can be helpful to identify previous occasions and look at what the resolution was. Identifying patterns of conflict can be quite illuminating (you might just learn a thing or two about yourself when doing it).

5) **Brainstorm. List all possible solutions**

When people fight they generally push one argument or solution upon others and are not willing to entertain the idea that there might be other possible solutions. Listing the alternative opinions and solutions can help both parties to find compromise.

6) **Discuss and evaluate these possible solutions**

Talking over the alternatives in a neutral and objective way helps both parties to see the pros and cons of different ways of thinking. This is where the assertiveness and active listening skills that we unpacked yesterday come to the fore.

7) **Agree on one solution to try**

In some cases there is no 'solution' needed (other than to agree to disagree and to move on) – however in some cases there might be more. Agreeing how and when to finish the conflict is important and stops those lingering flame wars where neither party is willing to let the other one have the final word.

8) **Agree on how each individual will work toward this solution**

If there's some sort of agreement on the resolution to agree to how each person will contribute to it is important so that there is accountability around it.

9) **Set up another meeting. Discuss your progress**

I actually find that when you've had a blog conflict with someone and have moved to some point of resolution that it can be helpful to privately contact the person later on to debrief on it and to see if there is any further resolution needed.

10) **Reward each other as you each contribute toward the solution**

4.4.5   Components of Conflict Resolution

Get In Touch With Your Feelings

An important component of conflict resolution involves only you — knowing how you feel and why you feel that way. It may seem you're your feelings should already be obvious to you, but this isn't always the case. Sometimes we feel angry or resentful, but don't know why. Other times, we feel that the other person isn't doing what they 'should,' but we aren't aware of exactly what we want from them, or if it's even reasonable. Journaling can be an effective way to get in touch with our own feelings, thoughts and expectations so we are better able to communicate them to the other person. Sometimes this process brings up some pretty heavy issues, and psychotherapy can be helpful.

Hone Your Listening Skills

When it comes to effective conflict resolution, how effectively we listen is at least as important as how effectively we express ourselves. It's vital to understand the other person's perspective, rather than just our own, if we are to come to a resolution. In fact, just helping the other person feel heard and understood can sometimes go a long way toward the resolution of a conflict. Good listening also helps for you to be able to bridge the gap between the two of you, understand where the disconnect lies, etc. Unfortunately, active listening is a skill that not everybody knows, and it's common for people to think they're listening, while in their heads they're actually formulating their next response, thinking to themselves how wrong the other person is, or doing things other than trying to understand the other person's perspective. It's also common to be so defensive and entrenched in your own perspective that you literally can't hear the other person's point of view.

Practice Assertive Communication

Communicating your feelings and needs clearly is also an important aspect of conflict resolution. As you probably know, saying the wrong thing can be like throwing fuel on a fire, and make a conflict worse. The important thing to remember is to say what's on your mind in a way that is clear and assertive, without being aggressive or putting the other person on the defensive. One effective conflict resolution strategy is to put things in terms of how you feel rather than what you think the other person is doing wrong, using 'I feel' statements.

Seek a Solution

Once you understand the other person's perspective, and they understand yours, it's time to find a resolution to the conflict — a solution you both can live with. Sometimes a simple and obvious answer comes up once both parties understand the other person's perspective. In cases where the conflict was based on a misunderstanding or a lack of insight to the other's point of view, a simple apology can work wonders, and an open discussion can bring people closer together. Other times, there is a little more work required. In cases where there's a conflict about an issue and both people don't agree, you have a few options: Sometimes you can agree to disagree, other times you can find a compromise or middle ground, and in other cases the person who feels more strongly about an issue may get their way, with the understanding that they will concede the next time. The important thing is to come to a place of understanding, and try to work things out in a way that's respectful to all involved.

Know When It's Not Working

Because of the toll that ongoing conflict can exact from a person, sometimes it's advisable to put some distance in the relationship, or cut ties completely. In cases of abuse, for example, simple conflict resolution techniques can only take you so far, and personal safety needs to take priority. When dealing with difficult family members, on the other hand, adding a few boundaries and accepting the other person's limitations in the relationship can bring some peace. In friendships that are unsupportive or characterized by ongoing conflict, letting go may be a great source of stress relief. Only you can decide if a relationship can be improved, or should be let go.

Healthy and unhealthy ways of managing and resolving conflict	
Unhealthy responses to conflict:	**Healthy responses to conflict**
• An inability to recognize and respond to the things that matter to the other person	• The capacity to recognize and respond to the things that matter to the other person
• Explosive, angry, hurtful, and resentful reactions	• Calm, non-defensive, and respectful reactions
• The withdrawal of love, resulting in rejection, isolation, shaming, and fear of abandonment	• A readiness to forgive and forget, and to move past the conflict without holding resentments or anger
• An inability to compromise or see the other person's side.	• The ability to seek compromise and avoid punishing
• The fear and avoidance of conflict; the expectation of bad outcomes	• A belief that facing conflict head is the best thing for both sides

Conflict triggers strong emotions and can lead to hurt feelings, disappointment, and discomfort. When handled in an unhealthy manner, it can cause irreparable rifts, resentments, and break-ups. But when conflict is resolved in a healthy way, it increases our understanding of one another, builds trust, and strengthens our relationship bonds.

If you are out of touch with your feelings or so stressed that you can only pay attention to a limited number of emotions, you won't be able to understand your own needs. If you don't understand your needs, you will have a hard time communicating with others and staying in touch with what is really troubling you. For example, couples often argue about petty differences—the way she hangs the towels, the way he parts his hair—rather than what is really bothering them.

The successful resolution of conflict depends on the ability to:
- **Manage stress quickly while remaining alert and calm.** By staying calm, you can accurately read and interpret verbal and nonverbal communication.

- **Control your emotions and behavior.** When you are in control of your emotions, you can communicate your needs without threatening, frightening, or punishing others.

- **Pay attention to the feelings being expressed** as well as the spoken words of others.

- **Be aware of and respectful of differences.** By avoiding disrespectful words and actions, you can resolve the problem faster.

In order to do this you will need to learn and practice two core skills:

i) The ability to quickly reduce stress in the moment and

ii) The ability to remain comfortable enough with one's emotions to react in constructive ways even in the midst of an argument or a perceived attack.

Being able to manage and relieve stress in the moment is the key to staying balanced, focused, and in control, no matter what challenges you face. If you do not know how to stay centered and in control of yourself, you will become overwhelmed in conflict situations and unable to respond in healthy ways.

4.4.6 Stress and Resolution of Conflict

* Accurately read another person's nonverbal communication.

* Hear what someone is really saying.

* Be aware of your own feelings.

* Be in touch with your deep-rooted needs.

* Communicate your needs clearly.

The best way to rapidly and reliably relieve stress (if you don't have someone close at hand to talk to) is through the senses: sight, sound, touch, taste, and smell. But each person responds differently to sensory input, so you need to find things that are soothing to you.

The most important information exchanged during conflicts and arguments is often communicated nonverbally. Nonverbal communication is conveyed by emotionally-driven facial expressions, posture, gesture, pace, tone and intensity of voice.

The most important communication is wordless

When people are upset, the words they use rarely convey the issues and needs at the heart of the problem. When we listen for what is felt as well as said, we connect more deeply to our own needs and emotions, and to those of other people. Listening in this way also strengthens us, informs us, and makes it easier for others to hear us.

When you're in the middle of a conflict, paying close attention to the other person's nonverbal signals may help you figure out what the other person is really saying, respond in a way that builds trust, and get to the root of the problem. Simple nonverbal signals such as a calm tone of voice, a reassuring touch, or an interested or concerned facial expression can go a long way toward relaxing a tense exchange.

Your ability to accurately read another person depends on your own emotional awareness. The more aware you are of your own emotions, the easier it will be for you to pick up on the wordless clues that reveal what others are feeling.

Once stress and emotion are brought into balance your capacity for joy, pleasure and playfulness is unleashed. Joy is a deceptively powerful resource. Studies show that you can surmount adversity, as long as you continue to have moments of joy. Humor plays a similar role when the challenge you're facing is conflict.

You can avoid many confrontations and resolve arguments and disagreements by communicating in a playful or humorous way. Humor can help you say things that might otherwise be difficult to express without creating a flap. However, it's important that you laugh *with* the other person, not *at* them. When humor and play is used to reduce tension and anger, reframe problems, and put the situation into perspective, the conflict can actually become an opportunity for greater connection and intimacy.

Managing and resolving conflict requires the ability to quickly reduce stress and bring your emotions into balance.

It is possible to ensure that the process is as positive as possible by sticking to the following conflict resolution guidelines:

Listen for what is felt as well as said. When we listen we connect more deeply to our own needs and emotions, and to those of other people. Listening in this way also strengthens us, informs us, and makes it easier for others to hear us.

Make conflict resolution the priority rather than winning or "being Right". Maintaining and strengthening the relationship, rather than "winning" the **a**rgument, should always be your first priority. Be respectful of the other person and his or her viewpoint.

Focus on the present. If you're holding on to old hurts and resentments, your ability to see the reality of the current situation will be impaired. Rather than looking to the past and assigning blame, focus on what you can do in the here-and-now to solve the problem.

Pick your battles. Conflicts can be draining, so it's important to consider whether the issue is really worthy of your time and energy. Maybe you don't want to surrender a parking space if you've been circling for 15 minutes. But if there are dozens of spots, arguing over a single space isn't worth it.

Be willing to forgive. Resolving conflict is impossible if you're unwilling or unable to forgive. Resolution lies in releasing the urge to punish, which can never compensate for our losses and only adds to our injury by further depleting and draining our lives.

Know when to let something go. If you can't come to an agreement, agree to disagree. It takes two people to keep an argument going. If a conflict is going nowhere, you can choose to disengage and move on.

Whether the conflict is a classroom real-life simulation exercise or an on-going emotional experience, learning ways to resolve issues and collaboratively work through responses and solutions will teach you skills that can be applied in other settings. It can help you:

o accept differences

o recognize mutual interests

o improve persuasion skills

o improve listening skills

o break the re-active cycle or routine

o learn to disagree without animosity

o build confidence in recognizing win-win solutions

o recognize/admit to/process anger and other emotions

o solve problems!

In groups of people with various temperaments, philosophies and personalities, there is bound to be interpersonal conflicts. An interpersonal conflict may be any form of confrontation or interaction between groups that hinders the achievement of group goals (Poduska, 1980). In a school setting where persons work closely and where job functions demand constant communication, some relationships will inevitably be wrought with conflicts.

Conflicts can (1) cause stress, (2) cause frustration, (3) cause hostility, (4) result in impaired or bad judgment, (5) restrict freedom, (6) use valuable energy, (7) influence other workers negatively, (8) result in lack of confidence in principal or administrator, (9) detract from the attainment of goals and objectives.

Some reasons for conflicts include:

i)   *Cognitive dissonance:* A conflict between convergent and divergent thinking.

ii)   *Status*: When there is a need for status, such as the "wrong" person being promoted.

iii) *Economics:* Insufficient remuneration.

iv)   *Leadership styles*: Differences in leadership styles in administration.

v)   *Stress*: Conflicts from stress from external sources; i.e., functional or dysfunctional situations.

vi)   *Power struggle*: Conflict from power struggle when all want to lead and none want to follow.

vii) *Inappropriate assignment of administrative leadership:* Conflict resulting from someone of less stature leading a more qualified and experienced worker.

viii) *The application and interpretation of rules and policies.*

ix)   *Assessment of employee performance.*

x)   *Allocation of resources and privileges.*

There two types of conflict: (1) substantive conflict, and (2) affective conflict. A substantive conflict is associated with the job, not individuals, while an affective conflict is drawn from emotions

4.5   CONFLICT RESOLUTION TECHNIQUES

The choice of an appropriate conflict resolution technique depends on a number of factors including (1) why the conflict occurred, (2) the relation between the conflicting parties, and (3) the relationship between the principal and the conflicting parties. Most of these techniques rest on one model which consists of four steps:

1)   Identify or clarify the issues.

2)   Search for shared values.

3)   Explore possible solutions.

4)   Select the solution that satisfies those who have the conflict.

4.5.1 Preventative Techniques

Several techniques fall within this category: (1) Personal qualifications of the principal, promoting and becoming involved in morale-boosting social events for staff, students, and parents, (3) promoting effective up-down and down-up communication, (4) altering behavior through motivational seminars, peer evaluation, mentoring, etc. I will elaborate on the personal qualifications of the principal.

The principal must possess the qualities that enhance good working relationships among staff members. These qualities include a knowledge of group dynamics, motivational skills, persuasiveness, organizational sensitivity, ethnic and cultural awareness, objectivity, a sense of humor, listening skills, and compassion. The principal must show a high degree of loyalty and respect to all concerned. She must be able to make wise and intelligent decisions and possess some analytical skills.

4.5.2 Other Techniques

These techniques include but are not limited to: (1) integration, (2) consensus management, (3) expansion of resources, (4) compromise, (5) negotiation, (6) changing the formal structure of the group, (7) identification of similar goals and objectives, (8) changing the formal structure of the group, (8) problem solving, (9) superordinate goals, (10) smoothing, (11) authoritative command, (12) altering of the human variable.

i)   **Authoritative command:** This is based on the formal authority vested in the leader and the tendency of subordinates to obey the leader's command. It is very successful in achieving short-term reduced levels of conflict. Its major weakness is that it does not treat the cause of the conflict.

ii) **Altering the human variable:** This is very difficult to achieve. The goal is to change the behavior of the conflicting parties. It has a dual potential effect of alleviating the source of the conflict and ending the conflict itself. This is achieved through human relations training, sensitivity and awareness training. A third party is usually involved.

iii) **Altering the structural variable:** This is the most successful resolution technique. It is assumed to be so because leaders have authority to change the organizational structure or at least to have an input into such changes. This is accomplished by exchanging group members, creating or coordinating positions, developing an appeal system, expanding the boundaries of the group or the organization.

iv) **Integration:** It is the most effective technique in cases when different goals or ideals are being sought. Integration is achieved through face-to-face dialogue and brainstorming in order to understand the conflict and evaluate the worth of suggestions. This technique is useful, for example, when two department heads are at odds over the use of the facilities that one has jurisdiction over.

v)   **Consensus management:** The principal seeks group input in the decision-making process, especially in the formation and prioritizing of goals. This technique is useful, for instance, when a school administration must decide on the best day to begin internal examinations.

vi) **Compromise:** Compromise sends a message of tolerance, understanding, and sympathy for both parties leaving integrity and dignity intact. This is especially applicable in teacher-parent, teacher-student, or teacher-teacher conflicts.

vii) **Negotiation:** Time should be taken to understand both sides through questioning, to evaluate what is being said, and to make decisions without being subjective. Choices should be offered after pointing out disadvantages and benefits of suggestions. This is a suitable strategy when dealing with parents of a disruptive student and when convincing irate teachers to tolerate and "accept" a difficult student back in school after a severe disciplinary infraction.

viii) **Problem solving:** This also known as confrontation. It seeks resolution of disagreements through face-to-face confrontation of the conflicting parties. Rather than accommodating various points of view, this approach aims at solving the problem. It does not determine who is right, who is wrong, who wins, or who loses. Conflict stemming from semantic misunderstanding can be quickly and effectively alleviated in this manner.

ix) **Superordinate goal:** Common goals that two or more conflicting parties each desire and that cannot be reached without the cooperation of those involved are called superordinate goals. These goals must be highly valued, unattainable without the help of all parties involved in the conflict, and commonly sought. A union-management dispute illustrates the functioning of the superordinate goal. In times of economic plenty, unions are frequently adamant in their demands. But in numerous cases where an organization's survival has been seriously threatened owing to economic pressures, a union has accepted pay reductions to keep the organization in business. A compelling and highly valued goal, survival, has preceded other, individual objectives, and temporarily resolved the labor conflict.

x) **Smoothing:** Smoothing can be described as the process of playing down differences that exist between individuals or groups while emphasizing common interests. Differences are suppressed in smoothing, and similarities are accentuated. When we recognize that all conflict situations have within them points of commonality, we further recognize that smoothing represents a way in which one minimizes differences.

4.5.3 Positive Outcomes of Conflicts

Conflicts can have constructive outcomes when they are properly handled. They can: (1) provide greater interest in the topic of discussion, (2) stimulate greater feelings of identity, (3) cause attention to be drawn to the existing problems, (4) cause diffusion of ideas for the solution for other problems, (5) promote understanding, (6) motivate one to work more efficiently.

In many organizations, a manager must be prepared to manage a wide variety of organizational subunits.

Committees are one of the most common subunits found in modern organizations. Ad hoc committee and standing committee are the important one.

Task force is similar to an ad hoc committee. It has unique features. Task forces are generally associated with the coordination and integration of activities between or among work units. Second, task force membership may change often as new skills or inputs are needed. They also solve the conflict considering the relevant factors in connection with the conflict.

4.6　PERSONALITY CONFLICT AND RESOLUTION

Interpersonal relationships between co-workers are one of the most important factors in any work environment and the personality conflicts are a leading cause of problems in the workplace. In this context we can say that there are some basic management skills by which conflict can be resolved. The salient points are as follows:

1) Need to be professional and calm.

2) Need to learn to work as a team.

3) Need proper communication.

4) Need work relationship.

5) Need to know about proper chain of command.

4.7　LET US SUM UP

Conflict can occur at the individual, interpersonal, group and organizational levels. Intra-individual conflict is mainly related to stress. Another common source of conflict for an individual is a goal that has positive or negative features or two or more competing goals. Intra-individual aspects of conflict, the inter-personal aspects of conflict are also an important dynamic of interactive behaviour. The strategies for inter-personal resolution include a problem-solving collaborative approach, movement toward an open self etc. Besides this the management of organizational conflict was mainly based on simplistic assumption. Negotiation is one of the important factors for conflict resolution. Committee, task force, work group may help to resolve the conflict in the workplace environment. There are so many mechanisms by which we can try to resolve the conflict in any organizational set up.

4.8　UNIT END QUESTIONS

1) What do you mean by the term conflict?

2) Write in brief about the different types of conflict.

3) Elucidate briefly about conflict resolution technique.

4) How can you resolve work place conflict? – Discuss.

4.9　SUGGESTED READINGS

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