

ORGANIZATIONAL BEHAVIOUR (161MN401)

I-MBA- 4th Semester

MODULE 1:

FUNDAMENTALS OF ORGANIZATIONAL BEHAVIOUR

Organizational Behaviour is a part of total management, but plays a very important role in every area of management and has been accepted by all the people concerned. It is an accepted fact that an organization can develop only when its people are developed. Study of their behavior therefore, becomes imperative for the development of people.

The term 'Organizational behaviour' actually refers to behavior of people in the organization because organizations themselves do not behave. Organizational behaviour thus, tries to understand the human behavior in the organizations.

Human behaviour in an organization is generally concerned with the thoughts, feelings, emotions and actions of the people working in it. To understand any one individual and his behaviour is in itself a challenge, but to understand group behaviour in an organization is a very complex managerial task. That is why it is rightly said that the success of any organization primarily depends upon the efficiency and effectiveness of the management, and the latter depends primarily on its human skills and how well it understands the needs and desires of the people working in the organization.

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

Definition: "Organization Behaviour is concerned with the study of what people do in an organization and how that behaviour affects the performance of the organization." (Stephen Robbins)

He further elucidates, organizational behavior is:

- What people do in an organization
 - How their behavior effects the overall performance of the organization.
 - Behavior related to concerns: such as absenteeism, turnover, productivity etc.
- Includes the core of all work determinants (motivation, leadership, power, politics, conflict etc.)

It is directly concerned with the understanding, prediction and control of human behavior in organizations. It is an area of study that investigates the impact that individuals, groups and structure, have on behavior within organizations.

GOALS OF ORGANIZATIONAL BEHAVIOR:

Describe: The first objective of OB is to describe systematically, how people behave under a variety of conditions. If the managers can achieve this goal, they can succeed in communicating about human behavior at work using common language.

Understand: The second objective of OB is to understand why people behave as they do. It will be highly frustrating for the managers, if they see the behavior of their employees, talk about that, but not understand the reason behind those acts. The managers have to learn to probe the underlying explanations.

Predict: The third objective of OB is to predict the future employee behavior. This is a very important job of the manager to predict how a particular employee will behave in a particular situation e.g. who are the employees

who will send their leaves on days which are supposed to be hectic or difficult. If the managers succeed in this objective, they can take preventive actions.

Control: The final objective of OB is to control; at least to some extent the human activity at work. Managers have to improve the performance through the actions they and their employees take and OB can help them in the pursuit of their goal.

WHY IS OB IMPORTANT?

- Companies whose managers accurately appraise the work of their subordinates enjoy lower costs and higher productivity.
- People who are satisfied with the way they are treated on their jobs are more pleasant to work with and less likely to quit.
- People who are trained to work together tend to be happier and more productive.
- Employees who believe they have been treated unfairly are more likely to steal and reject the policies of their organizations.
- People who are mistreated by their supervisors have more mental and physical illnesses than those who are treated with kindness, dignity, and respect.
- Organizations that offer good employee benefits and have friendly conditions are more profitable than those that are less people oriented.

NATURE OF OB:

- **OB is a systematic study:** of individuals, groups, structure and behaviour and their interaction among each other in an organization.
- **OB is interdisciplinary:** draws knowledge and concepts from various disciplines like psychology, sociology, social psychology, anthropology, political science, etc.
- **OB is an interactive analysis of three-level study:** individual level, group level and organizational level. Each has an influence on the other.
- **OB is an applied science:** as it applies scientific methods to practical managerial problems.
- **OB applies both humanistic and optimistic approach:** OB deals with the thinking and feeling of human beings. is based on the belief that people have an innate desire to be independent, creative and productive. It also realizes that people working in the organization can and will actualize these potentials if they are given proper conditions and environment.

SCOPE OF OB:

O.B. is the study of human behaviour at work in organizations. Accordingly, the scope of OB includes the study of internal elements like individuals, groups and organization/structure and the fourth element, i.e., external social systems may be taken as the scope of OB.

1. People

- The people constitute the internal social system of the organization.
 - They consist of individuals and groups. Groups may be large or small, formal or informal, official or unofficial. They are dynamic. They form, change and disband.
 - Human organization changes everyday. Today, it is not the same as it was yesterday. It may change further in the coming days. People are living, thinking and feeling being who created the organization and try to achieve the objectives and goals.
- Thus, organizations exist to serve the people and not the people exist to serve the organization.

2. Structure

- Structure defines the sole relationship of people in an organization.
- Different people in an organization are given different roles and they have certain relationship with others.
- It leads to division of labour so that people can perform their duties or work to accomplish the organizational goal.
- Thus, everybody cannot be an accountant or a clerk. Work is complex and different duties are to be performed by different people. Some may be accountant, others may be managers, clerks, peons or workers. All are so related to each other to accomplish the goal in a co-ordinated manner.
- Thus, structure relates to power and duties. One has the authority and others have a duty to obey him.

3. Technology

- Technology imparts the physical and economic conditions within which people work. With their bare hands people can do nothing so they are given assistance of buildings, machines, tools, processes and resources.
- The nature of technology depends very much on the nature of the organization and influences the work or working conditions.
- Thus, technology brings effectiveness and at the same restricts people in various ways.

4. Social System:

- Social system provides external environment which the organization operates.
- A single organization cannot exist also. It is a part of the whole.
- One organization cannot give everything and therefore, there are many other organizations. All these organizations influence each other. It influences the attitudes of people, their working conditions and above all provides competition for resources and power.

CONTRIBUTING DISCIPLINES TO ORGANIZATIONAL BEHAVIOUR:

Organizational behavior is an applied behavioral science that is built on contributions from a number of behavioral disciplines. The predominant areas are psychology, sociology, social psychology, anthropology and political science. As we shall learn, psychology's contributions that have been mainly at the individual or micro level of analysis, while the other four disciplines have contributed to our understanding of macro concepts such as group processes and organization.

Psychology: The science that seeks to measure, explain, and sometimes change the behavior of humans and other animals. Psychologists concern-themselves with studying and attempting to understand individual behavior. It is an applied science, which attempts to explain human behaviour in a particular situation and predicts actions of individuals. Psychologists have been able to modify individual behaviour largely with the help of various studies. It has contributed towards various theories on learning, motivation, personality, training and development, theories on individual decision making, leadership, job satisfaction, performance appraisal, attitude, ego state, job design, work stress and conflict management. Studies of these theories can improve personal skills, bring change in attitude and develop positive approach to organizational systems. Various psychological tests are conducted in the organizations for selection of employees, measuring personality attributes and aptitude. Various other dimensions of human personality are also measured. These instruments

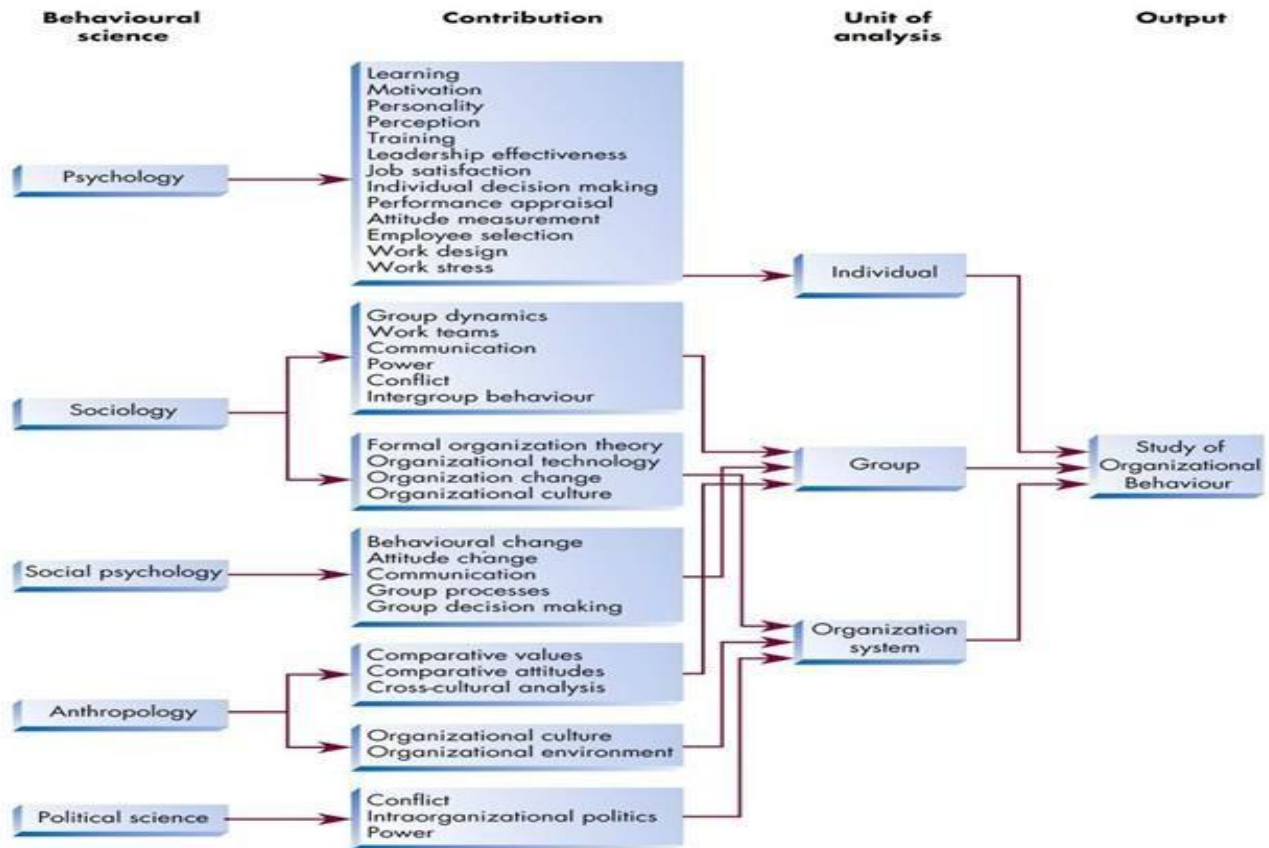
are scientific in nature and have been finalized after a great deal of research. Field of psychology continues to explore new areas applicable to the field of organizational behaviour. Contribution of psychology has enriched the organizational behaviour field.

Sociology: While psychology focuses on the individual, sociology studies people in relation to their fellow human beings. Science of Sociology studies the impact of culture on group behaviour and has contributed to a large extent to the field of group-dynamics, roles that individual plays in the organization, communication, norms, status, power, conflict management, formal organization theory, group processes and group decision-making. Specifically, sociologists have made their greatest contribution to OB through their study of group behavior in organizations, particularly formal and complex organizations.

Social Psychology: An area within psychology that blends concepts from sociology and that focuses on the influence of people. Working organizations are formal assembly of people who are assigned specific jobs and play a vital role in formulating human behaviour. It is a subject where concept of psychology and sociology are blend to achieve better human behaviour in organization. The field has contributed to manage change, group decision-making, communication and ability of people in the organization, to maintain social norms..

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

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



RELATIONSHIP BETWEEN OB AND THE INDIVIDUAL

The relationship between organizational behavior and individual stems from the fact that individual can be used as a tool for shaping organizational behavior.

Organizational behavior is a term used to define the concept of the behavior for individuals who constitute the human elements of an organization. This is related to human resources, which is a concept that is used to describe the management of the employees in any organization. From the description of the two terms, it is easy to see how organizational behavior and individual are related.

Individual personality, attitude, perception, stress, creativity etc can have an impact on shaping the organizational behaviour.

CHALLENGES AND OPPORTUNITIES FOR OB

There are a lot of challenges and **opportunities** today for managers to use OB concept. Some critical OB issues confronting the managers **today** are as follows:

1. Managerial challenges
2. Work place issues and challenges
3. Organizational challenges

4. Global challenges
5. Environmental challenges

1. Managerial Challenges: From the point of view of managers various issues relating to OB are discussed as follows:

(a) Workforce Diversity: One of the most common and important challenges currently facing organizations is dealing with people who are different. This challenge is termed as work force diversity. Organizations are becoming increasingly cosmopolitan. They are becoming more heterogeneous in terms of gender, race and ethnicity. Work force diversity, in fact, encompasses anything which varies from the so called norms. One can find a Brahmin working along with a Muslim or a Scheduled caste or a Sikh worker. There can be employees who are physically handicapped, lesbians, gays, elderly or others who are different in some way or the other. In earlier times, managers used to take a melting pot approach to differences in organizations assuming that people who were different would somehow automatically want to assimilate. Moreover, earlier members of diverse group used to be in minorities in the organization which were, for the most part, ignored by most of the organizations

The managers must learn to respect the diversity. They have to shift their philosophy from treating everyone alike to recognizing differences and responding to those differences in a way that will ensure employee retention and greater productivity while at the same time not discriminating. An increasingly diverse workforce presents both opportunities and challenges for the organizations. Diversity can become a competitive advantage in the following ways:

- Diversity can become a competitive advantage by improving the decision making and team performance on complex tasks.
- A diverse workforce is sometimes essential to provide better customer service in the global market place.
- Workforce diversity brings new challenges with respect of communication, team dynamics and dysfunctional conflict.
- Diversity, if properly managed, can increase creativity and innovation on organizations.

(2) Changing demographics of Workforce: The major challenge from changing demographics of workforce relates to the following:

(a) Dual Career Couples: This is a situation where both partners are actively pursuing professional careers. Organizations had been used to physical relocation of employees. Employees moving through organizational ranks to upper level positions need experience in variety of roles in different organizational units. Job makes and physical relocation had been used by organization for developing talent among employees. However, the dual career couples limit the individual flexibility in accepting such assignments. This hinders the organizational flexibility in acquiring and developing talent.

(b) Growing number of youngsters: Another form of diversity comes from younger people entering the workforce. Generation-x employees are on an average about 25 years of age. These employees bring new ways of thinking about the world of work and preferred employment relationships. The young employees are fresh, ambitious, enthusiastic and innovative. Their personal needs have to be handled with circumspection. The people do **not Live to work but work to live** choosing a life that they want to have as opposed to just bringing home a pay check.

(c) Gender Factor: Women used to have very traditional careers in earlier times like nurses, teachers, secretaries etc. Gradually they moved into professions previously dominated by males e.g. lawyers, doctors and executives. Nowadays, they are becoming more experimentative and moving into civil services,

engineering, information technology etc. Many blue collar jobs are being increasingly sought by women. On the other hand, more and more men are entering into professions previously dominated by women e.g. catering, nursing, cooking, fashion and textile designing etc. These developments have their own implications for human resource managers in organizations.

2. Workplace issues and Challenges: also have behavioural implications. Major issues are as follows:

(1) Employee Privacy: Employers, nowadays, have started to encroach too much into the private lives of the employees. Managers need to be very sensitive to this issue since this trend creates resentment among employees. The recent practices followed by organizations are:

- To implement random drug tests,
- To check the background of prospective employees,
- Random check of phone calls as well as a check on internet surfing,
- Taping the phone lines etc

(2) Employee rights: A concern related to employee privacy is employee rights. In this context, controversies involve issues associated with job ownership and individual rights while at work. Issues have also surfaced regarding uniform dress codes, right to marry within the organization etc. These issues tend to be controversial as more and more organizations limit or ban certain activities.

(3) Unionism: In the recent years, the general trend regarding union membership has been steadily declining. As a result, organizations carry the burden of providing the services to the employees which were previously provided by the-unions. Organization need to take care extra precautions to ensure that workers are treated fairly, otherwise, union membership will start increasing once again. Unionism has started increasing in other areas ranging from professional to technical to white collar jobs.

(4) Changed Employee Expectations: Employee expectations are also changing with change in workforce demographics. Traditional motivators like, job securities, attractive pay package, additional perquisites do not attract, retain today's workforce. Nowadays, employees demand empowerment and expect quality of status with the management. Authoritative leadership is giving way to participative managements with employee influence and involvement along with mechanisms for upward communications. Flexi-timings, opportunities to work from home, leading by example are the more recent trends. Today's average workers demand better treatment challenging jobs and career advancement.

3. Organizational Challenges: Managers have to face a large number of challenges at the organizational level also the major ones are as follows:

(a) Improving Quality & Productivity: Due to the advent of globalization privatization and liberalization, organizations are exposed to competition. In such a scenario, managers have to think seriously about improving the quality and productivity. To achieve this target, managers are implementing programs like **Total Quality Management** and **Reengineering** programs.

Total Quality Management (TQM) is a philosophy of management for attainment of customer satisfaction through the continuous improvement of all organizational processes. TQM has implication for OB because it requires employees to rethink what they do and become more involved in work place decisions. Reengineering means radically rethinking and redesigning those processes by which we create value for customers and do work. It requires manager to reconsider how work would be done and their organization structured if they were to start from scratch.

Managers, nowadays, must understand that any effort to improve the quality and productivity in order to succeed must include the employees. Since employees are a major force in carrying out the changes, they should participate actively in planning those changes also. OB offers important insights into helping the managers' work through these changes.

(b) Managing Technology and Innovations: In today's competitive environment a significant challenge confronting the managers is the set of issues involving the management of technology, innovations and changes. Success will come only to those organizations that maintain their flexibility continually improve their - quality and out beat their competitors with innovative products and services. An organization's employees can be the impetus for innovation and change or they can be a major stumbling block. The challenge for managers is to stimulate employee creativity and tolerance for change. The field of OB provides a wealth of ideas and techniques to aid in realizing these goals.

(c) Coping with Temporariness: Nowadays, change is an ongoing activity for most managers, though managers have always been concerned with change. Today, the young generation feels that the concept of continuous improvement means constant change. Managers today face a stage of permanent temporariness. The actual jobs that the workers perform are in a state of flux they have to continuously update their knowledge and skills to perform new job requirements. The organizations are also in a state of flux as they have to continuously recognize various divisions, sell off poor performing businesses, down size operations and replacing permanent employees with temporaries.

Today's managers and employees must learn to live with temporariness. They have to learn to cope with spontaneity, flexibility and unpredictability. The study of OB can help in providing important insights into helping one in how to overcome resistance to change and how best to create an organizational culture that thrives on change.

(d) Ethical Behavior: A very important organizational challenges relates to ethical behaviors and social responsibility. It is the duty of today's managers to create an ethically healthy climate for their employees, where they can do their work productively and with clean conscience. Social responsibility is the organizational, obligation to protect and contribute to social environment in which it functions. Both these concepts have become very significant in recent years. Leadership organizational culture and group norms are important organizational behavior concepts which are relevant in managing these concepts.

4. Global Challenges: are another important set of challenges facing today's managers. The global issues relate to the followings:

(1) Managing Global Environment: Organizations are no longer limited to or constrained by national borders. Internationalization of business has transformed the world into a global village. Managers have to cope with unfamiliar laws, languages, practices, attitudes, management styles, ethics etc. HR function must change to acquire a global perspective. Managers have to be flexible and proactive if they are to face these challenges.

(2) Managing Cultural Diversity: Today's Managers have to learn to cope with people from different cultures. Globalization affects the managers in two ways: If they are transferred to another country, they will have to manage a workforce that is likely to be very different in learn to adapt management styles to these different cultures.

5. Environmental Challenges: Every Organization exists within an external environment. The organization, thus, must adapt itself through continuous interaction to the environment. The environment is dynamic and is

continuously changing, thus, the adaptation process of organizations must also be dynamic and sensitive. Member of the organization must be responsive to a large number of environmental challenges. The organization must understand its responsibility to the environment and should be willing to interact with the environment, only then it will be able to survive in the long run. Following are the specific environmental challenges, an organization should be aware of:

Ecology: Responsibility of business towards society includes concern for ecology. Ecology is concerned with the relationship of living things with their environment. Every organization must face the challenge to maintain and even create ecological standards.

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

Personnel Policies: Personal policies of the organization should not be discriminatory towards any particular caste, creed, religion, sex or nationality. There should be equal pay for equal work.

Consumerism: Consumerism is a call for a revised marketing concept. The original marketing concept has to be broadened to include the societal marketing concept, Societal marketing concept has merged to say that long term consumer welfare is also important.

Research & Development: To keep pace with the global challenges, the organization must undertake technical. and scientific research.

International Policies: While doing a business on international scale, international policies pose a major challenge. The organization has to keep in mind the legislations and specific policies of various countries while dealing with them.

National Economic Policies: Due to the rising inflationary trends in the economy, there is always governmental pressure on the organizations to reduce prices and increase the wages. To balance between these two is a very challenging task.

Conclusion: Organizational Behavior can help the organization in facing and coping up with these challenges because these cannot be eliminated. There is no perfect solution to organizational problems, but if handled with care and diligence, these challenges can be converted into profitable opportunities. TQM, reengineering, leadership, organizational culture, group norms etc. are some of the OB concepts which can help in facing various challenges.

EVOLUTION OF ORGANIZATIONAL BEHAVIOUR

The evolution of OB can be broadly divided into three different phases:

1. **Early days of Organizational Behaviour**
2. **Classical Era**
3. **Behavioral Era**

(I) EARLY DAYS OF OB:

According to most of the estimates, organizational behavior emerged as a distinct field of study around the 1940's. However, its origin can be traced much further back in time. The Great Greek Philosopher **Plato** had written about the importance of leadership. Another great and respected philosopher **Aristotle** had addressed the topic of persuasive communication. In 500 B.C. the writings of Chinese Philosopher **Confucius** had started emphasizing ethics and leadership.

However, there were three individuals who had major influence in shaping the direction and boundaries of OB: **Adam Smith, Charles Babbage, and Robert Owen**. Adam Smith & Charles Babbage stressed on advantages of division of labour whereas Robert Owen recognized how the growing factory system was demeaning to workers. Adam Smith in his book 'The Wealth of Nation' included a brilliant argument on economic advantages that organizations and society would reap from the division of labour (called work specialization). In 1832, Charles Babbage, a British Mathematics Professor, in his book 'On the Economy of Machinery & Manufacturers' added few points to the benefit of division of labour like reducing the time needed to learn the job, reduce the waste of materials, attainment of high skills level, allowing more careful matching of people's skills and physical abilities with specific task. Nowadays, we take specialization for granted among professionals i.e. doctors, lawyers, professors etc. but it was unheard of in nineteenth century England. A Welsh entrepreneur, Robert Owen, one of the first industrialists argued for regulated hours of work for all workers, child labor laws, public education, company supplied meals at work and business involvement in community projects. He was more than a hundred years ahead of his time when in 1825, he recognized how the growing factory system was demeaning to workers.

(II) CLASSICAL ERA:

It covered the period from 1900 to 1930 approximately when the first general theory of management began to evolve. The major contributors were F.W Taylor, Henry Fayol, Max Weber, Mary Parker Follett and Chester Barnard. German Sociologist, Max Weber wrote about rational organizations. He also initiated the topic of charismatic leadership.

- (a) **SCIENTIFIC MANAGEMENT OF F.W. TAYLOR:** This method was developed in the USA in the early part of the 20th century by Frederick Taylor. Taylor's ideas were applied not only in U.S.A. but also in France, Germany, and Russia. He paid close attention to "Time and Motion" studies here each worker is timed when performing a task and then it provides the basis for the workers' level of output per day. For example: If it took a worker 2 minutes to perform a task, then this could be done 30 times per hour and 240 times in an 8 hours day.

Taylor introduced the systematic use of goal setting and rewards to motivate employees. Taylor sought to create a mental revolution among both the workers and management by defining clear guidelines for improving production efficiency. The Principles of Scientific Management as well as the other

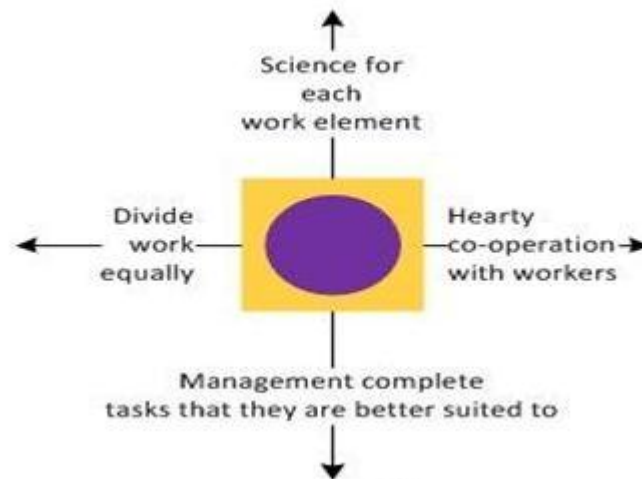
He emphasized the systematic study of relationships between people and tasks for the purpose of redesigning the work process to increase efficiency.

Taylor made a **mental revolution** among both the workers and management by defining clear guidelines for improving production efficiency. In his book Principles of Scientific Management Taylor described how the scientific method could be used to define the "one best way" for a job to be done.

❖ **Scientific management was based upon five main principles:**

- **Science, not rule of thumb:** Develop a science for each man's work.
- **Harmony, not discord:** Working together towards attainment of objectives

- **Cooperation, not individualism:** Cooperate with the men to ensure that work is done as prescribed.
- **Development of each man to his greatest efficiency and prosperity:** Scientifically select the best man for the job and train him on the procedures he is expected to follow.
- **Equitable division of work and responsibility between management and labour:** Divide the work so that activities such as planning, organizing and controlling are the prime responsibilities of management rather than the individual worker.



Key Concepts of Scientific Management:

- Job Analysis/Work Study:** The amount of work which an average worker can perform during a day under normal conditions. What work has to be done, how, when, where and by whom. Ultimate goal is - logical sequence of work and promoting maximum efficiency. It eliminates wasteful & unnecessary operations, reduced effort & increases productivity.
- Time Study** involves the determination of the minimum time a worker/machine movement takes to complete a task.
- Motion Study** involves the study of movement of both the workers & machines so as to identify wasteful movements & performing only necessary movements.
- Fatigue Study (advocated by Gilberth, Gantt):** To find out the best synchronization between time, work and rest pauses needed to do a piece of work.
- Scientific Selection & training of workers:** A person who is having education, work experience, attitude towards work etc. should be selected.
- Financial Incentives/Differential Piece rate System:** Based on individual's performance, if worker performs well he will get extra wages (bonus) and if worker does not perform well will get no extra wages.
- Economy:** Making the resources more productive, eliminate wastage. By doing this economy of the company will be good.
- Mental Revolution:** Co-operation between the management & workers, if workers are cooperative for management and vice versa, then the organization runs smoothly.

Limitations:

- **Exploitative Device:** Mainly 2 Objectives – Increasing Workers' Productivity and Improving Workers' Economic Welfare; but second objective was not taken care of.
- **Depersonalized Work:** Scientific Management supplied standardized jobs to workers. They were made to repeat the same operations daily which produced boredom and monotony.
- **Undemocratic:** Managers involved in planning and workers involved in implementing the same. It overshadows workers' independence as one group (management) is involved in performing challenging and novel tasks and other group (workers) is involved in boring, routine and standardized jobs.
- **Unrealistic:** Taylor believed that employees are motivated by material benefits only, fulfilling physical and financial needs only; thereby ignoring the social and ego needs of people like job satisfaction, growth opportunities, challenging work, recognition, etc.

(b) ADMINISTRATIVE THEORY OF FAYOL: The administrative theory describes efforts to define the universal functions that managers perform and principles that constitutes good management practices. The major contribution to this theory was that of a French industrialist named Henry Fayol.

Fayol proposed that all managers perform five management functions:

- Planning,
- Organizing,
- Commanding,
- Co-ordinating and
- Controlling.

In addition, he described the practice of management as something distinct from accounting, finance, production, distribution and so on. He **proposed 14 principles of management**. Fayol's "14 Principles" was one of the earliest theories of management to be created, and remains one of the most comprehensive. He's considered to be among the most influential contributors to the modern concept of management, even though people don't refer to "The 14 Principles" often today. Fayol's principles are listed below:

1. Division of work: Henry Fayol has stressed on the specialization of jobs.

- He recommended that work of all kinds must be divided & subdivided and allotted to various persons according to their expertise in a particular area.
- Subdivision of work makes it simpler and results in efficiency.
- It also helps the individuals in acquiring speed, accuracy in his performance.

2. Authority & Responsibility:

- If authority is given to a person, he should also be made responsible
- In a same way, if anyone is made responsible for any job, he should also have concerned authority.
- Authority refers to the right (power) of superiors to get exactness from their subordinates whereas responsibility means obligation for the performance of the job assigned.
- Authority without responsibility leads to irresponsible behavior whereas responsibility without authority makes the person ineffective.

3. Discipline:

According to Fayol, "Discipline means sincerity, obedience, respect of authority & observance of rules & regulations of the enterprise". This principle applies that subordinate should respect their superiors & obey their order.

4. Unity of Command:

- A subordinate should receive orders and be accountable to one and only boss at a time.
- In other words, a subordinate should not receive instructions from more than one person because it undermines authority, weakens discipline, divides loyalty, creates confusion, delays work, duplication of work, overlapping of efforts.
- Unity of command provides the enterprise a disciplined, stable & orderly existence.
- It creates harmonious relationship between superiors & sub-ordinates.

5. Unity of Direction: -

- Fayol advocates one head one plan which means that there should be one plan for a group of activities having similar objectives.
- Related activities should be grouped-together. There should be one plan of action for them and they should be under the charge of a particular manager.
- According to this "principle, efforts of all the members of the organization should be directed towards common goal.

6. Subordination of individual interest to the general interest:

- As far as possible, reconciliation (Settlement) should be achieved between individual and group interests.
- But in case of conflict, individual must sacrifice for bigger interests.
- In order to achieve this attitude, it is essential that employees should be sincere and honest, proper and regular supervision of work.

7. Remuneration: -

- The quantum & method of remuneration to be paid to the workers should be fair, reasonable, satisfactory & rewarding of the efforts.
- Wages should be determined on the basis of cost of living, work assigned, financial position of the business, wage rate prevailing etc.
- Fayol also recommended provision of other benefits such as free education, medical & residential facilities to workers.

8. Centralization & Decentralization: -

- Centralization means concentration of authority at the top level. In other words, centralization is a situation in which top management retains most of the decision making authority.
- Decentralization means disposal of decision making authority to all the levels of the organization. In other words, sharing authority downwards is decentralization.
- According to Fayol, "Degree of centralization or decentralization depends on no. of factors - like size of business, experience of superiors, dependability & ability of subordinates etc.

9. Scalar Chain: -

- Fayol defines scalar chain as 'The chain of superiors ranging from the ultimate authority to the lowest'.

- Every orders, instructions, messages, requests. explanation etc. has to pass through scalar chain.
- But for *the* sake of convenience & urgency, this path can be cut short and this short cut is known as **Gang Plank**.
- **Gang Plank** s a temporary arrangement between two different points to facilitate quick & easy communication.
- **Gang Plank** clarifies that management principles are not rigid rather they are very flexible. They can be moulded and modified as per the requirements of situations.

10. Order: This principle is concerned with proper & systematic arrangement of things & people.

- Arrangement of things is called material order and placement of people is called social order.
- Material order: - There should be safe, appropriate & specific place for every article and every place to be effectively used for specific activity and commodity.
- Social order: - Selection & appointment of most suitable person on ` the suitable job. There should be a specific place for everyone and everyone should have specific place so that they can easily be contacted whenever need arises.

11. Equity: -

- Equity means combination of fairness, kindness & justice.
- The employees should be treated with kindness & equity if devotion is expected of them.
- It implies that managers should be fair and impartial while dealing with the subordinates.
- They should give similar treatment to people of similar position.
- They should not discriminate with respect to age, caste, sex, religion, relation etc.

12. Stability of Tenure of Personnel: -

- Fayol emphasized that employees should not be moved frequently from one job position to another i.e. the period. If service in a job should be fixed.
- According to Fayol " Time is required for an employee to get used to a new work & succeed to doing it well but if he has removed before that he will not be able to render worthwhile services .
- Stability of job creates team spirit and a sense of belongingness among workers which ultimately increase the quality as well as quantity of work.

13. Initiative:

- Workers should be encouraged to take initiative in the work assigned to them.
- It means eagerness to initiate actions without being asked to do so.
- Fayol add that management should provide opportunity to its employees to suggest ideas, experiences & new method of work.
- It helps in developing an atmosphere of trust and understanding.
- People then enjoy working in the organization because it adds to their zeal and energy.

14. Espirit De Corps (can be achieved through unity of command):

- It refers to team spirit i.e. harmony in the work groups and mutual-understanding among the members. Espirit De Corps inspires workers to work harder.

To inculcate Espirit De Corps following steps should be undertaken -

- There should be proper co-ordination of work at all levels
- Subordinates should be encouraged to develop informal relations among themselves.
- Efforts should be made to create enthusiasm and keenness among subordinates so that they can work to the maximum ability.
- Efficient employees should be rewarded and those who are not upto the mark, should be given a chance to improve their performance.
- Subordinates should be made conscious of that whatever they are doing is of great importance to the business & society.

STUDY OF FAYOL & TAYLOR/ COMPARE & CONTRAST F W TAYLOR & HENRY FAYOL

Both of them have contributed to development of science of management. The contribution of these two pioneers in the field of science of management has been reviewed as "The work of Taylor & Fayol was, of course, especially complementary. They both realized, that problem of personnel & its management at all levels is the key to individual success. Both applied scientific method to this problem that Taylor worked primarily from operative level, from bottom to upward, while Fayol concentrated on managing director and work downwards, was merely a reflection of their very different careers".

They both differ from each other in following aspects: -

- a) Taylor looked at management from supervisory viewpoint & tried to improve efficiency at operating level. He moved upwards while formulating theory. On the other hand, Fayol analyzed management from level of top management downward. Thus, Fayol could afford a broader vision than Taylor.
- b) Taylor called his philosophy "Scientific Management" while Fayol described his approach as "A general theory of administration.
- c) Main aim of Taylor - to improve labor productivity & to eliminate all type of waste through standardization of work & tools. Fayol attempted to develop a universal theory of management and stressed upon need for teaching theory of management.
- d) Taylor focused his attention on fact by management and his principles are applicable on shop floor. But Fayol concentrated on function of managers and on general principles of management which could be equally applied in all.

Similarity = Both emphasized mutual co-operation between employment and employees.

Spheres of Human Activity:

Fayol's theory is more widely applicable than that of Taylor, although Taylor's philosophy has undergone a big change under influence of modern development, but Fayol's principles of management have stood the test of time and are still being accepted as the core of management theory.

Basis	Taylor	Fayol
Human Aspect	Taylor disregards human elements and there is more stress on improving men, materials and method.	Fayol pays due regards on human elements. Example: Principle of Initiative, Espirit De'Corps, and Equity recognizes the need for human relations.
Status	Father of Scientific Management	Father of Management Principles
Efficiency and Administration	Stressed on Efficiency	Stressed on Administration
Approach	Micro approach as it is restricted to production activities.	Macro approach and discuss general principles of management which are applicable in every field of management.
Scope of Principles	Restricted to Production Activities	Applicable in all kinds of organization regarding their management affairs.
Achievement	Scientific Management	Administrative Management

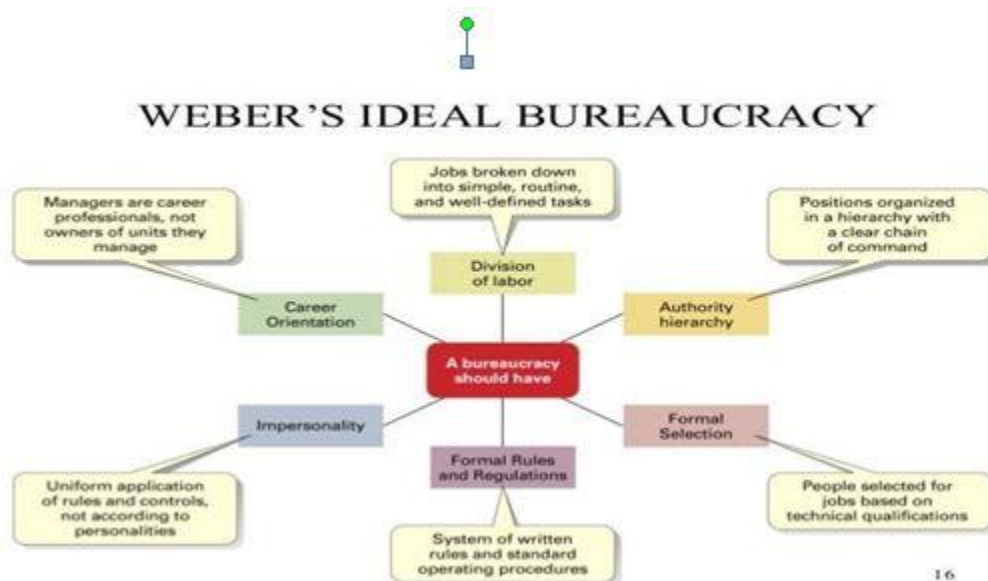
(c) WEBER'S BUREAUCRATIC MANAGEMENT:

The concept of bureaucracy is generally associated with the works of Max Weber. Weber studied the effects of social change in Europe at the turn of the century, he believed bureaucracy was a rational means of minimizing the cruelty, nepotism and subjective practice common in earlier stages of the industrial revolution. Max Weber's theory was based on authority structures and described organizational activity based on authority structures.

He defined bureaucracy as networks of social groups dedicated to limited goals, organized for maximum efficiency and regulated according to the principle of legal rationality.

Some of the essential features of bureaucracy are:

- Specialization or division of labor
- Hierarchy of authority in which a lower office is supervised by a higher one.
- Written rules and regulations to guide the behaviour of employees. Emphasis is more on consistent behaviour.
- Rational application of rules and procedures
- Proper Records: files maintained to record the decisions and activities of the organization on a daily basis for future use.
- Selection and promotion based on competence and skills and not on irrelevant mis-considerations. Pay increments are based on increase in age and experience. Pension when an employee retires and Promotion is based on seniority and judgement.



(III) BEHAVIOURAL ERA:

The people side of organizations came into limelight in the 1930s, mainly as a result of **Hawthorne studies**. These studies led to a new emphasis on the human factor in the organizations. The National Research Council of America from 1924-1927 made an almost futile study in conjunction with the western electric plant in Hawthorne USA to determine the effect of illumination and other conditions on workers and productivity, this was the work of **Elton Mayo**. It was the human problem of industrial civilization and the second phase studies at Hawthorne works in Chicago (1927-1932) that brought the behavioral school to limelight.

In the late 1950s, People like **Abraham Maslow** and **Douglas McGregor** proposed that organizational structures and management practices had to be altered so as to bring out the full production and leadership theories offered by **David McCellenad**, **Fred Fielder**, **Herzberg** and other behavioral scientists during the 1960's and 1970s provided managers with greater insights into employee behavior.

(a) HUMAN RELATIONS APPROACH/HAWTHORNE STUDIES:

The experiments were conducted between 1924 & 1933 in Western Electric Company near Chicago. The Hawthorne Experiment follow a phased process, those phases will be explained as below:

Phase 1 - Illumination Experiments (in 1924): was funded by General Electric and the experiment was conducted by the National Research Council. This experiment was conducted to measure Light Intensity vs Worker Output. Result: Each change resulted in higher output and reported greater employee satisfaction.

Phase 2 - Relay Assembly Test Group (1925): A small group of workers was placed in a separate room and a number of variables were altered-like increase in wages, introduction of rest periods of varying lengths, the workday & workweek were shortened. **Result:** Performance tended to increase over the period but it also increased and decreased erratically.

Phase 3 - Interviewing Program (1928): More than 21000 employees were interviewed over a period of 3 years to find out the causes of increased productivity. The emphasis of this phase was on human relations rather than on working conditions. **Result:** For the first time, the importance of the informal work group was recognized.

Phase 4 - Terminal Bank wiring observation experiment (1929): In this experiment 14 male workers were formed into a work group and intensively observed for seven months in the bank *wiring room*. They were engaged in the assembly of terminal banks for the use in telephone exchanges. The employees were paid individual wages and a bonus based on group effort. It was expected that highly efficient workers would bring pressure on others for increased output & high bonus.

The Contribution of Hawthorne Studies to OB:

- ❖ The finding on the importance of informal groups is a key to organization theory.
- ❖ The emphasis on employee attitude towards work as an addition to other factors was a breakthrough in OB.

However, the expected results did not come about & indeed the group developed specific mechanisms to protect themselves based on certain sentiments: Don't turn out too much work, Don't turn out too little work, Don't tell superiors anything that would harm an associate.

(b) HIERARCHY OF NEEDS THEORY OF ABRAHAM MASLOW

Maslow portrayed the needs of individuals in the form of a pyramid with several stages of needs. At the least was the physiological needs and the highest was the self-actualization. **According to Baridam(2002), Maslow based his theory of human motivation on the following assumptions:**

1. Individuals have certain needs that influence their behavior, only unsatisfied needs can influence behavior, satisfied needs do not act as motivators.
2. Needs are arranged in an order of importance or hierarchy from the basic physiological to the complex self-actualization needs,
3. An individual's need at any level on the hierarchy emerges only when the lower needs are reasonably satisfied.

It is probably safe to say that the most well-known theory of motivation is Abraham Maslow's theory of Needs. Maslow hypothesized that within every human being, there exists a hierarchy of five needs which are:

1. Physiological needs: hunger, thirst, shelter, sex and other bodily needs.
2. Safety needs: security and protection from physical and emotional harm.
3. Social needs: affection, belongingness, acceptance and friendship.
4. Esteem needs: internal factors such as self-respect, autonomy, achievement and external factors such as status, recognition and attention.
5. Self-actualization: drive to become what one is capable of becoming. It includes growth, achieving ones potential and self-fulfillment.

As each of the needs becomes substantially satisfied, the next stage becomes dominant

However, a need must not be 100 percent satisfied before the next level becomes potent. A more realistic description of the hierarchy would be in terms of decreasing percentages of satisfaction as potency increases. That is 85% in physiological needs, 70% in security needs, 50% in social needs, 40% in in self-esteem and 10% in self-actualization needs.

(c) FREDRICK HERZBERG'S TWO FACTOR THEORY:

Herzberg's TWO-factor theory, also called motivation-hygiene theory believes that an individual's relation to work is basic and that one's attitude towards work can very well determine success or failure.

This research undertaken by Herzberg in the 1950s where he interviewed 200 engineers, accountants and managers at Pittsburgh, United states of America because of their growing importance in the business world. This research has broadened the understanding of motivating factors and job satisfaction in the work place. From his research, he concluded that employees have two set of needs in the work place. He described them as Hygiene factors and Motivator factors. Hygiene factors (satisfiers) include salary, working condition and fringe benefits. He also stated that these factors on their own do not lead to job satisfaction but their absence can create dissatisfaction.

Motivators: these are factors such as recognition, responsibility, achievement, and opportunity for progression. Herzberg found that a combination of these factors increased motivation and improved individual performance.

(d) DAVID MCCLELLAND'S THEORY OF NEEDS:

He introduced this theory during the **1960s**. This theory is based on the Maslow's hierarchy of needs theory. McClelland's theory sometimes is referred to as the three need theory or as the learned needs theory. According to McClelland, "Individual possesses mainly three needs which are not innate, but are learned through culture, age and experiences." These needs are:

- a. **Need for Achievement (nAch)**
- b. **Need for Affiliation (nAff)**
- c. **Need for Power (nPow)**

These are the motivators which are present in every individual in varying degrees.

- ❖ **Need for Achievement:** Such individuals are challenging, self motivated, like feedback to progress in their career, and can perform better if money is linked to their achievements.
- ❖ **Need for Affiliation:** Such individuals are more concerned about "being liked" and "being accepted". They desire for friendly and warm relationships with others and can perform better in teams.
- ❖ **Need for Power:** Such individuals see almost every situation as an opportunity to seize control or dominate others. They are argumentative, like to control and influence others. They are suitable for leadership roles.

MODERN ORGANIZATIONAL BEHAVIOUR TODAY:

- Contemporary OB recognizes that people care more about the interpersonal side of work – recognition, relationships and social interaction.
- Technology has helped in changing the way employees work, but people themselves have not changed and hence the knowledge gained about the behaviour of people over a long period of time cannot be discarded.
- OB scientists of 21st century strive to do things that make it possible for people to do work that is more challenging, meaningful and interesting to them than ever before.

FUNDAMENTAL CONCEPTS OF ORGANIZATIONAL BEHAVIOR:

There are some fundamental concepts of OB around which the nature of people and the nature of Organization revolves.

1. **Caused Behavior (Motivated Behavior):** From the study of psychology, we learn that human behavior has certain causes. These causes may relate to a person's needs or the consequences that result from acts. In the case of needs, people are motivated not by what they think they ought to have, but what they themselves want to. To a neutral observer, a person's needs may be unrealistic, but they are still controlling. This situation leaves the management with two options to motivate the people:
 - To show them how certain actions will increase their need fulfillment or
 - To threaten decreased need fulfillment if they follow an undesirable course of action.

The first option is definitely_ the best Motivation is must for the smooth operation of the organization. No matter how much technology and equipment an organization has, these resources cannot be put to use until they are guided by the people who have been motivated.

2. **A Whole Person:** Although sometimes organizations may wish that they could employ only a person's skill or brain, but that is not possible. They actually employ a whole person rather than certain characteristics. Different human traits may be studied separately, but in the final analysis they are all part of one system making up, a whole person. Skill cannot be separated from knowledge or background. Home life is not totally separable from work life and emotional conditions are not separate from physical conditions. People function as whole human beings.
3. **Individual Differences:** People have much in common (they become excited by an achievement, they are grieved by any loss, but each person in the world is also individually different. The idea of individual differences originates from psychology. From the day of birth, each person is unique and individual experiences after birth tend to make people even more different. The idea of individual differences require that a manager's approach to employees be individual not statistical. The effect of individual differences is that an employee may be motivated best, if the management treats them differently. All people are different and this diversity needs to be recognized and viewed as a valuable asset to the organization. If it were not for individual differences, some standard method of dealing with employees could be adopted and minimum judgment would be required thereafter.
4. **Human Dignity:** Human dignity as a philosophical concept is different from the above three concepts about the nature of man. Human beings are of the highest order in the universe and they should be treated with respect and dignity. People are not like other factors of production. They are different from land, capital and other physical factors and deserve to be treated differently.

THEORETICAL FRAMEWORK OF OB

Even though OB is a study of behaviour which is not visible some theories are developed which will give a framework to understand, predict and manage the behaviour of the human being in the organization. Even though, one cannot see or observe thinking, still developing concepts related to thinking and using the concepts to explain behaviour is required in psychology. **The three frameworks are developed majorly for this purpose.**

- Cognitive framework
- Behaviouristic framework

- Social cognitive framework

1. Cognitive framework:

Cognition means the mental action or process of acquiring knowledge and understanding through thought, experience, and the senses. The cognitive approach to human behavior has many sources of inputs (the five senses). Cognition, which is the basic unit of the cognitive framework, can be defined as the act of knowing an item from information. As per cognitive framework of organizational behaviour, before the behaviour of a person cognition starts and give input to the thinking, perception and problem solving of the person.

Cognitive abilities are brain-based skills we need to carry out any task from the simplest to the most complex. They have more to do with the mechanisms of how we learn, remember, problem-solve, and pay attention rather than with any actual knowledge. For instance, answering the telephone involves at least: perception (hearing the ring tone), decision taking (answering or not), motor skill (lifting the receiver), language skills (talking and understanding language), social skills (interpreting tone of voice and interacting properly with another human being).

The work of **Edward Tolman, an American Psychologist** can be used to represent the cognitive theoretical approach of OB. **In 1932**, Tolman published his theory in a book titled “*Purposive Behavior in Animals and Men*”. He opined that organisms’ behaviour is purposeful and directed towards a goal.

According to Edward Tolman cognitive learning consists of a relationship between cognitive environmental cues and expectations. He assumed that people and animals are active information processors and not passive learners. Through experimentation, he found out that a rat could learn to run through an intricate maze, with purpose and direction, towards goal (food). This cognitive framework is useful in analyzing perception, personality, motivation, decision making of human in the organization.

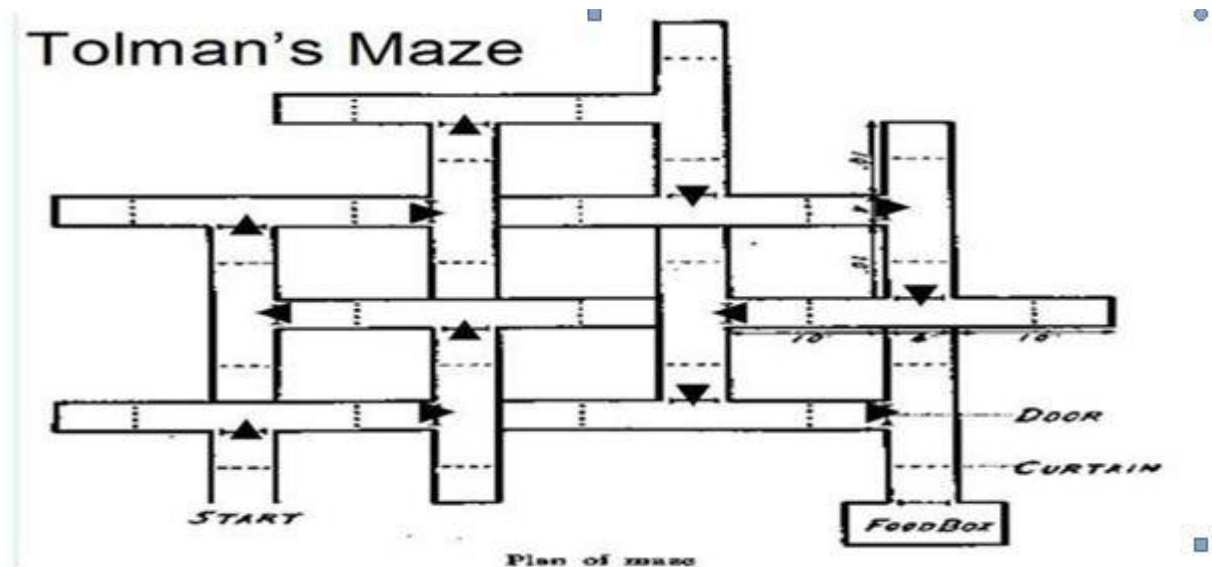
The behaviourists stated that psychology should study actual observable behaviour, and that nothing happens between stimulus and response (i.e. no cognitive processes take place).

Edward Tolman (1948) challenged these assumptions by proposing that people and animals are active information processes and not passive learners as behaviourism had suggested. Tolman developed a cognitive view of learning that has become popular in modern psychology.

Tolman believed individuals do more than merely respond to stimuli; they act on beliefs, attitudes, changing conditions, and they strive toward goals. He felt behaviour was mainly cognitive.

Tolman coined the term **cognitive map**, which is an internal representation (or image) of external environmental feature or landmark. He thought that individuals acquire large numbers of cues (i.e. signals) from the environment and could use these to build a mental image of an environment (i.e. a cognitive map).

In their famous experiments Tolman and Honzik (1930) built a maze to investigate latent learning in rats. The study also shows that rats actively process information rather than operating on a stimulus response relationship.



In their study 3 groups of rats had to find their way around a complex maze. At the end of the maze there was a food box. Some groups of rats got to eat the food, some did not.

Group 1: Rewarded

Day 1 – 17: Every time they got to end, given food (i.e. reinforced).

Group 2: Delayed Reward

Day 1 - 10: Every time they got to end, taken out.

Day 11 -17: Every time they got to end, given food (i.e. reinforced).

Group 3: No reward

Day 1 – 17: Every time they got to end, taken out.

Results

The delayed reward group learned the route on days 1 to 10 and formed a cognitive map of the maze. They took longer to reach the end of the maze because there was no motivation for them to perform. From day 11 onwards they had a motivation to perform (i.e. food) and reached the end before the reward group.

This shows that between stimulus (the maze) and response (reaching the end of the maze) a mediational process was occurring the rats were actively processing information in their brains by mentally using their cognitive map.

2. Behavioristic framework:

Behaviorism is based on the assumption that:

- All learning occurs through interactions with the environment
- The environment shapes behavior

The roots of behavioristic theory of human behaviour can be traced back to the **work of Ivan Pavlov (Classical Conditioning) and B. F. Skinner (Operant Conditioning)**. These pioneering behaviorists stressed the importance of dealing with observable behaviour instead of the elusive mind that had preoccupied earlier psychologist.

The behavioural theorists opined that any stimulus can elicit a response. They concentrated mainly on the impact of the stimulus and felt that learning occurred when the S -R connection was made.

(a) **CLASSICAL CONDITIONING:**

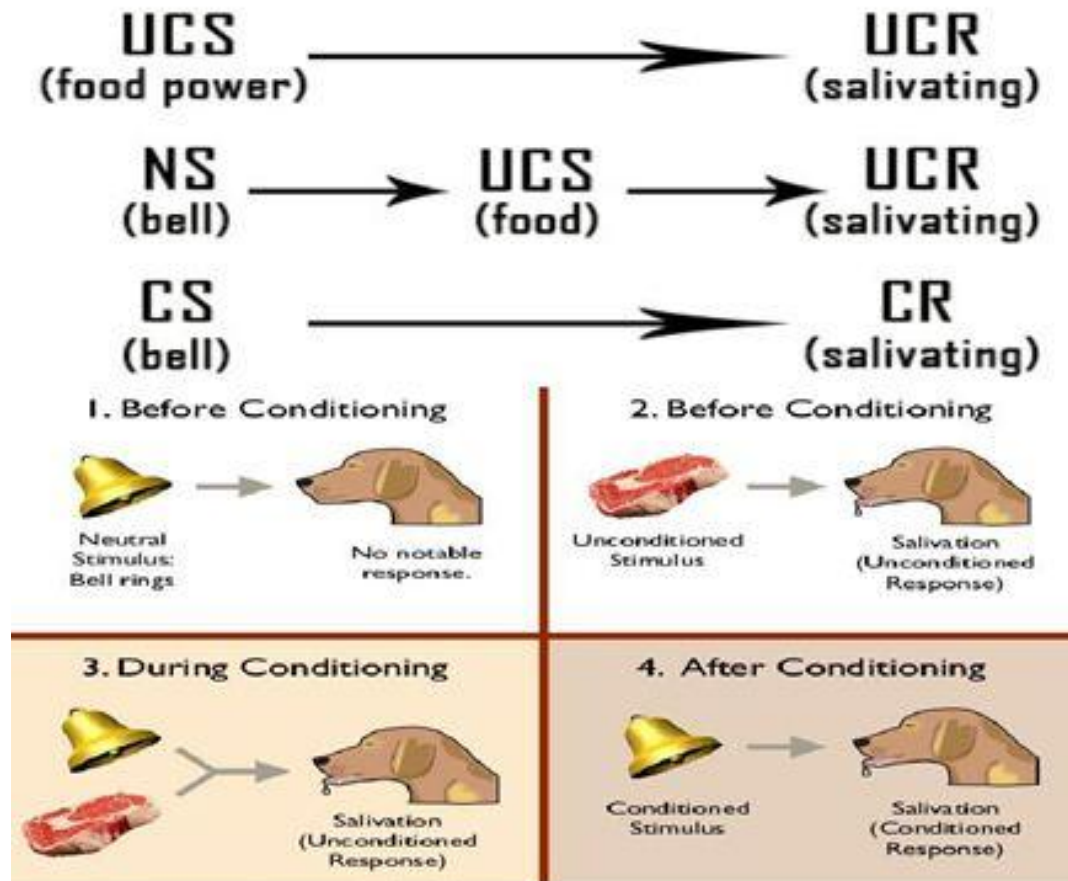
Discovered by **Russian physiologist Ivan Pavlov, classical conditioning** is a type of conditioning where an individual respond to some stimulus that would not invariably produce such a response. It is learning a new behavior via the process of association. In simple terms two stimuli are linked together to produce a new learned response in a person or animal.

In the **First phase: Before Conditioning:** The unconditioned stimulus (UCS) produces an unconditioned response (UCR) in an organism. For example, the smell of a perfume (UCS) could create a response of happiness or desire (UCR). This stage also involves another stimulus which has no effect on a person and is called the neutral stimulus (NS). The NS could be a person, object, place, etc. This neutral stimulus in classical conditioning does not produce a response until it is paired with the unconditioned stimulus.

In the **Second phase: During Conditioning:** A neutral stimulus which produces no response (i.e., neutral) is associated with the unconditioned stimulus at which point it now becomes known as the conditioned stimulus (CS). For example: the perfume (UCS) might be associated with a specific person (CS).

For classical conditioning to be effective, the conditioned stimulus should occur before the unconditioned stimulus, rather than after it, or during the same time. Thus, the conditioned stimulus acts as a type of signal or cue for the unconditioned stimulus. Often during this stage, the UCS must be associated with the CS on a number of occasions, or trials, for learning to take place.

In the **last phase: After Conditioning:** Now the conditioned stimulus (CS) has been associated with the unconditioned stimulus (UCS) to create a new conditioned response (CR). For example, a person (CS) who has been associated with nice perfume (UCS) is now found attractive too (CR).

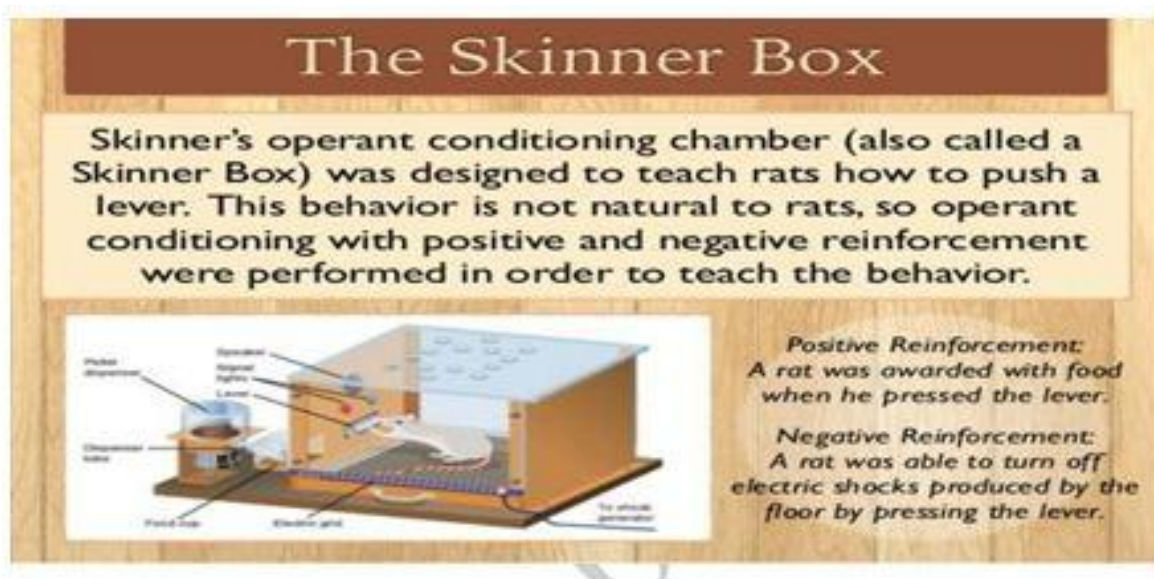


(b) OPERANT CONDITIONING:

Discovered by B. F. Skinner, operant conditioning is a method of learning that occurs through rewards and punishments for behavior. It is a type of conditioning in which desired voluntary behaviour leads to a reward or prevents a punishment. Through operant conditioning, an individual makes an association between a particular behavior and a consequence (Skinner, 1938). He proposed the theory to study complex human behavior by studying the voluntary responses shown by an organism when placed in the certain environment. He named these behaviors or responses as operant. He used a special box known as **"Skinner Box"** for his experiment on rats.

As the first step to Skinner's experiment, he placed a hungry rat inside the Skinner box. The rat was initially inactive inside the box, but gradually as it began to adapt to the environment of the box, it began to explore around. Eventually, the rat discovered a lever, upon pressing which; food was released inside the box. The rat could reduce the effect of shock treatment if it exhibited any other behaviour. After it filled its hunger, it started exploring the box again, and after a while as it grew hungry again it pressed the lever for the second time. This phenomenon continued for the third, fourth and the fifth time, and after a while, the hungry rat immediately pressed the lever once it was placed in the box. Then the conditioning was deemed to be complete.

Here, the action of pressing the lever is an operant response/behavior, and the food released inside the chamber is the reward. This experiment is also known as Instrumental Conditioning Learning as the response is instrumental in getting food. Skinner introduced a new term: Reinforcement and opined that behavior which is reinforced tends to be repeated (i.e., strengthened); behavior which is not reinforced tends to die out - or be extinguished (i.e., weakened).



Skinner opined that an organism/individual can shape its behavior through the use of reinforcement. There are mainly **Four methods of Shaping Behavior**:

- **Positive reinforcement:** Providing a reward for a desired behavior (learning)
- **Negative reinforcement:** Removing an unpleasant consequence when the desired behavior occurs (learning)
- **Punishment:** Applying an undesirable condition to eliminate an undesirable behavior ("unlearning")
- **Extinction:** Withholding reinforcement of a behavior to cause its cessation ("unlearning")

Classical conditioning	Operant conditioning
A signal is placed before a reflex	A reinforcing or punishing stimulus is given after a behavior
Developed in Russia	Developed in U.S.
Known as "Pavlovian"	Known as "Skinnerian"
Also called "respondent conditioning"	Also called "instrumental conditioning"
Works with involuntary behavior	Works with voluntary behavior
Behavior is said to be "elicited"	Behavior is said to be "emitted"
Typified by Pavlov's dog	Typified by Skinner Box

3. Social cognitive framework:

The social cognitive Framework in Organisational Behaviour states that the person and the external situations are interdependence with each other along with the behaviour itself to determine the behaviour. It means that along with cognitive and external situation the experiences faced through relevant past events determines what a person becomes and this will create an impact in subsequent behaviour.

The person and the environmental situation do not function as independent units but, in conjunction with behavior itself, reciprocally interact to determine behavior. It means that cognitive variables and environmental variables are relevant, but the experiences generated by previous behavior also partly determine what a person becomes and can do, which, in turn, affects subsequently behavior.

Bandura developed social learning theory into the more comprehensive social cognitive theory (SCT). **Stajkovic and Luthans have translated this SCT into the theoretical framework for organizational behaviour.**

Bandura identified five basic human capabilities as a part of SCT:

1. **Symbolizing:** People process visual experiences into cognitive models. They help in future action.
2. **Forethought:** Employees plan their actions.
3. **Observational:** Employees learn by observing the performance of the referent group (peers, supervisors and high performers) and the consequences of their actions.
4. **Self-regulatory:** Employees self regulate their actions by setting internal standards (aspired level of performance).
5. **Self-reflective:** Employees reflect back on their actions (how did I do?) and perceptually determine how they believe then can successfully accomplish the task in the future given the context (probability of success between 0 to 100% is estimated).

MODELS OF ORGANIZATIONAL BEHAVIOUR:

Models are frameworks or possible explanations why do people behave as they behave at work varying results across the organizations are substantially caused by differences in the models of OB. All the models of OB are **broadly classified into four types**: Autocratic, custodial, supportive and collegial.

1. Autocratic model: The basis of this model is power in the hierarchy of management – “Mighty is Right”. The employees need to obey the managers’ orders. In case of an autocratic model, the managerial orientation is doctoral. The managers exercise their commands over employees. The managers give orders and the employee have to obey the orders. Thus, the employees’ orientation towards the managers / bosses is obedience.

Under autocratic conditions, employees usually give minimum performance and in turn, get minimum wages some employees give higher performance either behave of the achievement drive or their personal liking to the boss or because of some other factor. Evidence such as the industrial civilization of the united states and organizational crises do suggest that the autocratic model produced results. However, its principal weakness is its higher human cost.

The combination of emerging knowledge about the needs of the employees & ever changing social values and norms suggested managers to adopt alternative and better ways to manage people at work. This gave genesis to the second type of models of OB.

2. Custodial model: This model is based on the economic resources and the management of money. The employees of this model move toward security, profit, and dependence of the organization.

While studying the employees, the managers realized and recognized that although the employees managed under autocratic style do not talk back to their boss, they certainly think bad about the system. Such employees filled with frustration and aggression vent them on their co-workers, families & neighbor this made the managers think how to develop better employees satisfaction and security.

It was realized that this can be done by dispelling employees’ insecurities, frustration and aggression. This called for introduction of welfare programme to satisfy security needs of employees. Welfare programmes lead to employees dependence on the organization, thus, employees having dependence on organization may not afford to quit even if they see greener pastures around.

For example, Indira Gandhi National Open University (IGNOU), New Delhi, in the beginning provided its employees facilities like house – lease facility, subsidized transport facility, day – time child care centre in the campus, etc. These made employees dependent on IGNOU, which, in turn, became custodian of its employees.

Although the custodian approach brings security and satisfaction, it suffers from certain flaws also. Employees produce anywhere near their capacities. They are also not motivated to increase their capacities of which they are capable. Though the employees are satisfied still they do not feel motivated of fulfilled in their work they do. This is in conformity with the research findings that **“the happy employees are not necessarily the most productive employees**. The quest for a better way of managing people provided a foundation for evolvement to the next type of model of OB.

3. Supportive model: This model is based on **leadership and supportive direction – giving, not on money or authority**. In fact, it is the managerial leadership style that provides an atmosphere to help employees grow and

accomplish their tasks successfully. The employees move toward job efficiency and participation. The employees pay attention to their place in the organization, therefore, this is a model of progress and awareness.

The managers recognize that the workers are not by nature passive and disinterested to organizational needs, but they are made so by an inappropriate leadership style.

The managers believe that given due and appropriate chances, the workers become ready to share responsibility, develop a drive to contribute their might, and improve them. Thus, under supportive approach, the management's approach is to support the employee's job performance for meeting both organizational & individual goals.

However, the supportive model of OB is found more useful and effective in developed nations and less effective in the developing nations like ours because of employee's more awakening in the former and less one.

4. Collegial Model: This is an extension of the supportive model. This model is based on the colligation between group and management. This relates to a team work spirit. The basic foundation of the collegial model lies on management's building a partnership feeling with employees. They consult managers as joint contributors to organizational success rather than as bosses. Its greatest benefit is that the employee becomes self – disciplined. Feeling responsible backed by self – discipline creates a feeling of team work. The employees move toward responsive behavior and individual personality. The employees pay attention to self - activation and they are willing to have more and better activities.

Research work reports that compared to traditional management **model, the more open, participative, collegial managerial approach produced improved results in situations where it is appropriate.**

	Autocratic	Custodial	Supportive	Collegial
Basis of model	Power	Economic Sources	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 Organization	Participation	Self Discipline
Employees Needs Met	Subsistence	Security	Status and Recognition	Self Actualization
Performance Result	Minimum	Passive Cooperation	Awareness Drives	Moderate Enthusiasm

LIMITATIONS OF OB:

1. Structural limitation: OB is not a solution to deficiency of organizational systems; It only enables to understand human behavior & manage them effectively.
2. Narrow Outlook: Organisational behavior over emphasizes people in the organisation. But organisations interact with a variety of groups in the society. OB does not throw light on the interacting social elements.
3. Organizational behaviour cannot abolish conflict and frustration but can only reduce them. It is a way to improve but not an absolute answer to problems.
4. It is only one of the many systems operating within a large social system.

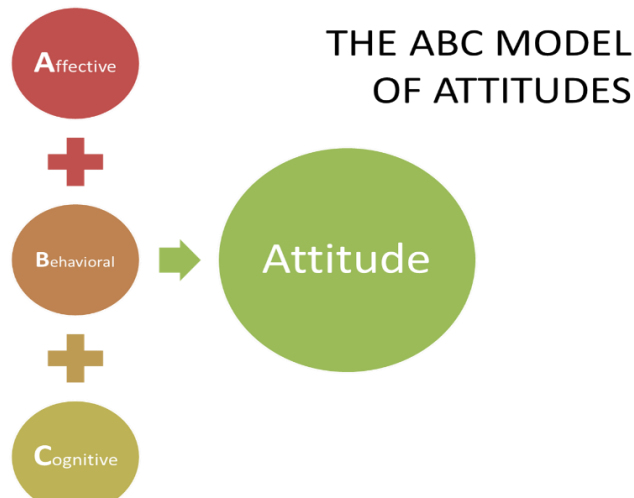
Module – 2.1 ATTITUDE

Attitudes are essentially affective (emotional in nature. Attitudes have referents (the objects for which there are feelings). For example, when I say that I like my organization, I am expressing an (positive) attitude towards my organization. Attitudes are about liking (favorable) or not liking (unfavorable) certain aspects of the referent.

The term 'attitude' is being used quite frequently nowadays in describing people's behavior. In general terms, attitude means the positive or negative orientation of a person. For example, when it is said that Mala has a positive attitude or that Geeta has a negative attitude, what is probably meant is that Mala's general orientation towards most things is positive whereas Geeta's general orientation is negative. However, this is not a correct usage of the term 'attitude'. Attitude always has a referent, i.e., an object towards which positive or negative orientation is implied. Attitude is always 'towards something'. For example, you may say that Mohan has a positive attitude towards his organization.

COMPONENTS OF ATTITUDE

- ☐ **Affective or Emotional Component:** refers to the person's feelings and emotions. This involves the evaluation of emotion and often expressed as good or bad, like or dislike, etc. **Example:** "I feel good when I am around my friend."
- ☐ **Behavioral or Overt Component:** This is the action component. It is concerned with a person's intention to behave toward a particular attitude object in a particular manner. **Example:** "I try to hang out with my friend whenever I get the chance."
- ☐ **Cognitive or Informational Component:** the mental component, consisting of beliefs and perceptions. The belief may be based on learning experiences, information, rumors, misunderstandings etc. **Example:** "I think my friend is kind, charming, and humorous."



Although attitude is generally affective (or emotional) in nature, they also have a cognitive (information or knowledge) element and a behavioral (action) element, in terms of acting or behaving on the basis of that feeling. At first one gains information, then he/she develops a feeling for it (I like it or I do not like it). Finally, he/she acts on the feeling – stay on in my job or quit it. So generally, attitudes lead to behavior.

NATURE OF ATTITUDE:

1. **Attitudes have an object:** A person's attitude is focused towards an object, whether it is an abstract concept like "ethical behavior" or a tangible item like "car or bikes".
2. **Attitudes have direction, degree and intensity:** Direction - A person's attitude is either positive/favorable or negative/unfavorable towards an object. Degree - The extent to which he/she likes or dislikes some object/thing. Intensity - How strong feeling one has towards his or her conviction or likes and dislikes about an object.
3. **Attitudes have structure:** The structure of attitude includes cognitive and behavioral components. It also refers to inter-attitudinal structure - which connects different attitudes to one another and to more underlying psychological structures, such as values.
4. **Attitudes are learned:** The process of learning attitude starts from childhood and continues throughout the life. Therefore, attitude is learned over a period of time.

FUNCTIONS OF ATTITUDE:

- ☐ **Adjustment Function:** It helps people adjust to their work environment. Example: Having a favorable or unfavorable attitude towards the organization you work for.
- ☐ **Ego-defensive Function:** There is a tendency in us to form certain attitudes to safeguard our own image. Example: Entry of Female workers develops prejudices in other male workers to have an unfavorable attitude against them.
- ☐ **Expressive Function:** It helps in expressing **one's central values and self-identity**. Example: Consumers express their values in the products they buy. It helps in expressing **one's self-concept**. Example: College students may dress up and behave in a certain way in order to show their status symbol in a group. It helps individuals **adopt and internalize**

the values of a group they have recently joined to be able to relate themselves to the group in a better manner.

- **Knowledge Function:** Attitudes serve as the frames of reference by which we judge objects or events which provides a consistency in our thinking.

FORMATION OF ATTITUDE:

- **Learning:** Since attitude is learned, we may acquire either positive or negative attitude. Ex: An individual developing a positive attitude towards a restaurant, as he gets his favorite food within his locality. Attitude towards political preferences, racial hatreds or religious views etc. are also learned, also termed as Socialization.
- **Reinforcement:** Certain attitudes may be acquired because of principle of reinforcement. Ex: If a particular attitude is rewarded, it would be strengthened and weakened in case there ward is withdrawn or punishment is given for a particular attitude.
- **Modeling:** In some occasions, the observation of role models may shape our attitude. We are likely to imitate an attitude of someone whom we admire and observe a lot. Ex: Parents as models.
- **Direct Experience:** We develop various attitudes towards an object or individual based on direct experiences. Ex: One may be having a favorable attitude towards his friend but another person may be having an unfavorable attitude towards the same person as he may have been cheated by him.
- **Need:** A positive attitude develops when our needs are satisfied. Ex: If we get cured by a Doctor's medication again and again, we have a positive attitude towards that Doctor.
- **Tension:** We tend to develop a positive attitude towards those sources which release our tension. Ex: If your friend simply listens to you, without even showing any sympathy, we still develop a favorable attitude for him/her as he/she was the source for the release of tension.
- **Cultural Influence:** Since childhood, we have cultural influences in home, through our parents or relatives and the culture we live in. Ex: We have positive attitude towards the culture we like and vice-versa.
- **Emotional Experiences:** We develop attitudes based on an affective basis, the way we are emotionally connected to someone. Ex: Accident situation. We also develop positive attitude towards our parents, brothers, sisters, etc.

CHANGE IN ATTITUDE:

Attitudes can change by the following factors:

1. **Information through the sources of authority:** Attitude may change due to the information we receive from authentic sources. Ex: Change in attitude towards girl child. The concept of working woman.

2. **To bring cognitive or emotional balance:** We always try to maintain an emotional balance. Whenever we are disturbed, there occurs an imbalance, and we try to regain the balance again by changing the cognitive aspects of any situation.
3. **New Information:** Attitudes can also change based on new information which is related to any object or individual. Ex: Usage of Computers
4. **When there is a change in the attitude object/thing/event** - Example: If an employee is underpaid, he develops negative attitude towards the Pay structure of the organization. But his attitude changes as soon as he gets a salary hike.
5. **When the attitude object/person becomes less relevant** - Example: If an employee has been working for many years in an Organization and is bored of routine and monotonous work, he/she develops a negative attitude towards his Organization as he finds it to be less relevant.
6. **Interactions between membership/reference groups:** Ex: Residential college having liberal and interactive teachers and girl students from wealthy conservative homes. A continuous study for 25 yrs on these girls showed an increase in attitude for liberalism.
7. **Personality:** There will be individual differences in the rate of attitude for different personalities like Introverts and Extroverts. Extroverts will be easily susceptible in changing their attitude rather than introverts. Rate of change in attitude is also different among highly intelligent and educated individuals vs less intelligent or uneducated individuals. The less intelligent individuals will be more prone to frequent changes in attitude as they are less critical and evaluative.
8. **With the use of fear:** Attitude may also change due to the use of fear. **Example:** Students attending classes regularly due to the fear of intimation to their parents for shortage in attendance.
9. **Through Co-opting Approach:** This means involving those people who are dissatisfied with a situation to understand the things and change their attitude.
Example: Mrs Swati always complained about delayed decision making of her boss who was a Purchasing Manager in KPMG. The boss co-opted her in a committee for purchasing inputs and she got to realize that the delay was due to the detailed procedural formalities and the controlling points of a bureaucratic system.
10. **By resolving discrepancies or Cognitive Dissonance:** This theory states that people try to actively reduce the dissonance by attitude and behavior change. **Example:** Discrepancy between trade union and management people
11. **Propaganda or Advertisement:** This is one of the most popular media for change in attitude. However, the degree of change depends on the media of advertisement, the individual who advertises/endorse a product, etc. Ex: Film star or Political leader or Socialist.
12. **Law and Legislation:** This method can be used when all other methods to change attitude become ineffective. Ex: Dowry system, untouchability, social crimes, care of girl child, child marriage etc.

BARRIERS TO CHANGE IN ATTITUDE

- ☐ Prior Commitment

☐

Insufficient information

THE RELATIONSHIP BETWEEN ATTITUDES AND BEHAVIOUR

- One of the widely accepted facts about human beings is - no two people are alike, whether in terms of physical appearance (i.e. body structure, height, weight, colour, etc) or abstract aspects (like intelligence, attitude, personality, behaviour and soon).
- Many people take a person's attitude as their behaviour. Although directly or indirectly they are interrelated, they are different in the sense that attitude represents how a person thinks or feels about someone or something. On the other extreme, behaviour represents an individual's reaction to a particular action, person or environment.
- A saying goes: "a person's attitude affects thoughts while his/her behaviour affects actions."

Basis of Comparison	Attitude	Behaviour
Meaning and definition	Attitude is defined as a person's mental tendency, which is responsible for the way he thinks or feels for someone or something.	Behaviour implies the actions, moves, conduct or functions of an individual or group towards other persons.
Based On	A person's attitude is mainly based on the experiences gained by him during the course of his life and observations.	The behaviour of a person relies on the situation.
Expression	Covert – hidden and unseen	Overt – seen and open for others
What is it?	Attitude is a person's inner thoughts and feelings.	Behaviour is an outward expression of attitude.
Reflects	The way of thinking or feeling is reflected by a person's attitude (Thinking)	A person's conduct is reflected by his behaviour (Doing)
Defined By	Attitude is defined by the way we perceive things.	An individual's behaviour is ruled by social norms.

IMPORTANCE OF POSITIVE ATTITUDE IN AN ORGANIZATION

A positive attitude has significant benefits for an employee in many aspects as mentioned below:

- Career Growth
- Productivity
- Leadership
- Team Work
- Decision Making
- Motivation
- Interpersonal Relations
- Stress Management

EMOTIONS

Affect refers to the experience of feeling or emotion. Affect is a key part of the process of an organism's interaction with stimuli. The word also refers sometimes to affect display, which is "a facial, vocal, or gestural behavior that serves as an indicator of affect" (APA 2006). The affective domain represents one of the three divisions described in modern psychology: the cognitive, the conative, and the **affective**. Classically, these divisions have also been referred to as the "ABC of psychology", in that case using the terms "affect", "behavior", and "cognition". In certain views, the conative may be considered as a part of the affective, or the affective as a part of the cognitive.

A **mood** is an emotional state. Moods differ from emotions in that they are less specific, less intense, and less likely to be triggered by a particular stimulus or event. Moods generally have either a positive or negative valence. In other words, people typically speak of being in a good mood or a bad mood.

Mood also differs from temperament or personality traits which are even longer lasting. Nevertheless, personality traits such as optimism and neuroticism predispose certain types of moods. Long term disturbances of mood such as depression and bipolar disorder are considered mood disorders. Mood is an internal, subjective state, but it often can be inferred from posture and other behaviors. "We can be sent into a mood by an unexpected event, from the happiness of seeing an old friend to the anger of discovering betrayal by a partner. We may also just fall into a mood." Research also shows that a person's mood can influence how they process advertising. Further mood has been found to interact with gender to affect consumer processing of information.

Emotion refers to a feeling state (including physiological responses and cognitions) that conveys information about relationships. Emotions are intense feelings that are directed

Traditionally, it has for long widely acknowledged that emotions and feelings of individual workers have lesser role in work contribution and effective work place management. Since one cannot smell emotions, touch emotions, taste emotions and measure or quantify emotions, this non-tangible phenomenon got only limited attention from management, at work place. Management considers emotions as too subjective and whimsical phenomenon, which contributes less to productivity and profit. While it has been reported by many researchers and authors that effective judgment of the work situation that depends on the exploration of emotional information. This information is closer to the intelligence of a person and needs to be thoroughly evaluated in to.

BASIC EMOTIONS:

Basically there are six types of emotions. The primary emotions associated with getting what you want (or avoiding what you want to avoid – which is the outcome you want). And secondary emotions are those associated with not getting what you want (or getting what you want to avoid – which is not the outcome you want).

For each primary emotion on the left, there is a primary emotion on the right which may be considered its opposite – or, as one is always lurking in the background of the other, they may be thought of as the two sides of one metaphorical coin. I will first discuss each primary emotion by itself, giving its meaning as used in this book, and then I will consider various combinations of primary emotions. As I mentioned, the meanings of all the primary emotions are intended in a broad, general sense, so that they can fulfil their umbrella functions – hopefully without too many demarcation disputes.

Hope

Hope is used in various ways, both as noun and verb, but perhaps its commonest meaning is a wish that some desire will be fulfilled – often, though not always, with a fair degree of optimism about the outcome. Thus, whenever we want to get something (or avoid it) we hope that we will get it (or avoid it).

While thinking mainly of the desired result, we often feel reasonably optimistic. But we rarely forget the possibility of the unwanted result for very long, and when we remember it, at least a little fear creeps into the picture. This optimistic, but uncertain, wishful anticipation of an outcome that we want, gives the general flavor of the primary emotion hope.

Incidentally, in the Christian tradition, there is an idea that hope (well, it is called hope in some translations) is a virtue – along with faith and charity (which are also replaced by different words in different translations). The primary emotion that I call hope, as described above, is neither virtuous nor wicked. It is simply – as defined above.

Fear

Fear also has various meanings, both as noun and verb, but its commonest meaning is the unpleasant subjective effect of the apprehension of possible danger or pain, or any other outcome considered adverse by the subject including unknown outcomes. It is often

Again, there is usually a little of its opposite, lurking nearby. Thus, whenever we have prior knowledge (or suspicion) of an outcome we consider adverse, we hope to avoid it, but we fear we may not avoid it. In the case of a desired outcome, we hope to achieve it, but we fear we may not achieve it.

The fear of not getting what we want is not quite the same as the fear induced by physical danger. Nevertheless, they are closely analogous, and the "fight-or-flight response" seen with danger often occurs to some degree with fear not due to danger. (This physiological response includes the release of adrenaline, often causing disconcerting physical sensations, which tend to engender more fear – creating a most unpleasant vicious circle. I discuss this in some detail in another publication.

Incidentally, in many traditions it is believed that fear is a shameful weakness. I strongly recommend not suggesting that to a war veteran or anyone else who has faced great danger. In any case, for the purposes of this book, the primary emotion that I call fear, as described above, is neither reprehensible nor admirable. As with hope, it is simply – as defined above.

Happiness

Happiness is a state characterised by some or all of: well-being, contentment, enjoyment, felicity, feeling pleased, feeling satisfied; or perhaps just feeling that things are really good, just the way they are. This is the general flavour of the primary emotion happiness.

Happiness usually occurs, or is intensified, when our desires are fulfilled. That is, when we get what we want – or avoid what we want to avoid. It often continues, though usually at a less intense level, as long as the wanted result persists. But it is very vulnerable to anything that threatens to disturb that state.

There are various other words, such as bliss, euphoria, rapture and ecstasy, that are sometimes used to denote extreme forms of happiness, but at other times have different meanings. The word joy is also used for great happiness. However, because of its frequent use by philosophers when describing an alleged state of mind which is not conditional on external factors, I have not included it in the primary emotion happiness.

Sadness

Sadness, also called unhappiness, is a state characterized by some or all of: sorrow, misery, dejection, despair, displeasure, dissatisfaction, despondency, disconsolateness, dolefulness, mournfulness, gloom; or perhaps just feeling that things are really bad the way they are. This is the general flavour of the primary emotion sadness.

Sadness usually occurs, or is intensified, when our desires are not fulfilled. That is, when we don't

Incidentally, although sadness is one of the features of grief, and also of depressive disorders, it does not define either of those conditions, nor is it limited to them. (I will have a lot to say about grief later in this book, but depressive disorders are outside its scope.)

Propathy

Propathy is an opposite to antipathy. It is a general term which covers friendly feelings like affection, amity, approval, cordiality, fondness, goodwill, liking and warmth, as well as some of the meanings of the much overworked word love. So propathy, while it lasts, is nice and warm and fuzzy.

Propathy is usually felt towards a person when that person is perceived as being partly or wholly instrumental in bringing about one's happiness. It usually disappears quickly, sometimes being replaced by antipathy (see below) if the person has the effrontery to withdraw or reverse this influence. Propathy may also be felt to some extent, albeit not very logically, when one's happiness has occurred without any help from a person.

Among the friendly feelings listed above as being included within propathy were "some of the meanings of the much overworked word love". That suggests that not all of its meanings are included – and they are not. Those that are not included, of course, have nothing to do with this book. They are wondered about elsewhere. Nevertheless, I will mention them briefly – just to explain why I exclude them from the umbrella of propathy.

Antipathy

Antipathy is a general term that covers unfriendly feelings like anger, irritability, frustration, animosity, antagonism, aversion, coldness, detestation, dislike, disapproval, enmity, hatred, hostility, ill will, malice and repugnance. In some cases there is a "short fuse", with rapid transition to overt aggression.

Antipathy seems more logical when a person is perceived as being partly or wholly instrumental in causing sadness. If the person is later perceived as being partly or wholly instrumental in removing the sadness, or replacing it with happiness, antipathy usually subsides, to be replaced (sometimes slowly) by a varying degree of propathy.

Remarkably often, however, antipathy is also felt in the absence of a human instrument. In this situation, religious people often deputise God as the responsible instrument, and feel intensely angry with God. Others just feel intensely angry, without knowing who or what they are angry with. However, they frequently direct their anger at anyone who comes within range – sometimes with very destructive effects.

Antipathy is often viewed as being entirely counterproductive. However, feelings like anger, frustration and aversion can generate a powerful motivation to strive for change – which might be a change for the better, at least in some cases. This is not to suggest that unresolved painful emotions are recommended – just that any benefit is better than none.

EMOTIONAL INTELLIGENCE

- ❑ In 1995, psychologist and science journalist Daniel Goleman published a ground-breaking book called “Emotional Intelligence: Why it can matter more than IQ.”.
- ❑ The book was on The New York Times bestseller list for a year-and-a-half, with more than 5,000,000 copies in print worldwide.
- ❑ The concept and criteria for EQ has been studied for decades, but what made Goleman's work so powerful was its application to the workplace and leadership based on his research at nearly 200 large, global organizations.
- ❑ Goleman discovered that highly effective leaders should also have a solid degree of emotional intelligence, as the qualities commonly associated with leadership like - intelligence, decisiveness, determination, and vision, are not enough for achieving success in leadership. Goleman in fact revealed direct links between a leader's emotional intelligence and measurable business results.

EMOTIONAL INTELLIGENCE DEFINITION:

- Emotional Intelligence is a master aptitude, a capacity that profoundly affects all other abilities, either facilitating or interfering with them (Daniel Goleman).
- Emotional intelligence can be defined as “An assortment of noncognitive skills, capabilities and competencies that influence a person's ability to succeed in coping with environmental demands and pressure”
- **David Wechsler** defines Intelligence as the aggregate or global capacity of an individual to act purposefully, to think rationally, and to deal effectively with his environment.
- Emotional intelligence can be considered a mental ability that involves the ability to reason validly with emotional information, and the action of emotions to enhance thought.
- Emotional Intelligence is a form of social intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them, and to use this information to guide one's thinking and action (**Salovey and Mayer 1990**).
- Emotional intelligence represents an ability to validly reason with emotions and to use emotions to enhance thought. It includes the abilities to accurately perceive emotions, to access and generate emotions so as to assist thought, to understand emotions and emotional knowledge, and to reflectively regulate emotions so as to promote emotional and intellectual growth.
- Emotional intelligence refers to an ability to recognize the meanings of emotion and their relationships and to reason and problem-solve on the basis of them.
- Emotional intelligence is involved in the capacity to perceive emotions, assimilate emotion-related feelings, understand the information of those emotions, and manage them.
- Emotional intelligence is a part of human personality, and personality provides the context in which emotional intelligence operates. Generally speaking, emotional intelligence improves an individual's psychosocial adjustment with effective group living.

$$EQ = (\text{Emotional Age} / \text{Actual Age}) \times 100$$

Emotional age is the age of an individual, expressed in terms of the chronological age of an average normal individual showing the same degree of emotional maturity. Emotional age is commonly used to describe the social abilities of an autistic person.

Emotional intelligence - two aspects

This is the essential premise of EQ: to be successful requires the effective awareness, control and management of one's own emotions, and those of other people. EQ embraces two aspects of intelligence:

- Understanding yourself, your goals, intentions, responses, behavior and all.
- Understanding others, and their feelings.

Emotional intelligence - the five domains

Goleman identified the five 'domains' of EQ as:

1. Knowing your emotions (Self Awareness).
2. Managing your own emotions (Self-Regulation).
3. Motivating you.
4. Recognizing and understanding other people's emotions (Empathy).
5. Managing relationships, ie., managing the emotions of others (Social Awareness).

WHY EMOTIONAL INTELLIGENCE?

Research in brain-based learning suggests that emotional health is fundamental to effective learning. According to a report from the National Center for Clinical Infant Programs, the most critical element for a student's success in school is an understanding of how to learn.

The key ingredients for this understanding are:

Confidence, Curiosity, Intentionality, Self-control, Relatedness, Capacity to communicate, Ability to cooperate

These traits are all aspects of Emotional Intelligence. Basically, a student who learns to learn is much more apt to succeed.

- Emotional Intelligence has proven a better predictor of future success than traditional methods like the IQ and standardized test scores.
- The idea of Emotional Intelligence has inspired research and curriculum development throughout corporations, universities, and schools nationwide.
- Researchers have concluded that people who manage their own feelings well and deal effectively with others are more likely to live content lives.

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- Building one's Emotional Intelligence has a lifelong impact. Many parents and educators, alarmed by increasing levels of conflict in young school children are rushing to teach students the skills necessary for Emotional Intelligence.
- In corporations, the inclusion of Emotional Intelligence in training programs has helped employees cooperate better and motivate more, thereby increasing productivity and profits.
- Emotional Intelligence helps as a better curative for diseases especially in the case of heart patients.
- It helps in maintaining better marital relationships, thereby reducing the tremendously increasing divorce rate.

WHY EMOTIONAL INTELLIGENCE IS IMPORTANT AT WORK

A Manager with low EI capacity:

- ✓ Will have **difficulty in receiving the whole message** that the employee is trying to communicate.
- ✓ Is also **ineffective at understanding** and expressing his/her own emotions.
- ✓ May lead to his/her **inability to realize and understand the impact of his/her actions** and statements on co-workers in the workplace.
- ✓ Can be **played like a fine-tune violin for better or worse**, if his/her subordinate has highly developed EI.

Emotional intelligence is a set competency, which direct and control one's feelings towards work and performance at work. The set of competencies is the ability of the individual being to control and manage his or her moods and impulses, which contribute to best of situational outcomes.

Understanding one's own moods and impulses of others or any situation helps one to respond and behave accordance with expectations. In a work situation workers effective use of skill and knowledge in time depends on the effective regulation of emotions at work and his readiness to contribute to best in their target accomplishment.

Knowing one's emotions and feelings as they occur, and tuning one's self to the charged situation, requires the emotional competency, emotional maturity and emotional sensitivity that determine the success of adaptability and adjustment with the change scenario.

DEVELOPING EMOTIONAL INTELLIGENCE (EI) AT WORK

Emotional Intelligence (EI) Competencies: Four Major Groups

	Self Personal competence	Other Social competence
Recognition	1) Self-Awareness <ul style="list-style-type: none"> Emotional awareness Accurate assessment Self-confidence 	2) Social Awareness <ul style="list-style-type: none"> Empathy Service orientation Organizational awareness
Regulation	3) Self-Management <ul style="list-style-type: none"> Self-control Trustworthiness Conscientiousness Adaptability Achievement Drive Initiative 	4) Relationship Management <ul style="list-style-type: none"> Developing others Influence Communication Conflict Management Leadership Change catalyst Building bonds Teamwork & collaboration

The five dimensions of EI are as follows:

1. Improve your Self-awareness:

- Know your own moods and emotions,
- Know your own strengths and weaknesses,
- Know the signs of your feeling and
- Know the impact and outcome of your emotions on your co-workers, client or supervisor,
- What actions/options you have, or you can do about your feelings.

2. Improve your self-regulation:

- Know how to handle upset feelings,
 - Know how to calm yourself, and your impulses,
 - Know how to be flexible and stay positive even under pressure,
 - Find out ways to release and manage work stress.
- ❖ Those who have a strong sense of self-regulation show trustworthiness and a high degree of integrity. They are open to change and willing to accept the discomfort of ambiguity and uncertainty. They think before they act and don't make impulsive decisions.

3. Improve your Motivation:

- Able to set your own goals and work to achieve those goals,
 - Able to continue to work despite frustration (perseverance)
 - Able to follow through and finish tasks (persistence)
 - Identify the aspects you like/love about your job
 - Practice optimism in general
- ❖ Motivated leaders and employees have a strong desire to achieve. They are optimistic, can easily move past failure and frustration, and they are committed to the success of the organization. They are willing to defer immediate and individual results for long-term success. As a result, they are inspiring and motivating to others.

4. Improve your ability to show Empathy:

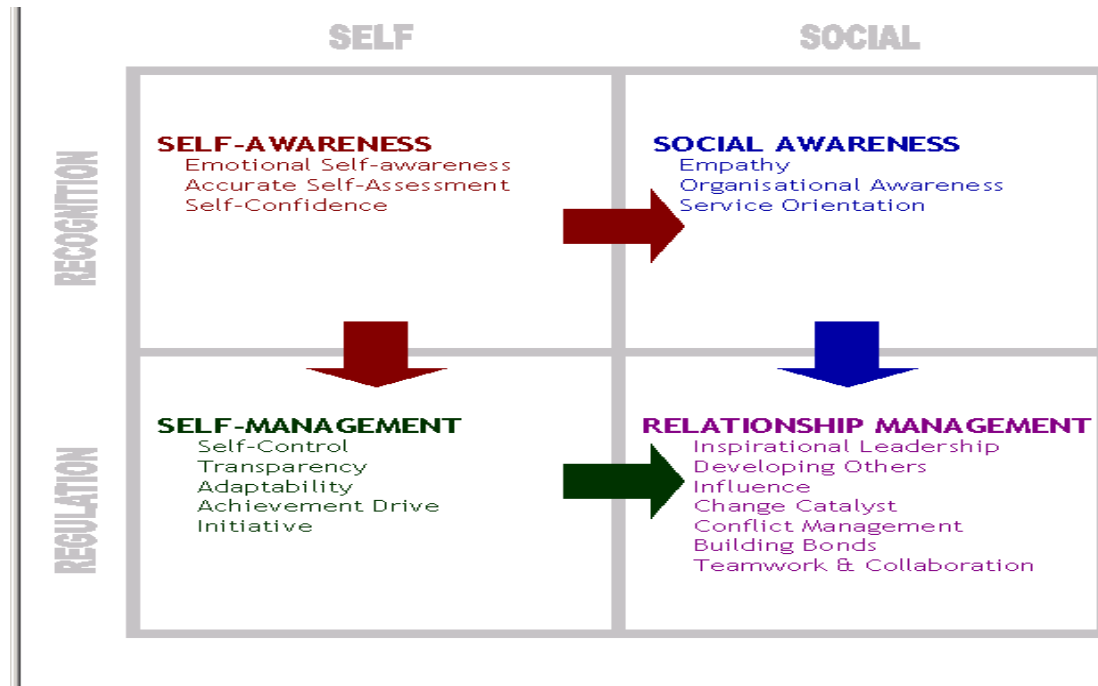
Empathy is the ability to understand and respond appropriately to the emotions of other people.

- Able to understand others feelings,
 - Able to read the body language of others,
 - Practice active listening and reflect back what the other person is saying,
 - Want to help others who are hurt or sad.
- ❖ An empathetic leader or employee has the ability to identify with and understand the feelings, wants, needs, and viewpoints of those around them. They are able to listen well, relate easily to others, and avoid stereotyping or judging too quickly. They might also be good at choosing and retaining employees.

5. Improve your Social Skills:

- Able to get along with others
- Able to work well in teams/groups
- Able to solve conflict with others

When you have good social skills, you're typically a team player who wants to see others shine. You don't always put your own needs ahead of the team's needs. You're a great communicator and excellent at building and maintaining relationships.



MODULE 2.2: PERSONALITY

Personality represents the sum total of several attributes (qualities) which manifest themselves in an individual, the ability of the individual to organize and integrate all the qualities so as to give meaning to life and the uniqueness of the situation which influences behavior of an individual.

DETERMINANTS OF PERSONALITY/FACTORS AFFECTING PERSONALITY:

Now that we have understood the meaning of personality, the next question is what determinants go into the development of personality? Was the individual born with that personality or was it developed afterwards as a result of his interaction with his environment? Generally, the consensus is that heredity and environment jointly affect the individual's personality development. The factors affecting personality development are illustrated as follows:

(I) Heredity

The concept that heredity is a determinant of personality is embedded in our minds. In our day to day life, so many times we use the term "Like father like son" as "Like mother like daughter." When we use these terms we generally refer to the traits like physique, eye color, hair color, height, temperament, energy level, intelligence, reflexes etc. However, the importance of heredity varies from one personality trait to another. For example, heredity is generally more important in determining a person's temperament than his and ideals.

(II) Environment

If all personality traits are determined by heredity, they would be fixed at birth and would not be changed throughout the life. But this is not so. The personality traits are not completely dictated by heredity, environment also plays a very important role in the development of personality of a person. Environment comprises of culture, family, social and situational factors.

(a) Culture: According to **Hoebel**, "*Culture is the sum total of learned behavior traits which are manifested and shared by the members of the society.*" Culture establishes norms, attitudes and values that are along from generation to generation and create consistencies over time. Every culture expects and trains its members to behave in the ways that are acceptable to the group.

Persons belonging to different cultural groups generally have different attitudes towards independence, aggression, competition, cooperation, artistic talent etc. While growing, the child learns to behave in ways expected by the culture of the family in which he was born. Most cultures -expect different roles from males than from females. Similarly, every culture has its own sub cultures with different views about such qualities as moral values, style of dress, etc.

- I. Individuals within the same culture can differ in their behavior and personality formats because of the existence of several sub systems within the same culture.
- II. The workers are not influenced by the same culture as managers are. Moreover, skilled workers have different behavior patterns than unskilled workers.

Management recognizes and understands these differences while dealing with the people in the organization.

(b) Family: One of the very important determinants of the personality of a person is his immediate family. Families influence the behaviour of a person especially in the early stages. The nature of such influence will depend upon the following factors;

- Socio-Economic level of the family
- family size
- Birth order
- Race
- Religion
- Parent's educational level
- Geographic location.

To elaborate, a person brought up in rich and prestigious family has a different personality as compared to the people who belong to a poor family. The family size will also affect the behavior of a child. The personality of a single child is different from the personality of a person who is brought up in a family of more than two siblings. Similarly, the personality of a person brought up in a nuclear family is different from that of a person brought up in a joint family. Studies have also shown that first born children are more responsible, rational, independent, ambitious and more sensitive to social acceptance. Empirical evidence also suggests that the home and family environment created by the mother and the father as well as their own behavior is highly influential on personality development of the child.

Behaviour is highly influential on personality development of the child.

Every child tries to identify himself with some person whom he feels ideal in the family. Generally, a child in the family tries to behave like his father or mother. This process can be examined from three different perspectives:

- Firstly, identification can be viewed as the similarity of behavior (including feelings and attitudes) between child and model.
- Secondly, identification can be looked upon as the child's motives or desires to be like the model.

This identification process is fundamental to the understanding of personality development.

(c) Social. Socialization is a process by which an infant acquires from the enormously wide range of behavioral potentialities that are open to him at birth, those behavior patterns that are customary and acceptable to the family and social groups. Initially socialization starts with the contact of the infant with the mother when he grows up. Contacts with the other members of the family and social groups influence his socialization process. These social groups include school, mates, friends, then friends or colleagues at work place, groups to which an individual belongs.

Because "A man is known by the company he keeps," all these social groups influence the behaviour of the individuals. A lot of evidence has been accumulated which suggests that socialisation may be one of the best explanations of why employees behave the way they do in today's organisations. There are some norms and laws of every society in which the individual exists. Much of the behaviour arises out of the respect for these norms and laws. Thus, we can say that social life has a considerable impact on the individual's behaviour.

(d) Situational. Apart from the above factors, situational factors also play a very important role in determining the personality of a person. Migram's research study indicates very powerful role the situation may play in human personality. On the basis of his research study he states that "A situation exerts an important press on the individual. It exercises constraints and may provide push. In certain circumstances, it is not so much the kind of person a man is. as the kind of situation in which he is placed that determines his actions."

That is why it is often said that life is a collection of experiences. Every individual goes through different type of experiences and events in his life. Some of the events and experiences can serve as important determinants of his personality. A trauma suffered by a person in the childhood- can sometime change the structure of his own personality. In addition to this, certain incidents or situations reveal a specific aspect of the personality of a person that was so far bidden. For example, a very weak and coward person may spontaneously perform heroic action in saving some one's life without regard to his own safety. The role of psychiatrists in personality shaping and changing is wide known.

NATURE OF PERSONALITY:

- **Personality Traits:** Personality refers to the set of traits & behaviour that characterizes an individual.
- **Personality is consistent and enduring:** It refers to the relatively stable pattern of behaviour & consistent internal state & explains an individual's behavioural tendencies.
- Personality has both internal (thoughts, values & genetic characteristics) & external (observable behaviour) elements.

Personality can change: Personality is both inherited as well as it can be shaped by the environment.

- **Personality reflects individual differences:** No two individuals are exactly alike, because the characteristics that constitute an individual's personality are unique combination of factors.

WHY PERSONALITY IS IMPORTANT AT WORKPLACE FOR BETTER PERFORMANCE?

Knowing about an employee's personality helps in:

- **Motivating employees:** monetary incentives and perks can help uplift an employee's spirits to some extent but that is also temporary. Knowing about what types of projects and work environments can be linked to employee's innate drive would mean long-term motivation and happiness. Ex: service-oriented people getting demotivated in a competitive environment.
- **Reducing turnovers:** An employee fit assessment can increase retention rates because it ensures your employees are built for the job, or at least have the innate potential to be successful. Identifying the right person for the right position.
- **Decreasing conflicts and improving collaboration:** Personalities clash can cause a ripple effect of destruction in your organization. Predicting which people might need to make more of an effort when working together and, more specifically, which personality dimensions could be the culprits in these conflicts so that one knows what to work on. Ex: High achievement oriented, aggressive or dominating employee or low self esteemed employees.
- **Preventing burnouts:** Understanding or knowing which employees are more susceptible to high nervous tension, episodes of low energy or are unable to detach, for ex: Need for positive reinforcement, or holding back frustrations due to fear of conflicts in future; can help in reducing burnouts in employees to a large extent.
- **Communicating effectively with their workforce:** Sometimes a person might give a confused or blank look when you try to explain him/her about certain concepts. Such a person requires more visuals and concrete examples of how this idea would be transposed into his day-to-day reality.

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How we learn, what information we need to feel at ease making a decision, and how much time we need to allow this information to set in can differ from one employee to the next. So personality at work is important for making sure you are approaching someone the best way possible, and are equipped with what this person needs to feel comfortable.

PERSONALITY TRAITS:

The early work in the structure of personality revolved around attempts to identify and label enduring characteristics that describe an individual's behaviour. Popular characteristics include shy, aggressive, submissive, lazy, ambitious, loyal & timid. Those characteristics, when they are exhibited in a large number of situations, are called **personality** traits.

Researchers have long believed that these traits could help in employee selection, matching people to jobs, and in guiding career development decisions.

There were a number of early efforts to identify the primary traits that govern behaviour. However, for the most part, these efforts resulted in long lists of traits that were difficult to generalize from and provided little practical guidance to organizational decision makers.

Two exceptions are the **Myers-Briggs Type Indicator (MBTI)**, and the **Big-Five Model**. Over the past 20 years, these two approaches have become the dominant frameworks for identifying and classifying personality types and traits.

MYERS-BRIGGS TYPE INDICATOR (MBTI)

Initially proposed by **Carl Jung (1921)** and later refined by two American women - **Katharine Cook Briggs and her daughter Isabel Briggs Myer**, has become an extremely widely used personality theory in self-help, business management, counselling and spiritual development contexts, but it is not commonly used in academic research where, like all type theories, it is treated sceptically.

The Myers-Briggs Type Indicator is an **introspective self-report questionnaire** with the purpose of indicating differing psychological preferences in how people perceive the world around them and make decisions. It is used by many organizations to select people for a particular position.

MBTI is the most widely used personality-assessment instrument in the world. It's essentially a 100-question personality test that asks people how they usually feel or act in particular situations.

On the basis of the answers to the questionnaire, individuals give to the test, they are

Extroverted vs. Introverted (E or I): **Extroverts** is “Outgoing” or “People Person”, action- oriented, comfortable in groups, has wide range of friends, do not think enough before acting. Whereas, introverts are “Reflective” or “Reserved”, thought-oriented, feel comfortable to be alone, have few friends, take time in reflecting or thinking before jumping into action.

Sensing vs. Intuitive (S or N): **Sensing types** are practical and prefer routine and order. They focus on details. Likely to trust information that is in the present, tangible, and concrete, solve problems based on facts, pragmatic in nature. Whereas, **intuitive** types rely on unconscious processes and look at the "big picture". Likely to trust information that is more abstract or theoretical, more interested in future possibilities and hunches.

Thinking vs. Feeling (T or F): **Thinking types** use reason and logic to handle problems. Decide things from a more detached standpoint, Decision seems to be reasonable, logical and matching a given set of rules. Not tactful and give direct feedback to others. **Feeling types** rely on their personal values and emotions. Decide things by associating or empathizing with the situation, looking at it 'from the inside' and considering the needs of the people involved. They are Tactful and do not prefer saying the cold truth.

Judging vs. Perceiving (P or J): Judging types want control, and prefer their world to be ordered. They are task-oriented, prefer making a list of things to do, prefer planning and systematic work done before playing. The Perceivers, instead, are Loose and casual, keep plans to minimum, mix work and play. Stimulated by an approaching deadline.

The MBTI sorts the above into four opposite pairs, or dichotomies, resulting in **16 possible psychological types** as below:

ISTJ	ISTP	ISFJ	ISFP	INFJ	INFP	INTJ	INTP
ESTP	ESTJ	ESFP	ESFJ	ENFP	ENFJ	ENTP	ENTJ

ISTJ: Quiet, serious, earn success by thoroughness and dependability. Practical, matter-of-fact, realistic, and responsible. Decide logically what should be done and work toward it steadily, regardless of distractions. Take pleasure in making everything orderly and organized - their work, their home, their life. Value traditions and loyalty.

ISFJ: Quiet, friendly, responsible, and conscientious. Committed and steady in meeting their obligations. Thorough, painstaking, and accurate. Loyal, considerate, notice and remember specifics about people who are important to them, concerned with how others feel. Strive to create an orderly and harmonious environment at work and at home.

INFJ: Seek meaning and connection in ideas, relationships, and material possessions. Want to understand what motivates people and are insightful about others.

INTJ: Have original minds and great drive for implementing their ideas and achieving their goals. Quickly see patterns in external events and develop long-range explanatory perspectives. When committed, organize a job and carry it through. Skeptical and independent, have high standards of competence and performance - for themselves and others.

ISTP: Tolerant and flexible, quiet observers until a problem appears, then act quickly to find workable solutions. Analyze what makes things work and readily get through large amounts of data to isolate the core of practical problems. Interested in cause and effect, organize facts using logical principles, value efficiency.

ISFP: Quiet, friendly, sensitive, and kind. Enjoy the present moment, what's going on around them. Like to have their own space and to work within their own time frame. Loyal and committed to their values and to people who are important to them. Dislike disagreements and conflicts, do not force their opinions or values on others.

INFP: Idealistic, loyal to their values and to people who are important to them. Want an external life that is congruent with their values. Curious, quick to see possibilities, can be catalysts for implementing ideas. Seek to understand people and to help them fulfill their potential. Adaptable, flexible, and accepting unless a value is threatened.

INTP: Seek to develop logical explanations for everything that interests them. Theoretical and abstract, interested more in ideas than in social interaction. Quiet, contained, flexible, and adaptable. Have unusual ability to focus in depth to solve problems in their area of interest. Skeptical, sometimes critical, always analytical.

ESTP: Flexible and tolerant, they take a pragmatic approach focused on immediate results. Theories and conceptual explanations bore them - they want to act energetically to solve the problem. Focus on the here-and-now, spontaneous, enjoy each moment that they can be active with others. Enjoy material comforts and style. Learn best through doing.

ESFP: Outgoing, friendly, and accepting. Exuberant lovers of life, people, and material comforts. Enjoy working with others to make things happen. Bring common sense and a realistic approach to their work, and make work fun. Flexible and spontaneous, adapt readily to new people and environments. Learn best by trying a new skill with other people.

ENFP: Warmly enthusiastic and imaginative. See life as full of possibilities. Make connections between events and information very quickly, and confidently proceed based on the patterns they see. Want a lot of affirmation from others, and readily give appreciation and support. Spontaneous and flexible, often rely on their ability to improvise and their verbal fluency.

ENTP: Quick, ingenious, stimulating, alert, and outspoken. Resourceful in solving new and challenging problems. Adept at generating conceptual possibilities and then analyzing them strategically. Good at reading other people. Bored by routine, will seldom do the same thing the same way, apt to turn to one new interest after another.

ESTJ: Practical, realistic, matter-of-fact. Decisive, quickly move to implement decisions. Organize projects and people to get things done, focus on getting results in the most efficient way possible. Take care of routine details. Have a clear set of logical standards, systematically follow them and want others to also. Forceful in implementing their plans.

ESFJ: Warm hearted, conscientious, and cooperative. Want harmony in their environment, work with determination to establish it. Like to work with others to complete tasks accurately and on time. Loyal, follow through even in small matters. Notice what others need in their day- by-day lives and try to provide it. Want to be appreciated for who they are and for what they contribute.

ENFJ: Warm, empathetic, responsive, and responsible. Highly attuned to the emotions, needs, and motivations of others. Find potential in everyone, want to help others fulfill their potential. May act as catalysts for individual and group growth. Loyal, responsive to praise and criticism. Sociable, facilitate others in a group, and provide inspiring leadership.

ENTJ: Frank, decisive, assume leadership readily. Quickly see illogical and inefficient procedures and policies, develop and implement comprehensive systems to solve organizational problems. Enjoy long-term planning and goal setting. Usually well informed, well read, enjoy expanding their knowledge and passing it on to others. Forceful in presenting their ideas.

THE BIG FIVE PERSONALITY MODEL:

Over the past couple of decades, personality has become a focal point in organizational research, leadership development and derailment, and particularly employee selection. This optimism is largely the result of the development of a unified model of personality called the **Big Five**, or **Five Factor Model of Personality (BFFM)**. The Big Five model is an empirical and comprehensive model of personality.

The initial model was advanced by Ernest Tupes and Raymond Christal in 1961, but failed to reach an academic audience until the 1980s. In 1990, J.M. Digman advanced his five factor model of personality, which Goldberg extended to the highest level of organization. At least four sets of researchers have worked independently for decades on this problem and have identified generally the same Big Five factors: **Tupes & Cristal** were first, followed by **Goldberg** at the Oregon Research Institute, **Cattell** at the University of Illinois, and **Costa and McCrae** at the National Institutes of Health.

Human resources professionals often use the Big Five personality dimensions to help place employees. That is because these dimensions are considered to be the underlying

1. **Neuroticism:** This personality dimension characterizes someone as calm, self - confident, secure (Positive) verses nervous, depressed and insecure (negative). Neuroticism is the tendency to easily experience anger, anxiety, and other negative emotions, while emotional stability is just the opposite. This dimension relates to one's emotional stability and degree of negative emotions like anxiety, depression, anger, and impulsiveness.
2. **Extraversion:** Extroversion is person's interest in the outside world and can be exhibited through sociability, talkativeness and assertiveness. This dimension deals with relationships with others. Sociability is the ability of a person in maintaining interrelationship within a social group. Sociability of executives and superiors tend to result in positive job behavior and improved job performance. Talkativeness is the art and ability to attract and influence others through speaking skills. Assertiveness is confirming one's own ideas and reactions confidently or defending oneself and/or others through positive arguments declaring strongly or laying claims. Subordinates like the assertive nature of their superiors and mould their behavior and performance to his expectations.
3. **Openness to Experience:** Such people have appreciation for art, adventure, ideas, and variety. This personality dimension people have a tendency to engage in intellectual abilities and experience new sensations and ideas. They like to learn new things and enjoy new experiences. Creativity, Intellect and Culture is involved here. People with this tendency are characterized as dreamy, imaginative, inventive and non-conservative in their thoughts.
4. **Agreeableness:** Highly agreeable people are co-operative, warm and trusting. Individuals with these traits always think from the viewpoint of their employees or clients accept the proposals, needs or requests of the employees. Such a trait has a positive influence on job behavior and job performance. Such individuals involve the employees in decision making, and help and guide them in their work. Cooperative traits regarding attitude and practice of superiors of an organization helps the company in moulding the job behavior and improving the job performance. Executives with a trustworthy nature provide autonomy to employees enable them to realize their potentialities and rise to the expectations of their superiors.
5. **Conscientiousness:** Conscientiousness is a measure of reliability. Persons with a high level of conscience are reliable, organized, dependable and persistent. The responsible nature of the individuals enables them to take up the work activities with or without delegation and makes the superiors to concentrate on policy

Personality does contribute to performance but only at a moderate level (it is because of this that most psychologists recommend using personality tests as a supplement to other selection tools (such as structured interviews and reference checks). Conscientiousness is the only Big- Five trait that predicts performance across all job-types and job-levels. Different combinations of personality traits are needed for jobs that have unique demands (such as customer service and managerial work). Use personality and cognitive ability tests for employee selection (combined they are very highly predictive of performance).

PERSONALITY ATTRIBUTES INFLUENCING OB:

1. Locus of Control: Locus of control is the extent to which people believe that they can control the events affecting their lives. Some believe that they are the masters of their own fate. These are labeled as internals. Other people see themselves as pawns of fate believing that whatever happens to them in their lives is due to luck or fate. These have been called the externals.

(a) Internal Locus of Control: A person with strong internal locus of control believes that he controls events concerning his own life and his internal traits determine what happens in a given condition. Such people are successful in their jobs, career and lives. They are better at stressful situations and are satisfied with challenging jobs and performance based incentives. They are independent and more active socially. Also they prefer participative style of management.

(b) External Locus of Control: People who rate high in externality view that external environment or God determines what should happen to them and it will happen. Such people prefer directive management and can break under pressure. These people prefer chance oriented awards and are more interested in job security and extrinsic awards. Externals do well on jobs that are well structured and routine.

2. Machiavellianism: This personality trait of Machiavellianism also known as Mach is named after **Niccolo Machiavelli**, who wrote in the 16th century on how to gain and use power. The characteristics of high Machiavellianism employers are as follows:

- A Machiavellianism man is pragmatic and keeps emotional distance from others; and believes that ends can justify means.
- A high Machiavellianism manipulates more, wins more, are persuaded less and persuade others more than the low Machiavellianism.
- High Machiavellianism people flourish when they interact face to face with others rather than indirectly.
- These people are successful when the situation has a minimum number of rules and regulations.
- High Machiavellianism man has high self-confidence and high self-esteem. They are cool and calculating and have no hesitation using others or taking

advantage of others in order to serve their own goals.
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We cannot conclude that whether high Machiavellianism makes good employees or not. The answer will depend upon the type of the job and whether moral and ethical values are considered in evaluating the performance of a person.

3. Self Esteem: People differ in the degree to which they like or dislike themselves. This trait is called self-esteem. The research on self-esteem offers some interesting insights into organizational behavior. For example, self-esteem is directly related to expectations for success. High self - esteems believe that they possess the ability they need to succeed at work.

Individuals with high self-esteem will take more risks in job selection and are more likely to choose unconventional jobs than people with low self-esteem.

The most generalizable finding on self-esteem is that low self-esteems are more susceptible to external influence than are high self-esteems. Low self-esteems are dependent on the receipt of positive evaluations from others. As a result, they are more likely to seek approval from others and more prone to conform to the beliefs and behaviors of those they respect than are high self - esteemers. In managerial positions, low self-esteems will tend to be concerned with pleasing others and, therefore, are less likely to take unpopular stands than are high self-esteemers.

Not surprisingly, self-esteem has also been found to be related to job satisfaction. A number of studies confirm that high self-esteemers are more satisfied with their jobs than are low self-esteemers.

4. Self-monitoring: "Self-monitoring is a personality trait that measures an individual's ability to adjust his or her behavior to external situational factors".

High self-monitors change their behavior easily based on situational requirements while low self - monitors reveal their moods which may contradict situational requirements. They cannot change their behavior. In case of low self-monitors, there is a high behavioral consistency between who they are and what they do. On the other hand, high self-monitors present striking contradictions between their public, personal and private image. The high self-monitors are more successful in managerial positions, are better leaders, better conversationalists and can work efficiently with people of different departments.

5. Risk taking: Managers in large organizations tend to be risk-averse, especially in contrast to growth-oriented entrepreneurs who actively manage small businesses. For the work population as a whole, there are also differences in risk propensity. As a result, it makes sense to recognize these differences and even to consider aligning risk-taking propensity with specific job demands. For example, a high-risk taking propensity may lead to more effective performance for a stock trader in a brokerage firm because that type of job demands rapid decision making. On the other hand, a willingness to take risks might prove a major obstacle to an accountant who performs auditing activities. The latter job might be better filled by someone with a low risk-taking propensity.



Type A personality are impatient, aggressive and highly competitive. Such people are always in a hurry and can't deal with leisure time. They measure success with quantity and are always under time pressure. They are very productive but have poor judgment. **Type B personality** are easy going, laid back and non-competitive. They are not concerned about time and relax without feeling guilty. They don't have any time deadlines set for themselves. They are better on complex tasks involving judgment and accuracy rather than speed and hard work.

Type A employees are poor in creativity. They suit to the routine activities and their behavior is easily predictable. Type B employees can easily get promoted as "promotions usually go to those who are wiser rather than to those who are hasty, to those who are tactful rather than to those who are hostile and to those who are creative rather than to those who are merely agile in competitive strife."

SIGNIFICANT PERSONALITY TRAITS SUITABLE TO THE WORKPLACE(PERSONALITY AND JOB FIT THEORY)

Personality-job fit theory was **developed in the 1950s by John Holland**. He was of the view that **people are happier and most productive when they are placed into jobs that match their personality**.

This theory of Holland revolves around the idea that every organization and individual has specific personality traits. The closer the traits between the person and the company match, the higher the chance of workplace productivity and satisfaction. The best personality fit will also decrease job turnover and stress, absenteeism, and poor job satisfaction. The person-job fit is conceptualized as the match between individual knowledge, skills, and abilities (KSA) and demands of the job.

This theory groups people on the basis of their suitability for six different categories of occupations. The six types yield the **RIASEC acronym**, by which the theory is also commonly known. Holland believed certain types of people work best when paired with jobs that not only utilize their strengths but are tailored to how they work best, resulting in more work getting done and of high quality. The typology has come to dominate the field of career counselling and has been incorporated into most of the popular assessments used in the organizations today.

According to him, there are **six key categories** that define the modern worker. Those are: **Realistic, Investigative, Artistic, Social, Enterprising and Conventional**. He also viewed that most people fall into more than one category and people with the same personality type tend to work best with others of their type, but certain types work best alone or with specific groups over others.

Realistic (Doers): People who like to work with "things". They tend to be assertive and competitive, and are interested in activities requiring motor coordination, skill and strength. They approach problem solving "by doing something, rather than talking about it, or sitting and thinking about it. They also prefer concrete approaches to problem solving, rather than

Investigative (Thinkers): People who prefer to work with "data". They like to think and observe rather than act, to organize and understand information rather than to persuade. They also prefer individual rather than people-oriented activities.

Artistic (Creators): People who like to work with "ideas and things." They tend to be creative, open, inventive, original, perceptive, sensitive, independent and emotional. They rebel against structure and rules, but enjoy "tasks involving people or physical skills. They tend to be more emotional than the other types.

Social (Helpers): People who like to work with "people" and who seem to satisfy their needs in teaching or helping situations. They tend to be drawn more to seek close relationships with other people and are less apt to want to be really intellectual or physical.

Enterprising (Persuaders): People who like to work with "people and data." They tend to be good talkers, and use this skill to lead or persuade others. They also value reputation, power, money and status.

Conventional (Organizers): People who prefer to work with "data" and who like rules and regulations and emphasize self-control. They like structure and order, and dislike unstructured or unclear work and interpersonal situations. They also place value on reputation, power, or status.

Type	Personality Characteristics	Congruent Occupations
<i>Realistic:</i> Prefers physical activities that require skill, strength, and coordination	Shy, genuine, persistent, stable, conforming, practical	Mechanic, drill press operator, assembly-line worker, farmer
<i>Investigative:</i> Prefers activities that involve thinking, organizing, and understanding	Analytical, original, curious, independent	Biologist, economist, mathematician, news reporter
<i>Social:</i> Prefers activities that involve helping and developing others	Sociable, friendly, cooperative, understanding	Social worker, teacher, counselor, clinical psychologist
<i>Conventional:</i> Prefers rule-regulated, orderly, and unambiguous activities	Conforming, efficient, practical, unimaginative, inflexible	Accountant, corporate manager, bank teller, file clerk
<i>Enterprising:</i> Prefers verbal activities in which there are opportunities to influence others and attain power	Self-confident, ambitious, energetic, domineering	Lawyer, real estate agent, public relations specialist, small business manager
<i>Artistic:</i> Prefers ambiguous and unsystematic activities that allow creative expression	Imaginative, disorderly, idealistic, emotional, impractical	Painter, musician, writer, interior decorator

PERSONALITY TESTS AND THEIR PRACTICAL APPLICATIONS

Psychologists have devised a number of tests to measure the various aspects of personality, these are explained as below.

1. Projective Techniques: It uses vague, ambiguous, unstructured stimulus objects or situations in which the subject "projects" his or her personality, attitude, opinions and self-concept to give the situation some structure. The two widely used projective tests are as follows:

(a) **Thematic Apperception Test (TAT):** is a projective measure intended to evaluate a person's patterns of thought, attitudes, observational capacity, and emotional responses to ambiguous test materials. The individual is exposed to ambiguous pictures and requested to make up a story for each.

(b) **Rorschach Test:** a type of projective test used in psychoanalysis, in which a standard set of symmetrical ink blots of different shapes and colours is presented one by one to the subject, who is asked to describe what they suggest or resemble.

2. Situational Tests: Involves studying the individual in daily situations when he is interacting with others, solving a problem or exploring a new environment. The purpose of this study is to observe the individual in a context, which is similar to the one for which he is under review. Practical Application: Case study solving for managerial trainees.

3. Personality Inventories. These inventories are printed forms containing questions, adjectives or statements about human behaviour. They can be used to evaluate both normal and psychiatric characteristics. The individual is required to indicate his reactions to different items. The inventories are scored and assessed in terms of percentiles or statistical norms. Relatively the inventories are less time consuming and easy to administer however, in certain cases, the individuals can give false impression about themselves if they desire to do so. Practical Application: Psychometric tests during interviews.

MODULE 2.3: PERCEPTION

"Perception is the process through which the information from outside environment is selected, received, organized and interpreted to make it meaningful to you. The input of meaningful information results in decisions and actions."

"Perception may be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment"

IMPORTANCE: -

Whatever we see or feel is not necessarily the same as it really is. People's behavior is based on their perceptions of what reality is, not on reality itself. The world as it is perceived is the world that is important for understanding the human behavior.

THE PROCESS OF PERCEPTION:

Perception is composed of various sub processes viz. receiving, selecting, organising, interpreting, checking and reacting to stimuli. Through perception people process information input into decisions and actions. In other words, it screen or filter through which information passes before having an effect on people.

Perceptual Inputs:

A number of stimuli are constantly confronting people in the form of information, objects, events, people etc. in the environment. These serve as the inputs of the perceptual process. A few of the stimuli affecting the senses are the noise of the air coolers, the sound of other people talking and moving, outside noises from the vehicular traffic or a street repair shop or a loud speaker playing somewhere plus the impact of the total environmental situation. Some stimuli do not affect the senses of a person consciously, a process called subliminal perception.

(I) Perceptual Mechanism

When a person receives information, he tries to process it through the following sub processes of selection, organization and interpretation.

A. Perceptual Selectivity

Many things are taking place in the environment simultaneously. However, one cannot pay equal attention to all these things, thus the need of perceptual selectivity. Perceptual selectivity refers to the tendency to select certain objects from the environment for attention. The objects which are selected are those which are relevant and appropriate for an individual or those which are consistent with our existing beliefs, values and needs. For this, we need to screen or filter out most of them so that we may deal with the important or relevant ones. The following factors govern the selection of stimuli:

(i) External Factors:

Size: The bigger the size--of the stimulus, the higher is the probability that it is perceived. Size always attracts the attention, because it establishes dominance. The size may be the height or weight of an individual, sign board of a shop, or the space devoted to an advertisement in the newspaper. A very tall person will always stand out in the crowd, on the other hand, a very short person will also attract attention. A full-page advertisement will always catch attention as compared to a few lines in the classified section.

Intensity: Intensity attracts to increase the selective perception. A few examples of intensity are yelling or whispering, very bright colors, very bright or very dim lights. Intensity will also include behavioral intensity. If the office order says "Report to the boss immediately," it will be more intense and effective as compared to the office order which says "Make it convenient to meet the boss today."

Repetition: The repetition principle states that a repeated external stimulus is more attention drawing than a single one. Because of this principle, supervisors make it a point to give the necessary directions again and again to the workers. Similarly, the same advertisement or different advertisement but for the same product shown again and again on the TV will have more attention as compared to an advertisement which is shown once a day.

Status: High status people can exert greater influence on the perception of the employees than the low status people. There will always be different reactions to the orders given by the foreman, the supervisor or the production manager.

Contrast: An object which contrasts with the surrounding environment is more likely to be noticed than the object which blends in the environment. For example, the Exit signs in the cinema halls which have red lettering on a black background are attention drawing or a warning sign in a factory, such as Danger; written in black against a red or yellow background will be easily noticeable. In a room if there are twenty men and one woman, the woman will be noticed first because of the contrast.

Movement: The principle of motion states that a moving object receives more attention than an object which is standing still. A moving car among the parked cars catch our attention faster. A flashing neon-sign is more easily noticed.

Novelty and Familiarity: This principle states that either a novel or a familiar external situation can serve as an attention getter. New objects in the familiar settings or familiar objects in new settings will draw the attention of the perceiver. A familiar face on a crowded railway platform will immediately catch attention. Because of this principle, the managers change the workers jobs from time to time, because it will increase the attention they give to their jobs.

Nature: By nature we mean, whether the object is visual or auditory and whether it involves pictures, people or animals. It is well known that pictures attract more attention than words. Video attracts more attention than still pictures. A picture with human beings attracts more attention than a picture with animals. Poetry attracts more attention than prose.

(ii) Internal Factors:

The internal factors relate to the perceiver. Perceiving people is very important for a manager, because behavior occurs as a result of behavior. Following are the internal factors which affect perception.

Learning. Although interrelated with other internal factors learning may play the single biggest role in developing perceptual set. A perceptual set is basically what a person expects from the stimuli on the basis of his learning and experience relative to same or similar stimuli. This perceptual set is also known as cognitive awareness by which the mind organizes information and forms images and compares them with previous exposures to similar stimuli.

Motivation: Besides the learning aspects of the perceptual set, motivation also has a vital impact on perceptual selectivity. For example, a person who has a relatively high need for power, affiliation or achievement will be more attentive to the relevant situational variables. For example, when such a person walks into the lunch room, he may go to the table where several of his co-workers are sitting, rather than a table which is empty or on which just one person is sitting.

Personality: Closely related to learning and motivation is the personality of the perceiving person. For example, the older senior executives often complain about the inability of the new young manager to take tough decisions concerning terminating or reassigning people and paying attention to details and paperwork. The young managers, in turn, complain

B. Perceptual Organization

After having selectively absorbed the data from the range of stimuli we are exposed to at any given time, we then try to organize the perceptual inputs in such a manner that would facilitate us to extract meaning out of what we perceive. Or in other words, person's perceptual process organizes the incoming information into a meaningful whole. While selection is a subjective process, organizing is a cognitive process. How we organize the stimuli is primarily based on the following principles.

1. Figure and Ground. Figure Ground principle is generally considered to be the most basic form of perceptual organization. This principle simply implies that the perceived object or person or event stands out distinct from its back ground and occupies the cognitive space of the individual. For example, as you read this page, you see white as the background and black as the letters or words to be read. You do not try to understand what the white spaces amidst the black letters could mean. Likewise, in the organizational setting, some people are more noticed or stand out than others. For example, an individual in the organization might try to focus his entire attention on his immediate supervisor, trying to be in his good books, completely ignoring his colleagues and how they feel about his behavior. According to this principle, thus, the perceiver tends to organize only the information which stands out in the environment which seems to be significant to the individual.

2. Perceptual Grouping: Grouping is the tendency to curb individual stimuli into meaningful patterns. For instance, if we perceive objects or people with similar characteristics, we tend to group them together and this organizing mechanism helps us to deal with information in 'an *efficient* way rather than getting bogged down and confused with so many details. This tendency of grouping is very basic in nature and largely seems to be inborn. Some of the factors underlying this grouping are:

Similarity: The principle of similarity states that the greater the similarity of the stimuli, the greater the tendency to perceive them as a common group. The principle of similarity is exemplified when objects of similar shape, size or colour tend to be grouped together. For example, if all visitors to a plant are required to wear white hats while the supervisors wear blue hats, the workers can identify all the white-hats as the group of visitors. Another example is our general tendency to perceive minority and women employees as a single group.

Proximity. The principle of proximity or nearness states that a group of stimuli that are close together will be perceived as a whole pattern of parts belonging together. For example, several people working on a machine will be considered as a single group so that if the productivity on that particular machine is low, then the entire group will be considered responsible even though only some people in the group may be inefficient.

Closure. The principle of closure relates to the tendencies of the people to perceive objects

as a whole, even when some parts of the object are missing. The person's perceptual process will close the gaps that are unfilled from sensory input. Speaking from the point of view of an organization, if a manager perceives a worker, on the whole, a hard worker, sincere, honest, then even, if he behaves in a contradictory way sometimes (which is a kind of a gap), the manager will tend to ignore it, because it does not fit in with the overall impression, that he has about the worker.

Continuity. Continuity is closely related to closure. But there is a difference-Closure supplies missing stimuli, whereas the continuity principle says that a person will tend to perceive continuous lines of pattern. The continuity may lead to inflexible or non creative thinking on the part of the organizational participants. Only the obvious patterns or relationships will be perceived. Because of this type of perception, the inflexible managers may require that employers follow a set and step by step routine leaving no ground for implementation of out of line innovative ideas.

3. Perceptual Constancy: Constancy is one of the more sophisticated forms of perceptual organization. This concept gives a person a sense of stability in this changing world. This principle permits the individuals to have some constancy or stability in a tremendously variable and highly complex world. If constancy were not at work, the world would be very chaotic and disorganized for the individual. There are several aspects of constancy.

- a. **Shape Constancy:** Whenever an object appears to maintain its shape despite marked changes in the retinal image e.g. the top of a glass bottle is seen as circular whether we view it from the side or from the top.
- b. **Size Constancy:** The size constancy refers to the fact that as an object is moved farther away from us we tend to see it as more or less invariant in size. For example, the players in cricket field on the opposite side of the field do not look smaller than those closer to you even though their images on the retina of the eye are much smaller.
- c. **Color Constancy:** implies that familiar objects are perceived to be of the same color in varied conditions. The owner of a red car sees it as red in the bright sunlight as well as in dim twilight. Without perceptual constancy the size, shape and color of the objects would change as the worker moved about and it will make the job almost impossible.

4. Perceptual Context: The highest and most sophisticated forms of organization are context. It gives meaning and value to simple stimuli, objects, events, situations and other persons in the environment. The organizational structure and culture provide the -primary context in which workers and managers do their perceiving. For example, a verbal order, a new policy, a pat on the back, a raised eye brow or a suggestion takes on special meaning when placed in the context of the work organization.

5. Perceptual Defense: Closely related to perceptual context is the perceptual defense. A person may build a defense against stimuli or situational events in a particular context



that are personally or culturally unacceptable or threatening. Accordingly, perceptual defense may play a very important role in understanding

union-management and supervisor-subordinate relationship. Most studies verify the existence of a perceptual defense mechanism. The general conclusions drawn from these studies are that people may learn to avoid certain conflicting, Threatening or unacceptable aspects of the context. The various defenses may be denial of an aspect, by modification and distortion, by change in the perception, then the last but not the least is recognition but refusal to change

C. Perceptual Interpretation: Perceptual interpretation is an integral part of the perception process. Without interpretation, selection and organization of information do not make any sense. After the information has been received and organized, the perceiver interprets or assigns meaning to the information. In fact, perception is said to have taken place only after the data have been interpreted. Several factors contribute towards the interpretation of data. More important among them are perceptual set, attribution, stereotyping, halo effect, perceptual context, perceptual defense, implicit personality theory and projection. It may also be noted that in the process of interpretation, people tend to become judgmental. They may tend to distort what they see and even ignore things that they feel are unpleasant.

D. Checking: After data have been received and interpreted, the perceiver tends to check whether his interpretations are right or wrong. One way of checking is for the person himself to indulge in introspection. He will put a series of questions to himself and the answers will confirm whether his perception about an individual or object is correct or otherwise. Another way is to check the validity of the interpretation with others.

E. Reacting: The last stage in perception is the action. The perceiver shall indulge in some action in relation to the perception. The action depends on whether the perception is favorable or unfavorable. It is negative when the perception is unfavorable and the action is positive when the perception is favorable.

Perceptual Outputs

Perceptual outputs encompass all that results from the throughout process. These would include such factors as one's attitudes, opinions, feelings, values and behaviors resulting from the perceptual inputs and throughputs. Perceptual errors adversely affect the perceptual outputs.

The lesser our biases in perception, the better our chances of perceiving reality as it exists or least perceiving situations with the minimum amount of distortions. This will help us to form the right attitudes and engage in appropriate behavioral patterns,

which in turn will be beneficial for attaining the desired organizational outcomes. It is essentially important for managers who are responsible for organizational results to enhance their skills in order to develop the right attitudes and behaviors.

FACTORS INFLUENCING PERCEPTION

The perception, organization and interpretation of information depend very much on the characteristics of the stimuli (already discussed), characteristics of the situation and some of our own personality characteristics. The situational and personality characteristics which influence the perceptual set are as explained below:

A. Characteristics of the Perceiver:

When a person looks at a target and attempts to interpret what he sees, his interpretation is greatly influenced by his personal characteristics which are discussed as follows:-

- 1. Needs and Motives.** Our need pattern plays an important part in how we perceive things. A need is a feeling of discomfort or tension when one thing is missing or requires something. Therefore, unsatisfied needs or motives stimulate individuals and may exert a strong influence on their perception. When people are not able to satisfy their needs they are engaged in wishful thinking which is a way to satisfy their needs not in the real world but in an imaginary world. In such cases, people will perceive only that item which suits their wishful thinking. Motives - also influence the perception of people. People who are devious are prone to see others as also devious.
- 2. Self Concept:** Self concept indicates how we perceive ourselves which then influences how we perceive others and the situation we are in. The more we understand ourselves, the more we are able to perceive others accurately. For example, secure people tend to see others as warm and friendly. Less secure people often find fault with others. Perceiving ourselves accurately and enhancing our concept are factors that enhance accurate perception.
- 3. Past Experience:** Our perceptions are often guided by our past experiences and what we expect to see. A person's past experiences mould the way he perceives the current situation. If a person has been betrayed by a couple of friends in the past, he would tend to distrust any new friendship that he might be in the process of developing.
- 4. Current Psychological State:** The psychological and emotional states of an individual are likely to influence how things are perceived. If a person is depressed, he is likely to perceive the same situation differently than if he is elated. Similarly, if a person is scared out of wits by seeing a snake in the garden, he is likely to perceive a rope under the bed as a snake.
- 5. Beliefs:** A person's beliefs influence his perception to a great extent. Thus, a fact is conceived not on what it is but what a person believes it to be. The individual normally censors stimulus inputs to avoid disturbance of his existing beliefs.

6. Expectations. Expectations affect the perception of a person. Expectations are related with the state of anticipation of particular behavior from a person. For example, a technical manager will expect that the non-technical people will be ignorant about the technical features of the product.

7. Situation. Elements in the environment surrounding an individual-like time, location, light, heat etc., influence his perception. The context in which a person sees the objects or events is very important.

8. Cultural Upbringing. A person's ethics, values and his cultural upbringing also play an important role in his perception about others. It is difficult to perceive the personality of a person raised in another culture because our judgment is based upon our own values.

B. Characteristics of the Perceived: Characteristics of the person who is being observed can affect what is perceived. Though, it may go against logic and objectivity, but it cannot be denied that our perceptions about others are influenced by their physical characteristics such as appearances, age, gender, manner of communication as well as personality traits and other forms of behavior. For example, loud people are more likely to be noticed in a group than are quite ones. So too are extremely attractive or extremely ugly individuals.

Persons, objects or events that are similar to each other tend to be grouped together. People dressed in business suits are generally thought to be professionals, while employees dressed in ordinary work clothes are assumed to be lower level employees.

Manner of communication, both verbal and non-verbal, affect our perception about others. For example, the choice of words and precision of language can form impressions about the education and sophistication of the person. The tone of voice indicates the mood of the person. The depth of conversation and choice of topics provide clues of people's intelligence. The body language or expressive behavior such as how a person sits and the movement of his eyes or a smile can indicate whether he is nervous or self-confident.

The status or occupation of a person also influences the perception. We tend to behave in a more respectful way when we are introduced to the principal of a school in which our child is studying, judge of the high court or Supreme Court or a famous cricket player. Sometimes our perception of a person tends to be biased, depending upon the description given to us by other persons. When we meet a person, who is described to us as warm and friendly, we treat him differently as compared to meeting a person who is known to be cold and calculating.

B. Characteristics of a Situation: The context in which we see objects or events is

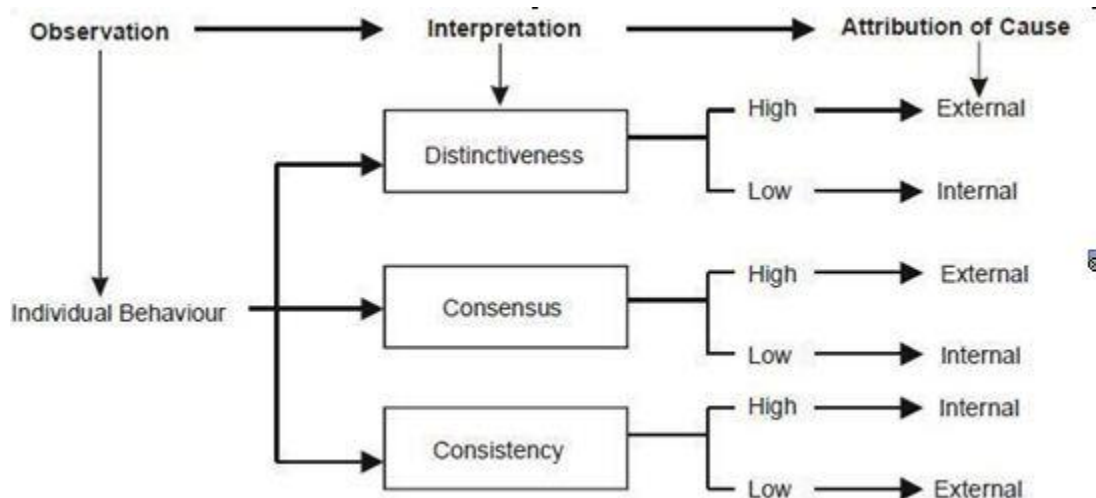
very important. The surrounding environment and the elements present in it influence our perception while perceiving a particular situation or event, its physical, social and organizational setting can also influence the perception. For example, if you meet a person for the first time and he is with a person whom you respect and admire, you will create a favorable image about him in your mind as compared to a situation in which you see him with another person whom you intensely dislike. Of course, the initial impression is very valued. Location of a given event is also very important factor in determining the behavior. For example, a conversation with the boss taking place in a casual reception area may be perceived differently than when taking place in the boss's office with the door closed. Organizational setting also affects the behavior of the people. An organization setting where people are given an opportunity to interact in a friendly and sociable work situation, they become more trust worthy and less defensive.

ATTRIBUTION THEORY OF PERCEPTION:

In day-to-day life, we come across people with whom we interact. Motives, intentions, belief and attitude of people have an impact as to how they behave. It has been seen that our perception about the people is greatly influenced by the assumption we make about a person and not by reality.

There are two factors, which has an impact on human behaviour. First is internally caused behaviour – refers to internal factors on which individual has a full control, secondly the externally caused behavior refers to the behaviour which has been caused due to external factors and that the individual has no control over it.

Attribution theory suggests that when we evaluate human behaviour, it is either internally caused or it is caused due to external factors as explained above. The determination however depends on the following three factors. See figure below:



(a) **Distinctiveness:** Let us for evaluation purposes take an example of X worker coming late for duty. When we carry out interpretation there are two factors, one whether arriving late is usual or unusual behaviour. If it is usual, it is attributed to internal factor on which X has full control. When the behaviour is unusual then it can be attributed to external factors. In the former situation individual could be counseled appropriately in the later situation, the external factors cannot be corrected. If the external factors are high, then late coming should not be attributed to the individual behaviour.

(b) **Consensus:** This factor refers to group behaviour. If the entire group taking the same route came late on duty, the causation is attributed to external factors. But by some chance if X only was late then the causation would be internal.

(c) **Consistency:** If the behaviour of Mr. X is consistence that is if he is consistently coming late then attribution should be to internal factors. In such cases there is a high internal causation. If X came late once in a while the causation would be low and attributed to external factors. More consistence the behaviour, the more the observer is inclined to attribute it to internal causes. It has been seen that we have the tendency to under estimate the influence of external factors and overestimate the influence of internal factors or personal factors while carrying out perception.

This phenomenon is called the **fundamental attribution error**. Fall in sales of a commodity is generally attributed to inefficiency of sales force rather than market trend, recession or innovative product launched by the competitor.

There is also a **self-serving bias** error caused by the individuals who tend to attribute their own success to internal causation like ability, hard work and self-worth and the failure, to external factors like Luck. This phenomenon is called a self-serving bias displayed by the individuals. There are bias, which distorts attribution universally across culture. During World War II it was considered by Allies that Japanese are invincible, but the attribution proved to be false at later date when tide took the turn and Japanese had to suffer total annihilation.

Self-serving bias does not apply to all organizations, where cultural identity has been established like Defense Services of India. Where the leader takes the responsibility for the failure of group task and attribute success to collective efforts. This is the main reason that soldiers have great faith in their leader and his ability and that is how the soldiers are led in war and they follow the leader blindly because they have a correct perception of their leader.

PERCEPTION AND ITS APPLICATION IN ORGANISATIONS

The perception, in many cases, has important effect on organizations. A few of these are obvious, and the same is discussed below: -

Employment Interview: Different interviewers try to see different things in the same candidate differently, and thus arrive at different perceptions. Who one thinks is a good

candidate, the candidate can be seen perceived by another interviewer as not good for the job. Interviewers form early Impressions about the candidate, which ultimately weighs more in the selection. Therefore, interviewers must be given adequate training in the skills of interviewing.

Performance Appraisal: Assessment of an employee's performance very much depends on the perception of the evaluator about the employee, superior officers and executives closely tie an employee's future to his performance and its appraisal. Promotions pay rises, and continuation of job is the most obvious and common outcome of the employee's performance. Performance Appraisal is both objective and subjective. It becomes objective when performance can be sufficiently quantified. For e.g., a salesman's performance can be assessed based S on how many rupees of sales he generated in his territory during a given period of time. However, many employees' jobs are evaluated subjectively. Therefore, these become judgmental. Judgment will become susceptible to distortion. It might affect the performance appraisal process.

Performance Expectation: New employees during their selection process acquire a set of expectations booth about the organization and about the job. In case there is a big gap between the expectations and realities, there will be problems of increased alienation of employee, absenteeism, and even turnover.

Employee Effort: Since many organizations, the level of an employee's performance is given high importance. Hence, an employee's future in an organization depends upon his effort made for achieving the organizational goals. However, assessment of an individual's performance is subjective judgment and thus, susceptible to perceptual distortions and bias also.

Employee Loyalty: While assessing employees the managers also make another important decision- whether the employee are loyal to the organization? Like effort, assessment of loyalty is also a subjective judgment susceptible to perceptual distortions and bias. As an example, an employee looking for greener pastures outside the organization may be labelled as disloyal to the organization. As a resultant behaviour, the organization may cut his future advancement opportunities.

DISTORTION IN PERCEPTION/ COMMON ERRORS/SHORTCUTS WHILE JUDGING OTHERS:

1. **Selective Perception:** People selectively interpret what they see based on their attitude, interest, background and experience. An individual might have been appointed on a key position on the day of the visit of CEO and the appointment may be incidental but we may perceive appointments as a consequence of CEO's visit. In an organization so many things keep happening but different people will perceive one fact differently based on individuals selectivity in perceiving which is generally based on his past experience and attitude towards work. It is important that when we read others, we

2. make a mistake reading with speed and putting seal of what has been selectively seen by a perceiver. For correct perception an individual must be observed, studied, tried and later perceived without an individual bias.

3. **Halo Effect:** Halo effect refers to judging an individual based on single characteristics, such as intellectual ability, sociability and appearance. Sales Manager's visit to sales territory and consequent increase in sales volume may be attributed to the visit of the sales manager to a particular sales territory. Perceiver in this situation did not notice the cause of increased sales to probably higher demand, change in market forces, subordinate sales employees past efforts to encourage customers to buy the product and host of other factors that go with increase in the sales volume. This type of perception is quite common in any organization, which is called halo effect in perceiving an individual or situation. A rater may rate a subordinate based on dominance of a single trait of the subordinate. The halo effect has been very frequently noticed in performance appraisal.

4. **Projection:** You assume a person based on your own traits and not what he actually possesses. If you were hard working and dependable you would expect others to be so. If a person projects the above characteristics in his dealings he is rated high or perceived in a different way than what he actually is. It is commonly found that subordinates do or exhibit the same behaviour as desired by the boss. This phenomenon is called the 'projection', an error that is common in any organization.

5. **Contrast Effect:** We do not evaluate a person in isolation. Our reaction to one person is relative to the other. During selection process, interviewer selects a particular person for a particular job not because he fulfils all requirements but he is generally selected in relation to the other candidates. Individual selected may be academically, skill wise, experience wise better than those not selected. So it is a comparative or contrast phenomenon of perception. We generally hear, people say that Mr. X presentations in a particular session.

6. **Stereotyping:** In order to simplify matters, we often tend to classify people and events into already known categories. For example, we generally perceive man as executive and woman as secretary even if the situation may be different. For police person, it is generally believed that they are generally tough and law abiding which may not be true. In our mind we have established certain categories with certain attributes. For example, category of teenagers would generally be independent, indiscipline and so on. In reality this may not be true. Similarly, we attach positive attribute to judges, professors and doctors and negative attributes to school dropouts, addicts although they may not be really so.

HOW CAN WE PERCEIVE MORE ACCURATELY? OR HOW CAN PERCEPTUAL SKILLS BE ENHANCED?

- **Knowing oneself more accurately:** That is to say, one should improve to know more about oneself. Frequent interactions with peers, colleagues, free, frank

- and open communication with others and mutual trust are some commonly adopted practices for perceiving more accurately.
- **Assessing and Knowing others more accurately:** Putting yourself in the others' situation and understanding others' more maturedly.
- **Being empathic:** Empathy means to be able to see a situation as it is perceived by other people. In a way, it is like putting your feet in another's shoes. Looking at a problem from other's point of view enables the person to perceive the other side of the problem.
- **Having positive attitudes:** Positive attitude makes one's perception positive or more accurate. Hence, the managers need to overcome their personal bias, get rid of any negative feelings about others.
- **Enhancing one's self concept:** When people successfully accomplish what they want, it develops a sense of self-esteem. It also indicates that correct perception about on self helps perceive others also more accurately.
- **Taking a conscious effort to reduce perceptual barriers**
- **Frank, open and two-way communication:** Experience suggests that sometimes perception gets distorted due to communication gap and inadequate communication. In such case, effective communication needs to be developed to ensure that the true and right message reaches the right place at the right time. This will enable to know the problem in a better perspective, which in turn will improve a person's perception about the problem.
- **Avoid attributions**
- **Avoid perceptual distortions:** Some factors like the halo effect, stereotyping, attribution etc., distort a person's perception about things or problems. Therefore, sincere and continuous efforts should be made to guard oneself against such biases. Get complete information from different sources regarding an object/person/event and organize, interpret and perceive from the data.

Module 2.4 – MOTIVATION

INTRODUCTION

It is essential to increase overall efficiency of human beings to improve performance of an organization. While machines, processes, technology of high order can be made available to the individuals, but high productivity can only be achieved if workers are highly skilled and adequately motivated. Motivation perhaps is a single most important factor of the study of organizational behaviour that concerns each and every executive today.

The word **motivation** has been derived from 'motive' which means an idea, need or emotion that prompts a person into action.

Motivation is defined as “a driving force which stimulates an individual to initiate and sustain a behavior.”

This driving force is produced by a state of tension, which exists as the result of an unfulfilled need. Individuals strive, both consciously and subconsciously to reduce this tension. **For example:** A student studies books because he wants to get high marks in his exam. An employee strives to perform better in a job as he wants to earn good money for his livelihood and his family's livelihood.

MOTIVES VS MOTIVATION

Motive is the inner urge that powers, activates and directs the behaviour of individual towards a specified goal. “Motive is a factor which influences to do anything because anything we do has a motive behind”.

- Motive is the specific reason for performing a specific action.
- Motivation is more what drives you, at a deeper level, to 'want' to do certain actions, or more commonly a longer lasting project or job.
- *Motive means a reason for doing something, and motivation means a reason or reasons for acting or behaving in a particular way.* Here doing something focuses on one specific act, whereas acting or behaving in a particular way focuses on a more general pattern of action or behavior.

DEFINITION OF MOTIVATION

- **Scot** defined motivation as “a process of stimulating people to action to accomplish desired goals”.

NATURE/CHARACTERISTICS OF MOTIVATION

- ✓ **Psychological phenomenon:** The process of motivation depends on the needs, desires, etc which are psychological phenomenon. The Psychology of every individual is different, hence the needs, desires, expectations are also different.
- ✓ **Dynamic and situational:** The motives, behavior and goals, are dynamic. The drives differ every day.
- ✓ **Not an observed phenomenon:** Motivation is not directly observed, rather we apprehend something based on the behavior of an individual underlying his motives.
- ✓ **Goal oriented process:** The motives of a person helps one to achieve a goal.
- ✓ **Continuous process:** Human wants are unlimited, so the motives are unlimited and once the individual satisfies a single motive/want, he gets encouraged to satisfy another motive/need/want of a higher order.

TYPES OF MOTIVATION

Intrinsic motivation:

- A type of motivation in which motives/needs originate from inside the human body.
- It refers to the internal driving state (physiological/biological needs, psychological needs, inner fears, curiosity) stimulating an individual to behave in a specific way.
- It includes all biological drives such as hunger, thirst, sleep, relief from pain, need for oxygen, etc.
- For example: Hunger becomes the driving force which compels an individual to have food. Similarly a day's tiredness compels an individual to relax and have a peaceful sleep.

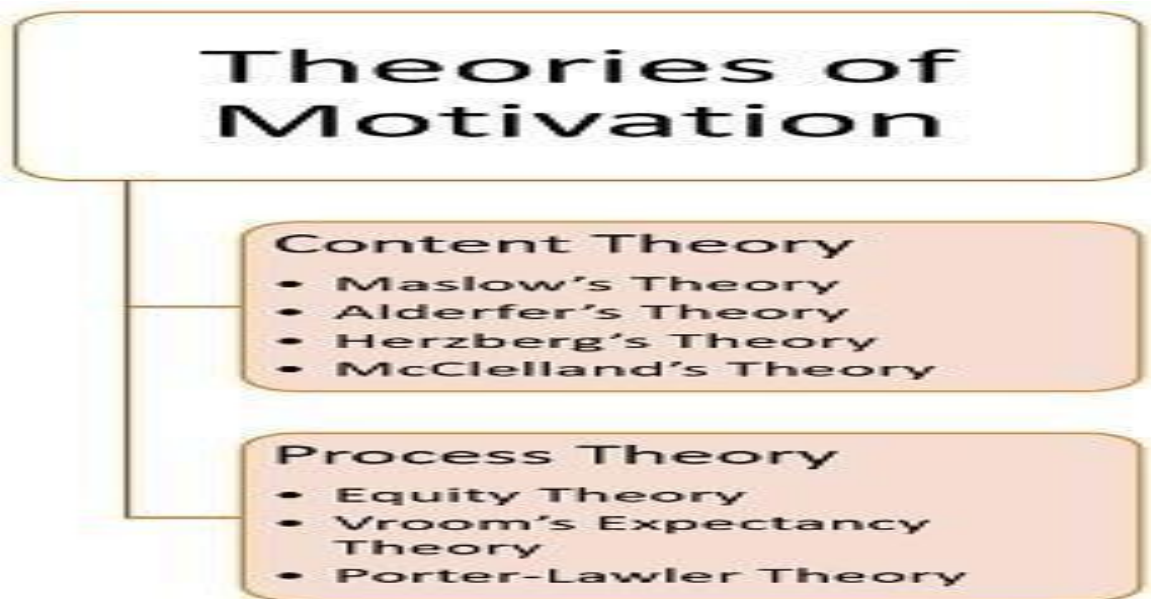
Extrinsic Motivation:

- In this type of motivation, the motives originate from outside the human body.
- This refers to the external driving forces to the human body but they have a rewarding or punishing impact for the individual.
- For example, Incentives, Bonuses, Allowances, Promotion and Demotion, Rewards and Punishment, Merit and Distinction Certificates, appreciation Certificates and Prizes.

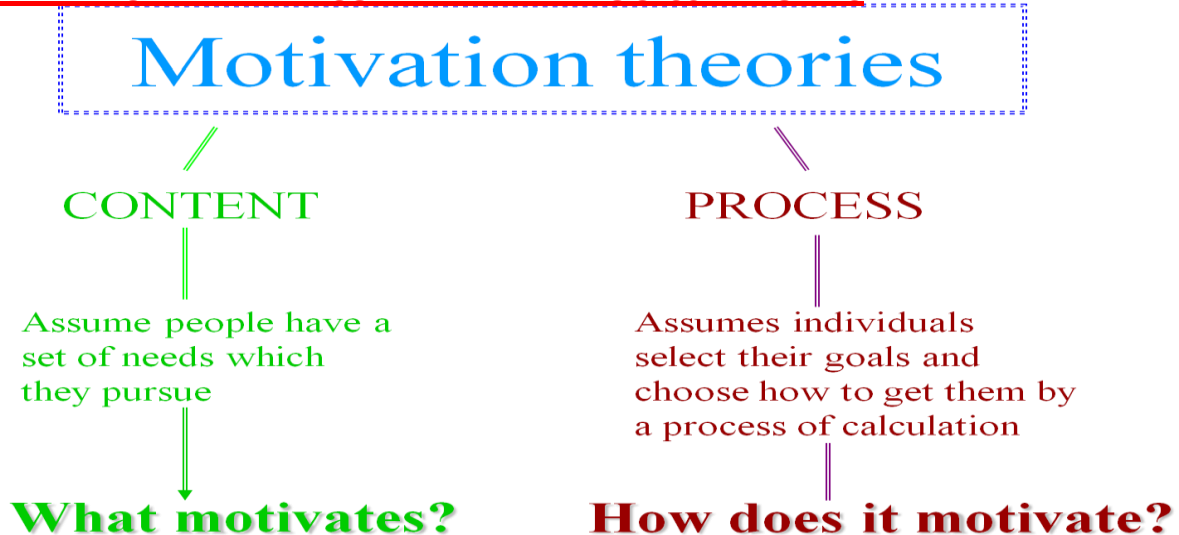
THEORIES OF MOTIVATION

The motivation approaches can be broadly classified as content and process theories. Unlike the content models these process theories are relatively complex and difficult to translate into actual

practice, and, therefore they have generally failed to meet the goals of prediction and control of organization behavior.



DIFFERENCE BETWEEN CONTENT AND PROCESS THEORIES



The **content theories** are **concerned with identifying the needs that people have and how needs are prioritized**. These theorists discuss about what motivates people to perform; The content theories are:

- **Maslow's Hierarchy of Needs Theory**
- **Herzberg's Two Factor Model theory**

The **process theories** provide a much sounder theoretical explanation of work motivations. These theorists discuss **how rewards control behavior; e.g. expectancy, equity, reinforcement, social learning theories**. Those theories are:

- **Vroom's Expectancy Theory**
- **Porter-Lawler's model**

Contemporary Theory: These are referred to as contemporary theories because these theories are able to more appropriately explain the phenomenon of the motivation in the contemporary organizations. Such a theory is:

- **Adam's Equity Theory**

CONTENT THEORY: ABRAHAM MASLOW'S HIERARCHY OF NEEDS THEORY

Abraham Maslow was a clinical psychologist in USA. His motivation theory is widely accepted and studied. **Maslow suggested that every individual has complex set of needs at any particular moment and his behaviour is determined by the existence of strongest need.** According to him if people grew in an environment in which their needs are not met, they will be unlikely to function as healthy individuals or well-adjusted individuals. Specifically, Maslow theorised that people have five types of needs and that these are activated in a hierarchical manner. This means that these needs are aroused in a specific order from lowest to highest, such that the lowest-order need must be fulfilled before the next order need is triggered and the process continues.

Assumptions of the Theory:

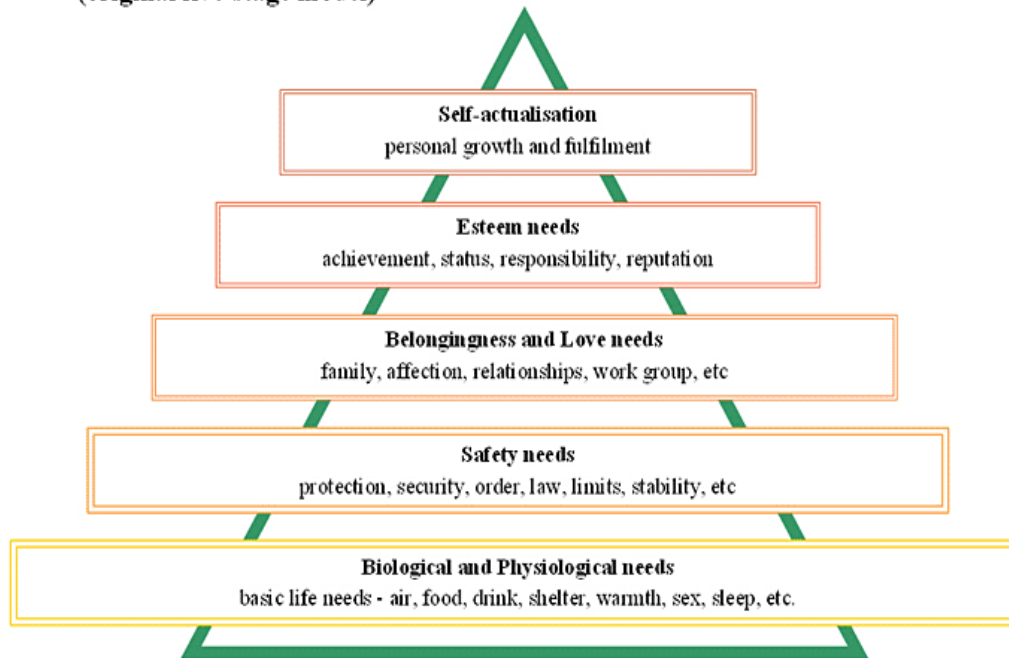
- a) Unsatisfied needs motivate or influence behavior.
- b) Satisfied needs do not motivate behavior.
- c) Needs are arranged in a hierarchy.
- d) Needs at any level of the hierarchy emerge as a significant motivator only when the lower level needs are reasonably well satisfied.

1. Physiological/Basic Needs: The fulfillment of physiological needs takes precedence over all other needs. These needs dominate when they are unsatisfied and no other needs serve as a base for motivation. Unlike other needs, the **physiological needs are finite but are recurrent**.

2. Safety and Security Needs: The next higher level of need which assumes importance after the fulfillment of Physiological needs. The safety needs look towards the future. How can

an individual satisfy his physiological needs when he becomes old? He must have reasonable 'safety' in his old age too. The pension plans, the payment of gratuity Act, the provident funds Act etc. and other benefits after retirement, are basically to ensure security for the man in his old age.

Maslow's Hierarchy of Needs
(original five-stage model)



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3.Social and belongingness needs: Since man is a social being, he has a need to belong and to be accepted by various groups. When social needs become dominant, a person will strive for meaningful relations with others. In the organization, these needs are reflected by the need to participate in a work group and to have positive relationships with co-workers and Supervisors.

4. Self Esteem Needs: also known as Ego-satisfaction needs or self-worth needs. These needs are manifested in three forms: the need for status, the need for power and the need for recognition. Ex: Promotion. Satisfaction of these needs leads to a feeling of self-confidence and prestige.

5. Self-Actualization Needs: In the words of Maslow, these needs denote “what a man can be should be”– to become everything one is capable of becoming. It means individual should realize

his or her potentialities, talents and capabilities. These are manifested as self-fulfilment and competency needs.

Organisational/ Managerial Applications of the theory:

- The rationale behind the theory lies on the fact that it's able to suggest to managers how they can make their employees or subordinates become self-actualized. This is because self-actualized employees are likely to work at their maximum creative potentials.
- Therefore it is important to make employees meet this stage by helping meet their need organizations can take the following strategies to attain this stage.
- Recognize employee's accomplishments
- Provide financial security
- Provide opportunities to socialise
- Promote a healthy work force

Criticisms of the Theory:

- According to some researchers, the needs fall into only 2 or 3 distinct categories and not five.
- Some also say that the order/hierarchy of the needs may not always be the same.
- Maslow's theory cannot be universally applied in all countries, firms or different positions. Give example.
- Maslow's observation that "a need that has been relatively well satisfied ceases to motivate may not be true in the case of self esteem and self actualization needs.
- Needs are not only the determinant of behavior, there are other motivating factors like perception, experiences, etc.
- Maslow's theory is static and needs to be changed over time. For ex: The needs of a graduate student would differ from the needs of a 60 year old man.

CONTENT THEORY: HERZBERG'S TWO FACTOR THEORY OF MOTIVATION

Fredrick Herzberg's (1959) theory believes that an individual's relation to work is basic and that one's attitude towards work can very well determine success or failure. He extended the work of Maslow and developed a specific content theory of work motivation. In **1950's** he conducted a study noting responses of 200 Accountants and Engineers employed by the firms in and around Pittsburgh. The respondents were asked to narrate one critical incident from their

work life about which they felt especially unhappy and another incident from work-life about which they felt especially happy.

On analyzing the data thus collected Herzberg came to conclusion that there are two sets of factors at the work life; one set he called “**hygiene factors**” while the other was called the “**motivators**”.

Hygiene Factors: also called as **Dissatisfiers**. These are conditions of a job which operates primarily to cause dissatisfaction to the employee when they (conditions) are not present. But the presence of these factors does not build strong motivation. Such factors are called Maintenance factors since they are necessary to maintain a reasonable level of job satisfaction. According to him, an organization that meets only the hygiene needs of its employees will eliminate dissatisfaction but will not get superior performance.

Motivators: **Motivators:** also called as **Satisfiers**. These are job conditions or factors which build high levels of satisfaction or motivation. However, if these conditions are not present, they do not prove to be highly dissatisfying. Motivators are concerned mainly with the job content and tend to be internal to the job. According, to Herzberg, opposite of satisfaction is not dissatisfaction as traditionally believed. His view is opposite of “satisfaction” is “no satisfaction” and opposite of “dissatisfaction” is “no dissatisfaction”.

CRITICISMS OF HERZBERG'S TWO FACTORY THEORY

- ❖ The analysis of critical incident type response is **highly subjective**.
- ❖ This theory is most applicable to professionals such as engineers, managers, accountants, etc and **not relevant to blue-collar workers**.
- ❖ Herzberg's study **focused on the level of satisfaction, not performance**, and satisfaction and performance are not synonymous.

Hygiene Factors i.e. dissatisfiers	Motivators i.e. satisfies
1. Company policies and administration;	1. Achievement
2. Technical Supervision;	2. Recognition
3. Inter Personal relations with superiors;	3. Advancement;
4. Inter Personal relations with Peers;	4. Work itself
5. Inter Personal relations with Subordinates;	5. Possibility of Growth
6. Salary	6. Responsibility
7. Job Security;	
8. Personal life;	
9. Working Conditions;	
10. Status	

COMPARISON OF HERZBERG'S THEORY WITH MASLOW'S THEORY

- Both the theories belong to the Content Theories of Motivation.
- These theories use individual needs to understand job satisfaction and work behavior.
- Herzberg's motivators satisfy the higher order needs of Maslow: Self Esteem and Self Actualization. The Hygiene factors are the equivalent to the lower order needs like: physiological, security and social needs of Maslow



CONTRAST BETWEEN HERZBERG'S THEORY AND MASLOW'S THEORY

1. Maslow's theory is a Macro theory and deals with all aspects of motivation. Whereas Herzberg's theory has a Micro view and deals primarily with work-related motivation.
2. Maslow's theory is applicable to all kinds of workers. Whereas Herzberg's theory is more relevant to white collar and professional workers.
3. According to Maslow, unsatisfied needs energizes behavior and this behavior causes performance. Whereas, Herzberg's theory suggests that needs cause performance.
4. Maslow's theory believes in hierarchy of needs, but there is no such hierarchy of needs in Herzberg's theory.
5. Maslow's theory suggests that Pay is a motivator if it satisfies needs. But according to Herzberg, pay is not a motivator in any case.

CONTENT THEORY: ALDERFER'S ERG THEORY OF NEEDS

Clayton Alderfer revised Maslow's theory in 1972. He reduced the levels in the hierarchy from five to three and termed these as below:

- **Existence needs:** are the desires for material and physical well-being. These needs are satisfied with food, water, air, shelter, working conditions, pay, and fringe

benefits.

- **Relatedness needs:** are the desires to establish and maintain interpersonal relationships. These needs are satisfied with relationships with family, friends, supervisors, subordinates, and co-workers.
- **Growth needs:** are the desires to be creative, to make useful and productive contributions, and to have opportunities for personal development.

COMPARISON BETWEEN MASLOW'S THEORY AND ALDERFER'S ERG THEORY

1. Studies had shown that the middle levels of Maslow's hierarchy had some overlap; Alderfer addressed this issue by reducing the number of levels to three.
2. The ERG needs can be mapped to those of Maslow's theory as follows:
Existence: Physiological and safety needs
Relatedness: Social and external esteem needs
Growth: Self-actualization and internal esteem
3. Like Maslow's model, the ERG theory is also hierarchical - existence needs have priority over relatedness needs, which have priority over growth.



CONTRAST BETWEEN MASLOW'S THEORY AND ALDERFER'S ERG THEORY

- Unlike Maslow's hierarchy, the ERG theory allows for different levels of needs to be

pursued simultaneously.

- The ERG theory allows the order of the needs be different for different people.
- The ERG theory acknowledges that if a higher-level need remains unfulfilled, the person may regress to lower level needs that appear easier to satisfy. This is known as the frustration-regression principle.

PROCESS THEORY: **VROOM'S EXPECTANCY THEORY**

The Expectancy Theory of motivation as developed by **Victor Vroom** is a cognitive process theory of motivation that is based on the idea that people believe there are relationships between the effort they put forth at work, the performance they achieve from that effort, and the rewards they receive from their effort and performance. In other words, people will be motivated if they believe that strong effort will lead to good performance and good performance will lead to desired rewards.

Vroom's expectancy theory differs from the content theories of Maslow, Alderfer, Herzberg, and McClelland in that Vroom's expectancy theory does not provide specific suggestions on what motivates organization members. Instead, Vroom's theory provides a process of cognitive variables that reflects individual differences in work motivation.

Assumptions of Expectancy Theory:

- People join organizations with expectations about their needs, motivations, and past experiences;
- An individual's behaviour is a result of conscious choice;
- People want different things from the organization and
- People will choose among alternatives so as to optimize outcomes for them personally.

This model is generally known as expectancy theory but is sometimes referred to as **VIE theory**, where the letters stand for **valence, instrumentality, and expectancy**, respectively. Vroom believes, a person is motivated to the degree that he or she believes that:

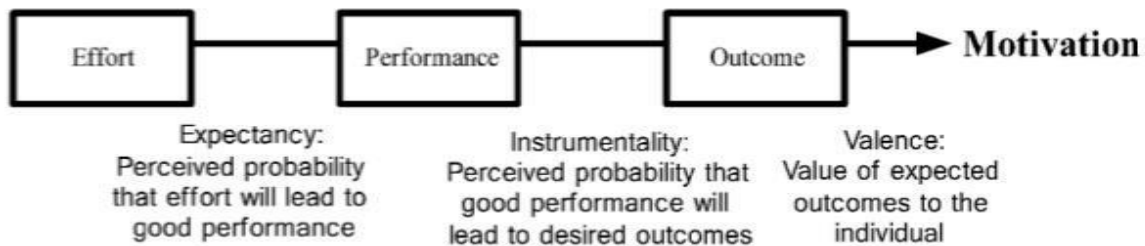
- (a) his/her effort will lead to an acceptable performance (**expectancy**),
- (b) that performance will be rewarded (**instrumentality**), and
- (c) the value of the rewards is highly positive (**valence**).

Therefore, his theory is often expressed as a **formula**:

Valence x Expectancy x Instrumentality = Motivation

- **Where, Valence (Reward)** = the amount of desire for a goal (What is the reward?)
- **Expectancy (Performance)** = the strength of belief that work-related effort will result in the completion of the task (How hard will I have to work to reach the goal?)
- **Instrumentality (Belief)** = the belief that the reward will be received once the task is completed (Will they notice the effort I put forth?)

Vroom's theory



Expectancy: Relationship between Efforts and Performance is known as Expectancy (E). Expectancy is a person's estimate of the probability that job-related effort will result in a given level of performance. Expectancy is based on probabilities and ranges from 0 to 1. If an employee sees no chance that effort will lead to the desired performance level, the expectancy is

0. On the other hand, if the employee is completely certain that the task will be completed, the expectancy has a value of 1.

Instrumentality: Relationship between Performance and Rewards/Work Outcomes is called as Instrumentality (I). Instrumentality is an individual's estimate of the probability that a given level of achieved task performance will lead to various work outcomes. As with expectancy, instrumentality ranges from 0 to 1. For example, if an employee sees that a good performance rating will always result in a salary increase, the instrumentality has a value of 1. If there is no perceived relationship between a good performance rating and a salary increase, then the instrumentality is 0.

Valence: Relationship between Rewards/Work Outcomes and Personal goals is known as

Valence (V). The valence measures the attractiveness, preference, value or the liking of the rewards or work outcomes for the employee. If an employee has a strong preference for attaining a reward, valence is positive. At the other extreme, valence is negative. And if an employee is indifferent to a reward, valence is the total range is from -1 to +1.

Therefore, the expectancy theory says that:

$$\text{Effort or motivation} = E \times I \times V$$

Combinations of valence, expectancy and instrumentality and the resultant motivations from these combinations:

SITUATION	VALENCE	EXPECTANCY	INSTRUMENTALITY	MOTIVATION
1	High positive	High	High	Strong Motivation
2	High positive	High	Low	Moderate Motivation
3	High positive	Low	High	Moderate Motivation
4	High positive	Low	Low	Weak Motivation
5	High negative	Low	Low	Weak Avoidance
6	High negative	High	Low	Moderate Avoidance
7	High negative	Low	High	Moderate Avoidance
8	High negative	High	High	Strong Avoidance

Criticisms of the Theory:

- The expectancy theory seems to be idealistic because quite a few individuals perceive high degree correlation between performance and rewards.
- The application of this theory is limited as reward is not directly correlated with performance in many organizations. It is related to other parameters also such as position, effort, responsibility, education, etc.

PROCESS THEORY: PORTER LAWLER MODEL OF MOTIVATION

Lyman Porter and Edward Lawler came up with a comprehensive theory of motivation, combining the various aspects that we have so far been discussing and using two additional variables in their model. Vroom had suggested what leads to effort. The Porter Lawler model however, goes a step ahead and postulates that effort does not necessarily lead to performance and satisfaction. While efforts are determined by the value of reward and the perceived reward probability, performance i.e. accomplishment is influenced by an individual's abilities and role perceptions. In the ultimate analysis an employee derives satisfaction which is an amalgam of effort leading to performance interacting with rewards.

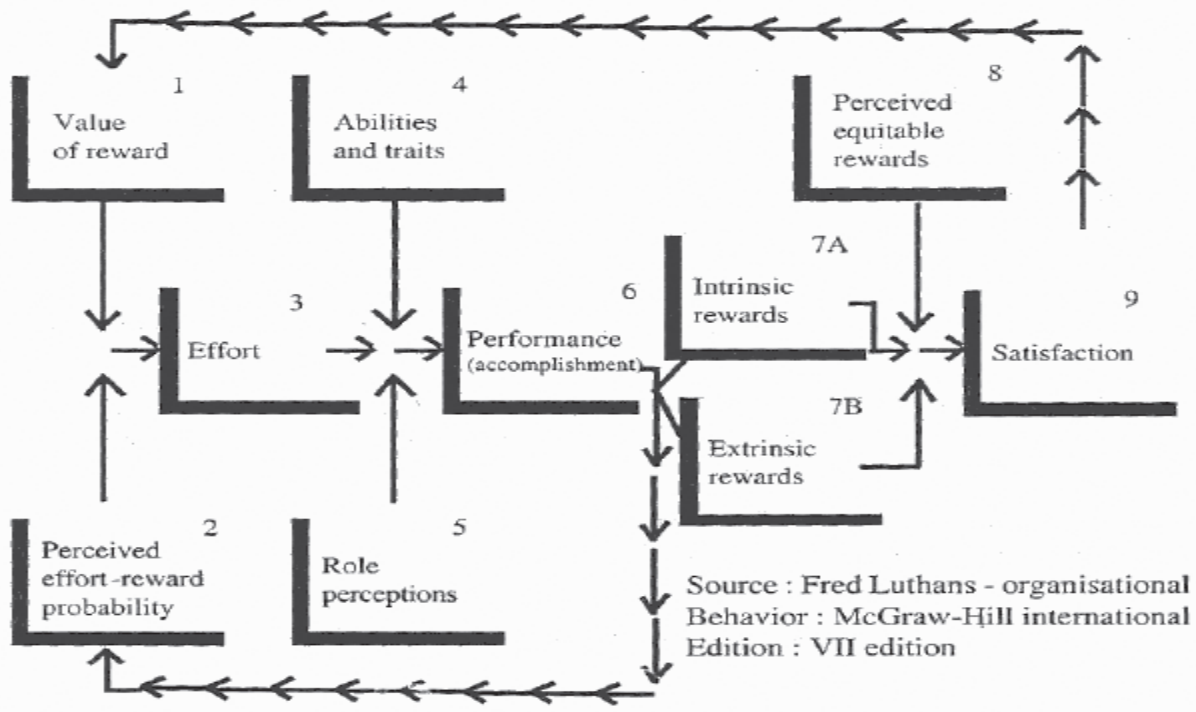
Though, built in large part on Vroom's expectancy model. Porter and Lawler's model is a more complete model of motivation. This model has been practically applied also in their study of managers.

It is a multi variate model which explains the relationship that exists between job attitudes and job performance.

Assumptions of the theory:

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

The model can be diagrammatically explained as under.



MAJOR ELEMENTS OF THE MODEL:

1. Effort: Effort refers to the amount of energy which a person exerts on a job.

2. Value of Reward: First of all people try to figure out whether the rewards that are likely to be received from doing a job will be attractive to them. This is referred to as valence in Vroom's theory. A person who is looking for more money, for example, extra vacation time may not be an

attractive reward. If the reward to be obtained is attractive or valent then the individual will put extra efforts to perform the job. otherwise he will lower his effort.

3. Perceived Effort Reward Probability: In addition, before people put forth any effort, they will also try to assess the probability of a certain level of effort leading to a desired level of performance and the possibility of that performance leading to certain kinds of rewards. Based on the valence of the reward and the effort reward probability, people can decide to put in certain level of work effort.

4. Performance: Effort leads to performance. The expected level of performance will depend upon the amount of effort, the abilities and traits of the individual and his role perceptions. Abilities include knowledge, skills and intellectual capacity to perform the job. Traits which are important for many jobs are endurance, perseverance, and goal directedness. Thus, abilities and traits will moderate the effort- performance relationship.

In addition, people performing the jobs should have accurate role perception which refers to the way in which people define for the jobs. People may perceive their roles differently. Only those, who perceive their roles as is defined by the organization, will be able to perform well when they put forth the requisite effort.

5. Rewards: Performance leads to certain outcomes in the shape of two types of rewards namely extrinsic rewards and intrinsic rewards. Extrinsic rewards are the external rewards given by others in the organization in the form of money, recognition or praise. Intrinsic rewards are internal feelings of job self-esteem and sense of competence that individuals feel when they do a good job.

6. Satisfaction: Satisfaction will result from both extrinsic and intrinsic rewards. However, for being satisfied, an individual will compare his actual rewards with the perceived rewards if actual rewards meet or exceed perceived equitable rewards, the individual will feel satisfied and if these are less than the equitable rewards, the individual will feel dissatisfied.

To summarize actual performance in a job is primarily determined by the effort spent. But it is also affected by the person's ability to do the job and also by individual's perception of what the required task is. So performance is the responsible factor that leads to intrinsic as well as extrinsic rewards. These rewards, along with the equity of individual leads to satisfaction. Hence, satisfaction of the individual depends upon the fairness of the reward.

PROCESS/ CONTEMPORARY THEORY: ADAM'S EQUITY THEORY

One of the contemporary theories of motivation is Adam's Equity Theory developed by **J. Stacy Adams**. The core of the equity theory is the **principle of balance or equity**. As per this motivation theory, an individual's motivation level is correlated to his perception of equity, fairness and justice practiced by the management. Higher is individual's perception of fairness, greater is the motivation level and vice versa.

While evaluating fairness, employee compares the job input (in terms of contribution) to outcome (in terms of compensation) and also compares the same with that of another peer of equal cadre/category. O/I ratio (output-input ratio) is used to make such a comparison.

Equity is perceived when this ratio is equal. While if this ratio is unequal, it leads to “equity tension”. Adams called this a negative tension state which motivates him to do something right to relieve this tension.

The structure of equity in the workplace is based on the ratio of inputs to outcomes.

RATIO COMPARISONS	PERCEPTION	SITUATION OF AN EMPLOYEE
$\frac{\text{Individual's outcome}}{\text{Individual's input}} < \frac{\text{Other's outcome}}{\text{Other's input}}$	Inequity	Anger
$\frac{\text{Individual's outcome}}{\text{Individual's input}} = \frac{\text{Other's outcome}}{\text{Other's input}}$	Equity	Satisfied
$\frac{\text{Individual's outcome}}{\text{Individual's input}} > \frac{\text{Other's outcome}}{\text{Other's input}}$	Inequity	Pride, Over confidence and Guilt

Assumptions of the Equity Theory:

- The theory demonstrates that the individuals are concerned both with their own rewards and also with what others get in their comparison.
- Employees expect a fair and equitable return for their contribution to their jobs.
- Employees decide what their equitable return should be after comparing their inputs and outcomes with those of their colleagues.
- Employees who perceive themselves as being in an inequitable scenario will attempt to reduce the inequity either by distorting inputs and/or outcomes psychologically, by directly altering inputs and/or outputs, or by quitting the organization.

An employee might compare himself with his peer within the present job in the current organization or with his friend/peer working in some other organization or with the past jobs held by him with others. An employee's choice of the referent will be influenced by the appeal of the referent and the employee's knowledge about the referent.

The four comparisons an employee can make have been termed as "referents" according to Goodman. The referent chosen is a significant variable in equity theory. These referents are as follows:

1. **Self-inside:** An employee's experience in a different position inside his present organization.
2. **Self-outside:** An employee's experience in a situation outside the present organization.
3. **Other-inside:** Another employee or group of employees inside the employee's present organization.
4. **Other-outside:** Another employee or employees outside the employee's present organization.

Based on equity theory, **employees who perceive inequity will make one of six choices:**

- **Change inputs** (exert less effort if underpaid or more if overpaid).
- **Change outcomes** (individuals paid on a piece-rate basis can increase their pay by producing a higher quantity of units of lower quality).
- **Distort perceptions of self** ("I used to think I worked at a moderate pace, but now I realize I work a lot harder than everyone else.").
- **Distort perceptions of others** ("Mike's job isn't as desirable as I thought.").
- **Choose a different referent** ("I may not make as much as my brother-in-law, but I'm doing a lot better than my Dad did when he was my age.").
- **Leave the field** (quit the job)

MODULE 3

FOUNDATIONS OF GROUP BEHAVIOUR

UNDERSTANDING GROUP

A work group is collection of two or more individuals, working for a common goal and is interdependent. They interact significantly to achieve a group objective. For a manager it is difficult to manage group because of varied nature, personality traits, attitude of individuals and personal interest in the group job the group members' display. It is therefore important for managers to understand group member behaviour and deal effectively with the group because of the synergy they provide. Manager should be able to achieve not only group objective but should be able to fulfill individual objectives within the overall organizational frame work.

Group members should be able to achieve greater (volume and quality) than the sum total of individual contribution. This is achieved by joint idea generation, finding out various courses open, and selecting and implementing the best course of action. Because of the joint efforts of the group, it possible to use skill, knowledge and experience of group members to achieve quality decisions and achieve group goals. Fred Luthans states that if a group exists in an organization, its members:-

- Are motivated to join
- Perceive a group as unified unit of interacting people
- Contribute to various amounts to the group processes
- Reach agreement and disagreements through various forms of interaction

CHARACTERISTICS OF A GROUP:

Regardless of the size or the purpose, every group has similar characteristics:

(a) Two or more persons: A group exists by having at least two members, who are interdependent to each other to achieve the organizational objectives.

(b) Formal social structure: (the rules of the game are defined)

(c) Common fate: (they will swim together)

(d) Common goals: Each member in a group has a shared/common goal to achieve. But, the members do not always come to agreement regarding all group objectives.



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(e) Interaction: in groups is based on various modes of communication like face-to face, telephonic, email, or intranet.

(f) Interdependence: (each one is complimentary to the other)

(g) Collective Identity (Self-definition as group members): Every member of the group should be aware of other members in the group, but they all should be having a collective identity of their own considering themselves as belonging to one whole group.

(h) Group Dynamics: is a social process which involves the study of forces operating within a group.

WHY DO WE JOIN GROUPS? / NEED FOR GROUP DEVELOPMENT

1. Security: By joining a group, individuals can reduce the insecurity of standing alone. People feel stronger and more resistant to threats when they are part of a group. Group provides safety and protection against a common enemy.

2. Affiliation: Groups can fulfil social needs. People enjoy the regular interaction that comes with groups' membership. For many people these on the job interaction are their primary sources for fulfilling their need for affiliation.

3. Power: What cannot be achieved individually after becomes possible through group action. There is power in number.

4. Goal Achievement: Through pooling of knowledge, resources, talents and power in-group, people are able to achieve goals that may not be possible individually. More than one person can achieve one particular goal easily. In such instances management will rely on the use of formal group.

5. Self-Esteem: Membership of prestigious groups increases the self-esteem of people. It generates positive feeling of self worth.

6. Status: Individuals get recognition and status when they are members of groups that are considered to be important by other. People look at them with respect and awe.

TYPES OF GROUPS

Formal groups may take the form of command groups, task groups, and functional groups:



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

2. Task groups consist of people who work together to achieve a common task. Members are brought together to accomplish a narrow range of goals within a specified time period. Task groups are also commonly referred to as task forces. The organization appoints members and assigns the goals and tasks to be accomplished. **Examples of assigned tasks** are the development of a new product, the improvement of a production process, or the proposal of a motivational contest. Other common task groups are ad hoc committees, project groups, and standing committees.

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

INFORMAL GROUPS

In contrast to formal groups, informal groups are formed naturally and in response to the common interests and shared values of individuals. They are created for purposes other than the accomplishment of organizational goals and do not have a specified time frame.

Informal groups are not appointed by the organization and members can invite others to join from time to time. Informal groups can have a strong influence in organizations that can either be positive or negative. For example, employees who form an informal group can either discuss how to improve a production process or how to create shortcuts that jeopardize quality.

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

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

form a friendship group may have an exercise group, a football team, or a potluck lunch once a month.

3. A reference group is a type of group that people use to evaluate themselves. Reference groups have a strong influence on members' behaviour. By comparing themselves with other members, individuals are able to assess whether their behaviour is acceptable and whether their attitudes and values are right or wrong. For example, the reference group for a new employee of an organization may be a group of employees that work in a different department or even a different organization. Family, friends, and religious affiliations are strong reference groups for most individuals.

FORMAL Vs INFORMAL GROUP

<i>Basis</i>	<i>Formal Group</i>	<i>Informal Group</i>
Formation	Legally constituted, rationally designed, and consciously planned	Emerges naturally and spontaneously
Existence	Normally formal group does not arise because of informal Group	Informal group emerges while working in a Formal Group
Purpose	Well-defined and centres around survival, growth, profit, Service to Society	Ill-defined and centres around friendship, goodwill, unity and so on
Relationship	Superior-subordinate relationship	Personal and social relationship
Influenced by	Rationality and leaves no scope for personal, social, and emotional factors	Personal, social, and emotional factors
Communication	Unity of Command and line of authority followed	Pattern is grapevine, which is natural, haphazard and intricate
Leadership	Based on formal authority and position	Based on individual competence and group acceptance
Boundaries	Operates within set boundaries	No bounds, operates in different directions
Nature & Emphasis	Normative and idealistic, emphasis on efficiency, discipline, conformity, consistency and control bring in rigidity and bureaucracy in processes and practices	Reflects actual functioning, characterised by relative freedom, spontaneity, homeliness and warmth



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GROUP DYNAMICS

Group dynamics deals with the attitudes and behavioural patterns of a group. Group dynamics concern how groups are formed, what is their structure and which processes are followed in their functioning. Thus, it is concerned with the interactions and forces operating between groups.

Definition: “Group dynamics is a system of behaviours and psychological processes occurring within a social group (intragroup dynamics), or between social groups (intergroup dynamics).” Group dynamics is relevant to groups of all kinds – both formal and informal.

Group dynamics deals with the attitudes and behavioral patterns of a group. Group dynamics concern how groups are formed, what is their structure and which processes are followed in their functioning. Thus, it is concerned with the interactions and forces operating between groups. Group dynamics can be studied in business settings, in volunteer settings, in classroom settings, and in social settings. Any time there are three or more individuals interacting or talking together, there are group dynamics.

In an organizational setting, groups are a very common organizational entity and the study of groups and group dynamics is an important area of study in organizational behaviour.

PRINCIPLES OF THE GROUP DYNAMICS

1. The members of the group must have a strong sense of belonging to the group. The barrier between the leaders and to be led must be broken down.
2. The more attraction a group is to its members, the greater influence it would exercise on its members.
3. The greater the prestige of the group member in the eyes of the member, the greater influence he would exercise on the them.
4. The successful efforts to change individuals sub parts of the group would result in making them confirm to the norms of the group.
5. The pressures for change when strong can be established in the group by creating a shared perception by the members for the need for the change.

TUCKMAN'S STAGES OF GROUP DEVELOPMENT/ GROUP FORMATION

The **forming–storming–norming–performing** model of group development was first proposed by Bruce Tuckman in 1965, who mentioned that these phases are all necessary and inevitable in order for the team to grow, to face up to challenges, to tackle problems, to find solutions, to plan work, and to deliver results.

The Five-Stage Model :

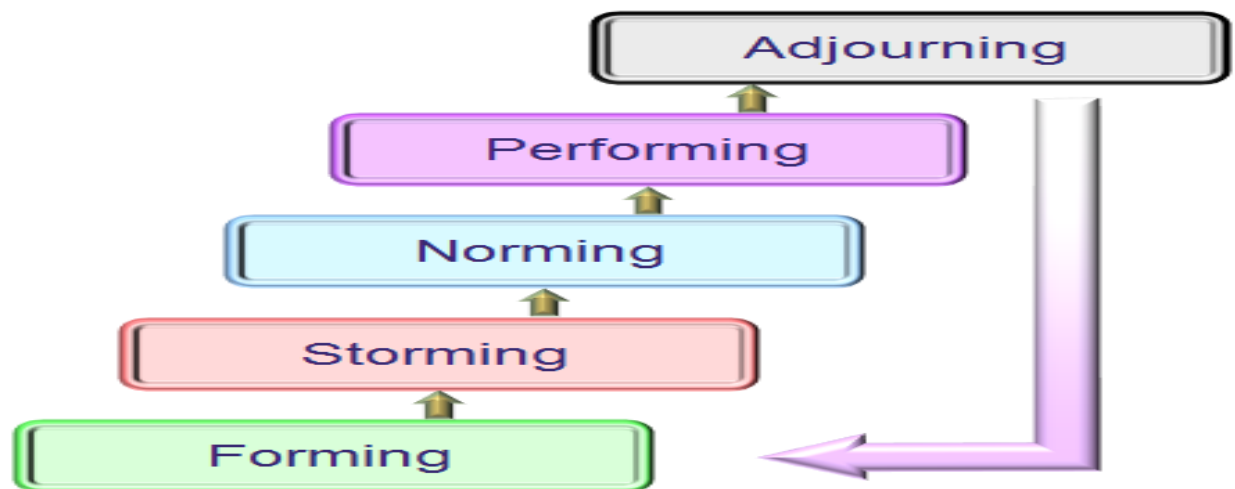
Stage I: Forming Characterized by much uncertainty.

Stage II: Storming Characterized by intragroup conflict.

Stage III: Norming Characterized by close relationships and cohesiveness

Stage IV: Performing During which the group is fully functional.

Stage V: Adjourning Characterized by concern with wrapping up activities rather than task performance.



1. Forming: Individuals at the initial stage are not clear of the purpose for which they would like to form into groups. This stage is characterized by uncertainty and confusion. They try to get acquainted with each other. Members test behaviors to determine which are acceptable and which are not to individuals in the group. Thus, members decide within themselves as part of a group.

2. Storming: In this stage, disagreement and conflict recur among members over work



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behaviour, relative priorities of goals, who is to be responsible for what, and the task related guidance and direction of the leader. There would be confusion over leadership. Individual personalities emerge and group members assert their opinions. Members may disagree over priorities, immediate goals or methods. Some members may withdraw or try to isolate themselves from the emotional tensions generated. This group is not yet unified and some groups never get beyond this stage and hence fail. This stage is complete when the members are clear about the leader and the hierarchy.

3. Norming: Work behaviour at this stage evolve into a sharing of information, acceptance of different opinions and positive attempts to make decisions that may require compromise. During this stage, team members set the rules by which the team will operate. The leader of the group might be identified during this stage. Cooperation and a sense of shared responsibility develop among team members.

4. Performing: Members exert full energy towards functioning and performing the tasks in order to attain the group goals. Team members show how effectively and efficiently they can achieve results together, that the roles of individual members are accepted and understood. The members have learned when they should work independently and when they should help each other. Some teams learn to develop from their experiences and others may perform only at a level that is needed for their survival. Group members interact well, deal with problems and coordinate their work. The leader's role is to maintain a balance between various members' requirements.

5. Adjourning: The termination of work behaviours and disengagement from social behaviours occur during this stage. Some teams such as problem solving or a cross-functional team created to investigate and report on a specific issue within 6 months, have well-defined points of adjournment. Temporary groups which have limited task to perform, have this stage as the final stage in group development, as the group ceases to exist once the task is complete. But the permanent groups or relatively long-run groups either reach this stage rarely or in the long run.

MANAGING TEAMS

Meaning: A team is a small number of employees with complimentary competencies (abilities, skills, and knowledge) who are committed to common performance goals and working relationships for which they hold themselves mutually accountable.

Definition: Two or more people who are interdependent, who share responsibility for outcomes, which see themselves as an intact social entity in a larger social system are also called as “Teams”.

When teams are formed, its members must have (or quickly develop) the right mix of complementary competencies to achieve the team’s goals. Also its members need to be able to influence how they will work together to accomplish those goals.

TYPES OF TEAMS

1. **Functional teams:** They usually represent individuals who work together daily on a cluster of ongoing and independent tasks. Functional teams often exist within functional departments – marketing, production, finance, auditing, human resources and the like.
2. **Problem solving teams:** Groups of 5-12 employees from the same department who meet for a few hours each week to discuss ways of improving quality, efficiency and work environment. They focus on specific issues in their areas of responsibility, develop potential solutions, and often are empowered to take actions within defined limits. Such teams frequently address quality or cost problems.
3. **Cross-functional teams:** They bring together the knowledge and skills of people from various work areas but of the same hierarchical level to identify and solve mutual problems. They draw members from several specialties or functions and deal with problems that cut across departmental and functional lines to achieve their goals. They are often more effective in situations that require adaptability, speed and a focus on responding to customer needs.
4. **Self-managed teams:** Groups of 10-15 people who take on responsibilities of their former supervisors. They normally consist of employees who must work together effectively daily to manufacture an entire product (or major identifiable component) or service. These teams perform a variety of managerial tasks.
5. **Virtual Teams:** Teams that use computer technology to tie together physically dispersed members in order to achieve a common goal. Also known as a geographically dispersed team, distributed team, or remote team. Example-Web development team.



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The basic characteristics of a virtual team are as follows:

1. The absence of para verbal and nonverbal cues
2. A limited social context
3. The ability to overcome time and space constraints

WHY WORK TEAMS?

1. **Helps solve complex problems:** Working together a team can apply individual perspectives, experience, and skills to solve complex problems, creating new solutions and ideas that may be beyond the scope of any one individual. As well as enhancing organisations' performance good teamwork benefits individuals too.
2. **Synergy Effect:** Good teamwork creates synergy – where the combined effect of the team is greater than the sum of individual efforts.
3. **It provides a framework:** that increases the ability of employees to participate in planning, problem-solving and decision making to better serve customers.

BENEFITS OF TEAM

In organizations that have reorganized the workplace into teams, results have improved and costshave declined.

1. Reduced costs
2. Improve quality
3. Increases employee involvement
4. Reduces absenteeism and improves continuity
5. Reduces conflict
6. Enhances creativity and innovation
7. Creates better adaptability and flexibility in the organization

Advantages and Disadvantages of Teams

Advantages

- Make better decisions, products/services
- Better information sharing
- Higher employee motivation/engagement
 - Fulfills drive to bond
 - Closer scrutiny by team members
 - Team members are benchmarks of comparison

Disadvantages

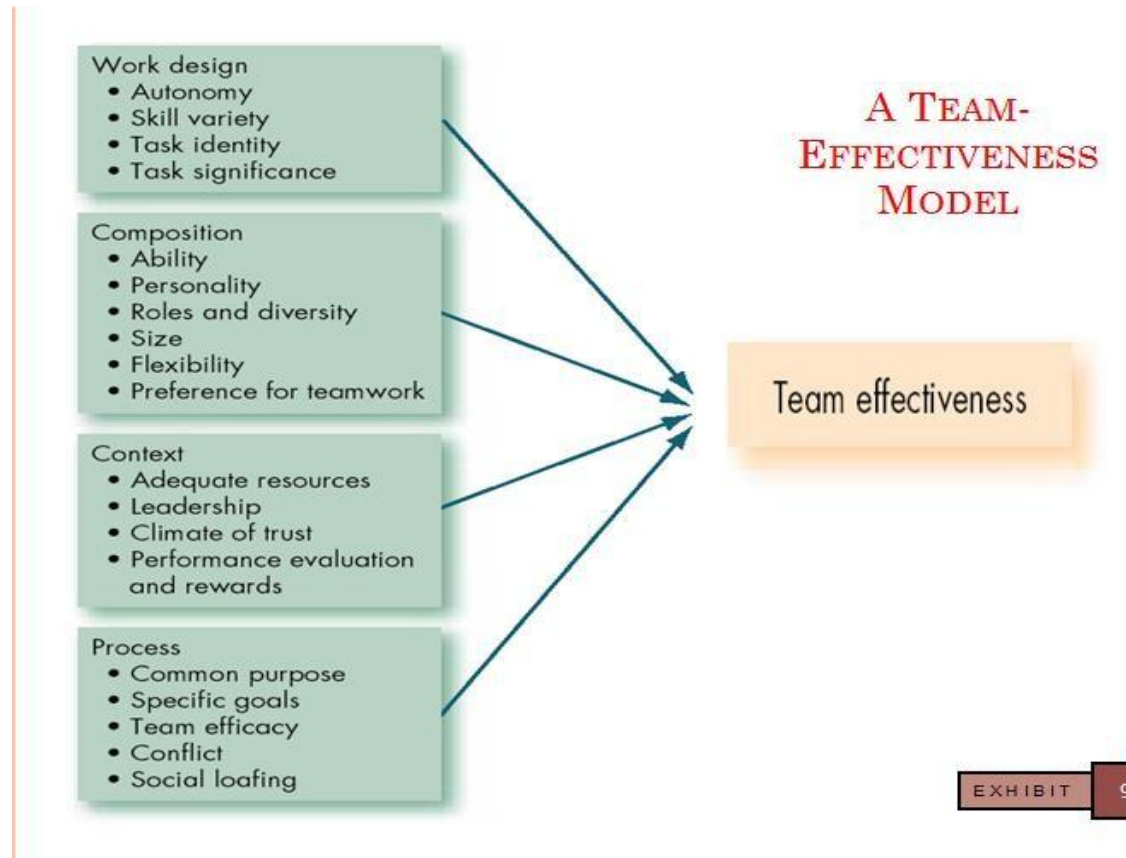
- Individuals better/faster on some tasks
- Process losses - cost of developing and maintaining teams
- Social loafing

DIFFERENCES BETWEEN GROUPS & TEAMS

Groups	Teams
<ul style="list-style-type: none"> Members work independently and they often are not working towards the same goal. 	<ul style="list-style-type: none"> Members work interdependently and work towards both personal and team goals, and they understand these goals are accomplished best by mutual support.
<ul style="list-style-type: none"> Members focus mostly on themselves because they are not involved in the planning of their group's objectives and goals. 	<ul style="list-style-type: none"> Members feel a sense of ownership towards their role in the group because they committed themselves to goals they helped create.
<ul style="list-style-type: none"> Members are given their tasks or told what their duty/job is, and suggestions are rarely welcomed. 	<ul style="list-style-type: none"> Members collaborate and use their talent and experience to contribute to the success of the team's objectives.
<ul style="list-style-type: none"> Members may not fully understand what is taking place in their group. 	<ul style="list-style-type: none"> Members base their success on trust and encourage all members to express their opinions, varying views, and questions.
<ul style="list-style-type: none"> Members may or may not participate in group decision-making, and conformity is valued more than positive results. 	<ul style="list-style-type: none"> Members participate equally in decision-making, but each member understands that the leader might need to make the final decision if the team cannot reach consensus.

	Group	Team
Understandings	Members think they are grouped together for administrative purposes only.	Members recognise their independence and understand both personal and team goals are best accomplished with mutual support.
Ownership	Members tend to focus on themselves because they are not sufficiently involved in planning the unit's objectives.	Members feel a sense of ownership for their jobs and unit, because they are committed to value based common goals that they helped establish.
Creativity and Contribution	Members are told what to do rather than being asked what the best approach would be.	Members contribute to the organisation's success by applying their unique talents, knowledge and creativity to team objectives
	Group	Team
Trust	Members distrust the motives of colleagues because they do not understand the role of other members.	Members work in a climate of trust and are encouraged to openly express ideas, opinions, disagreements and feelings. Questions are welcomed
Conflict Resolution	Members find themselves in conflict situations they do not know how to resolve. Their supervisor/leader may put off intervention until serious damage is done, i.e. a crisis situation	Members realise conflict is a normal aspect of human interaction but they view such situations as an opportunity for new ideas and creativity. They work to resolve conflict quickly and constructively.
Participative Decision Making	Members tend to work in an unstructured environment with undetermined standards of performance. Leaders do not walk the talk and tend to lead from behind a desk.	Members work in a structured environment, they know what boundaries exist and who has final authority. The leader sets agreed high standards of performance and he/she is respected via active, willing participation.

TEAM EFFECTIVENESS MODEL:



Effective teams need to work together and take collective responsibility to complete significant tasks. They must be more than a “team-in-name-only. The following are a few factors which help in developing team effectiveness:

A-Team Work Design:

The work design category includes variables like freedom and **autonomy**, the opportunity to work on your own without taking guidance from his/her supervisor. It also refers to the use of one’s different skills and talents, **the ability to complete a whole and identifiable task or product**, and **working on a task that has a substantial impact on others**. The evidence indicates that these characteristics enhance member motivation and increase their effectiveness.



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These work design characteristics motivate because they increase members' sense of responsibility and ownership over the work and because they make the work more interesting to perform.

B – Team Context:

Adequate Resources: Teams are part of a larger organization system; every work team relies on resources outside the group to sustain it. A scarcity of resources directly reduces the ability of a team to perform its job effectively and achieve its goals. As one study concluded, after looking at 13 factors related to group performance, “perhaps one of the most important characteristics of an effective work group is the support the group receives from the organization.” This support includes timely information, proper equipment, adequate staffing, encouragement, and administrative assistance.

Leadership and Structure: Teams can't function if they can't agree on who is to do what and ensure all members share the workload. Agreeing on the specifics of work and how they fit together to integrate individual skills requires leadership and structure, either from management or from the team members themselves. It's true in self-managed teams that team members absorb many of the duties typically assumed by managers. However, a manager's job then becomes managing outside (rather than inside) the team. Leadership is especially important in **multiteam systems**, in which different teams coordinate their efforts to produce a desired outcome. Here, leaders need to empower teams by delegating responsibility to them, and they play the role of facilitator, making sure the teams work together rather than against one another. Teams that establish shared leadership by effectively delegating it are more effective than teams with a traditional single-leader structure.

Climate of Trust: Members of effective teams trust each other. They also exhibit trust in their leaders. Interpersonal trust among team members facilitates cooperation, reduces the need to monitor each other's behavior, and bonds members around the belief that others on the team won't take advantage of them. Team members are more likely to take risks and expose vulnerabilities when they believe they can trust others on their team. And, as we know, trust is the foundation of leadership. It allows a team to accept and commit to its leader's goals and decisions.

Performance Evaluation and Reward Systems: How do you get team members to be both individually and jointly accountable? Individual performance evaluations and incentives may interfere with the development of high-performance teams. So, in addition to evaluating and rewarding employees for their individual contributions, management should modify the



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traditional, individually oriented evaluation and reward system to reflect team performance and focus on hybrid systems that recognize individual members for their exceptional contributions and reward the entire group for positive outcomes. Group based appraisals, profit sharing, gainsharing, small-group incentives, and other system modifications can reinforce team effort and commitment.

C - Team Composition:

The team composition category includes variables that relate to how teams should be staffed—the ability and personality of team members, allocation of roles and diversity, size of the team, and members' preference for teamwork.

Abilities of Members: Part of a team's performance depends on the knowledge, skills, and abilities of its individual members. It's true we occasionally read about an athletic team of mediocre players who, because of excellent coaching, determination, and precision teamwork, beat a far more talented group. But such cases make the news precisely because they are unusual. A team's performance is not merely the summation of its individual members' abilities. However, these abilities set limits on what members can do and how effectively they will perform on a team. Research reveals some insights into team composition and performance.

First, when the task entails considerable thought (solving a complex problem such as reengineering an assembly line), high-ability teams—composed of mostly intelligent members—do better than lower-ability teams, especially when the workload is distributed evenly. That way, team performance does not depend on the weakest link. High-ability teams are also more adaptable to changing situations; they can more effectively apply existing knowledge to new problems.

Finally, the ability of the team's leader also matters. Smart team leaders help less-intelligent team members when they struggle with a task. But a less intelligent leader can neutralize the effect of a high-ability team.

Personality of Members: We know that personality significantly influences individual employee behaviour. Many of the dimensions identified in the Big Five personality model are also relevant to team effectiveness; a review of the literature identified three. Specifically, team that rate higher on mean levels of conscientiousness and openness to experience tend to perform better, and the minimum level of team member agreeableness also matters: teams did worse when they had one or more highly disagreeable members. Perhaps one bad apple *can* spoil the whole bunch!



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Research has also provided us with a good idea about why these personality traits are important to teams. Conscientious people are good at backing up other team members, and they're also good at sensing when their support is truly needed. One study found that specific behavioural tendencies such as personal organization, cognitive structuring, achievement orientation, and endurance were all related to higher levels of team performance. Open team members communicate better with one another and throw out more ideas, which makes teams composed of open people more creative and innovative.

Suppose an organization needs to create 20 teams of 4 people each and has 40 highly conscientious people and 40 who score low on conscientiousness. Would the organization be better off (1) forming 10 teams of highly conscientious people and 10 teams of members low on conscientiousness, or (2) "seeding" each team with 2 people who scored high and 2 who scored low on conscientiousness? Perhaps surprisingly, evidence suggests option 1 is the best choice; performance across the teams will be higher if the organization forms 10 highly conscientious teams and 10 teams low in conscientiousness.

Allocation of Roles: Teams have different needs, and members should be selected to ensure all the various roles are filled. A study of 778 major league baseball teams over a 21-year period highlights the importance of assigning roles appropriately. As you might expect, teams with more experienced and skilled members performed better. However, the experience and skill of those in core roles who handle more of the workflow of the team, and who are central to all work processes (in this case, pitchers and catchers), were especially vital. In other words, put your most able, experienced, and conscientious workers in the most central roles in a team.

We can identify nine potential team roles. Successful work teams have selected people to play all these roles based on their skills and preferences. (On many teams, individuals will play multiple roles.) To increase the likelihood the team members will work well together, managers need to understand the individual strengths each person can bring to a team, select members with their strengths in mind, and allocate work assignments that fit with members' preferred styles.

Diversity of Members: The degree to which members of a work unit (group, team, or department) share a common demographic attribute, such as age, sex, race, educational level, or length of service in the organization, is the subject of **organizational demography**. Organizational demography suggests that attributes such as age or the date of joining should help us predict turnover. The logic goes like this: turnover will be greater among those with dissimilar experiences because communication is more difficult and conflict is more likely. Increased



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conflict makes membership less attractive, so employees are more likely to quit. Similarly, the losers in a power struggle are more apt to leave voluntarily or be forced out.

Many of us hold the optimistic view that diversity should be a good thing—diverse teams should benefit from differing perspectives. Two meta-analytic reviews of the research literature show, however, that demographic diversity is essentially unrelated to team performance overall, while a third actually suggests that race and gender diversity are negatively related to team performance.

One qualifier is that gender and ethnic diversity have more negative effects in occupations dominated by white or male employees, but in more demographically balanced occupations, diversity is less of a problem. Diversity in function, education, and expertise are positively related to group performance, but these effects are quite small and depend on the situation. Proper leadership can also improve the performance of diverse teams.

When leaders provide an inspirational common goal for members with varying types of education and knowledge, teams are very creative. When leaders don't provide such goals, diverse teams fail to take advantage of their unique skills and are actually *less* creative than teams with homogeneous skills. Even teams with diverse values can perform effectively, however, if leaders provide a focus on work tasks rather than leading based on personal relationships.

We have discussed research on team diversity in race or gender. But what about diversity created by national differences? Like the earlier research, evidence here indicates these elements of diversity interfere with team processes, at least in the short term. Cultural diversity does seem to be an asset for tasks.

Size of Teams: Most experts agree, keeping teams small is a key to improving group effectiveness. Generally speaking, the most effective teams have five to ten members. And experts suggest using the smallest number of people who can do the task. Unfortunately, managers often err by making teams too large.

It may require only four or five members to develop diversity of views and skills, while coordination problems can increase exponentially as team members are added. When teams have excess members, cohesiveness and mutual accountability decline, social loafing increases, and more people communicate less.



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Members of large teams have trouble coordinating with one another, especially under time pressure. If a natural working unit is larger and you want a team effort, consider breaking the group into sub-teams

Member Preferences: Not every employee is a team player. Given the option, many employees will select themselves *out* of team participation. When people who prefer to work alone are required to team up, there is a direct threat to the team's morale and to individual member satisfaction. This result suggests that call for a variety of viewpoints. But culturally heterogeneous teams have more difficulty learning to work with each other and solving problems. The good news is that these difficulties seem to dissipate with time. Although newly formed culturally diverse teams underperform newly formed culturally homogeneous teams, the differences disappear after about 3 months. Fortunately, some team performance-enhancing strategies seem to work well in many cultures.

One study found that teams in the European Union made up of members from collectivist and individualist countries benefited equally from having group goals. That, when selecting team members, managers should consider individual preferences along with abilities, personalities, and skills. High-performing teams are likely to be composed of people who prefer working as part of a group.

D - Team Processes:

The final category related to team effectiveness is process variables such as member commitment to a common purpose, establishment of specific team goals, team efficacy, a managed level of conflict, and minimized social loafing.

These will be especially important in larger teams and in teams that are highly interdependent. Why are processes important to team effectiveness? Let's return to the topic of social loafing. We found that $1 + 1 + 1$ doesn't necessarily add up to 3. When each member's contribution is not clearly visible, individuals tend to decrease their effort. Social loafing, in other words, illustrates a process loss from using teams. But teams should create outputs greater than the sum of their inputs, as when a diverse group develops creative alternatives.

Teams are often used in research laboratories because they can draw on the diverse skills of various individuals to produce more meaningful research than researchers working independently—that is, they produce positive synergy, and their process gains exceed their process losses.



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Common Plan and Purpose: Effective teams begin by analyzing the team's mission, developing goals to achieve that mission, and creating strategies for achieving the goals. Teams that consistently perform better have established a clear sense of what needs to be done and how. Members of successful teams put a tremendous amount of time and effort into discussing, shaping, and agreeing on a purpose that belongs to them both collectively and individually. This common purpose, when accepted by the team, becomes what celestial navigation is to a ship captain: it provides direction and guidance under any and all conditions. Like a ship following the wrong course, teams that don't have good planning skills are doomed; perfectly executing the wrong plan is a lost cause. Teams should also agree on whether their goal is to learn about and master a task or simply to perform the task; evidence suggests that different perspectives on learning versus performance goals lead to lower levels of team performance overall. It appears that these differences in goal orientation have their effects by reducing discussion and sharing of goal is important.

Effective teams also show **reflexivity**, meaning they reflect on and adjust their master plan when necessary. A team has to have a good plan, but it also has to be willing and able to adapt when conditions call for it. Interestingly, some evidence does suggest that teams high in reflexivity are better able to adapt to conflicting plans and goals among team members.

Specific Goals: Successful teams translate their common purpose into specific, measurable, and realistic performance goals. Specific goals facilitate clear communication. They also help teams maintain their focus on getting results.

Consistent with the research on individual goals, team goals should also be challenging. Difficult but achievable goals raise team performance on those criteria for which they're set. So, for instance, goals for quantity tend to raise quantity, goals for accuracy raise accuracy, and so on.

Team Efficacy: Effective teams have confidence in themselves; they believe they can succeed. We call this *team efficacy*. Teams that have been successful raise their beliefs about future success, which, in turn, motivates them to work harder. What can management do to increase team efficacy? Two options are helping the team achieve small successes that build confidence and providing training to improve members' technical and interpersonal skills. The greater the abilities of team members, the more likely the team will develop confidence and the ability to deliver on that confidence.

Mental Models: Effective teams share accurate **mental models** —organized mental representations of the key elements within a team's environment that team members share. If team members have the wrong mental models, which is particularly likely with teams under



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acute stress, their performance suffers. In the Iraq War, for instance, many military leaders said they underestimated the power of the insurgency and the infighting among Iraqi religious sects. The similarity of team members' mental models matters, too. If team members have different ideas about how to do things, the team will fight over methods rather than focus on what needs to be done. One review of 65 independent studies of team cognition found that teams with shared mental models engaged in more frequent interactions with one another, were more motivated, had more positive attitudes toward their work, and had higher levels of objectively rated performance.

Conflict Levels Conflict on a team isn't necessarily bad. As we know that conflict has a complex relationship with team performance. Relationship conflicts—those based on interpersonal incompatibilities, tension, and animosity toward others—are almost always dysfunctional. However, when teams are performing non-routine activities, disagreements about task content (called *task conflicts*) stimulate discussion, promote critical assessment of problems and options, and can lead to better team decisions. A study conducted in China found that moderate levels of task conflict during the initial phases of team performance were positively related to team creativity, but both very low and very high levels of task conflict were negatively related to team performance. In other words, both too much and too little disagreement about how a team should initially perform a creative task can inhibit performance.

The way conflicts are resolved can also make the difference between effective and ineffective teams. A study of ongoing comments made by 37 autonomous work groups showed that effective teams resolved conflicts by explicitly discussing the issues, whereas ineffective teams had conflicts focused more on personalities and the way things were said.

Social Loafing describes the tendency of individuals to put forth less effort when they are part of a group. Because all members of the group are pooling their effort to achieve a common goal, each member of the group contributes less than they would if they were individually responsible. Effective teams undermine this tendency by making members individually and jointly accountable for the team's purpose, goals, and approach. Therefore, members should be clear on what they are individually responsible for and what they are jointly responsible for on the team.

LEADERSHIP

The successful organisations have one major common attribute that sets them apart from unsuccessful Organisation: dynamic and effective leadership. Peter F. Drucker points out that manager (Business leaders) are the basic and scarcest resource of any business enterprise. Most of the organisational failures can be attributed to ineffective leadership. On all sides there is a continual search for persons who have the necessary abilities to enable them to lead effectively. The shortage of effective leadership is not confined to business but is evident in the lack of able administrators in government, education, foundations, and every other form of organisation.

The significance of leadership arises from the openness of the Organisation as a system and from the fact that it operates in a changing environment. There are numerous instances in the history of organizations showing collapse of enterprises that failed to react suitably to the environmental requirements for change. The effective changeover requires effective leadership because there exists no builtin stabilizing devices of Organisation for coping with such altered requirements.

The significance of leadership also stems from the nature of human membership in organizational settings. People who form an organisation are members of several institution — in the sociological sense— at the same time. Numerous extraneous activities and affiliations take up the bulk of an individual's time and satiate his needs. These extra-organisational activities influence human behaviour at work.

Moreover, the environment in which an organisation operates is full of change agents. In the modern time no organisation can afford to be static. It has to change with the environment. Actually, an organisation that refuses to change dies in the long run. Management of change has become challenge before every organisation these days. This challenge can be met only with effective leadership.

DEFINITIONS AND CHARACTERSTICS OF LEADERSHIP

Katz and Kahn have observed: "In the descriptions of organizations, no word is more often used than leadership, and perhaps no word is used with such varied meanings. The word leadership is sometimes used to indicate that it is an attribute of personality; sometimes it is used as if it was a characteristic of certain positions, and sometimes as an attribute of



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behaviour.” Leadership is defined as “the relationship in which one person, influences others to work together willingly on related tasks to attain that which the leader desires.”

Keith Davis defines leadership as “the ability to persuade others to seek defined objectives enthusiastically. It is the human factor that binds people together and motivates them towards goals.”

THE LEADERSHIP SKILLS

Leaders use three different types of skills – technical, human and conceptual. Although these skills are interrelated in practice, they can be considered separately. Technical skills relate to person’s knowledge and ability in any organizational functional area. Examples are the skills learned by accountants, typists. This skill is the distinguishing feature of job performance at the operating level.

Human skill is the ability to work effectively with people and to build teamwork. No leader at any organizational level escapes the requirement for effective human skill. It is a major part of leadership behaviour.

Conceptual skill is the ability to think in terms of models, frameworks, and broad relationships, such as long range plans. Conceptual skills deal with ideas while human skill concerns people and technical skill is with things.

It will be seen from the above diagram that the mix of these three skills changes as one rises in the organisational hierarchy. At the supervisory level the requirement of technical skills is the highest. But as the person moves up the hierarchy to the top management, it is conceptual skills that are more in demands rather than technical skills. However, the requirement of human skills at all the hierarchical levels continues to be the same.

LEADERSHIP STYLES

Leadership is practiced by leadership style, which is the total pattern of leaders’ actions in relation to followers. It represents their philosophy, skills, and attitudes. The styles that are discussed hereunder are used in combination, not separately; but they are discussed separately to clarify differences among them.



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Negative leadership gets acceptable performance in many situations, but it has high human costs. Negative leaders act domineering and superior with people. To get work done, they hold over their personnel such penalties as loss of job, reprimand in the presence of others, etc. They display authority in the false belief that it frightens everyone into productivity. They are bosses more than leaders.

Even the most competent leaders will at times have to fall back upon negative leadership. Perfection can never be achieved, but the historical trend is that managers need more and more positive leadership skills in order to be rated “satisfactory”. Better employee education, greater independence, and other factors have made satisfactory employee motivation more dependent on positive leadership.

The way a leader uses power establishes the type of style. Each style has its benefits and limitations. Leader behaviour is the mixture of all three styles over a period of time, but one style tends to be the dominant one.

Autocratic leadership style

Autocratic leaders centralize power and decision making in them. They structure the complete work situation for their employees, who are supposed to do what they are told. The leaders take full authority and assume full responsibility. Leadership behaviour typically, is negative, based on threats and punishment; but it can be positive, because an autocratic leader can choose to give rewards to employees, in which the style becomes “benevolent-autocratic”.

Some employees have expectations of autocratic leadership. The result is that they feel a certain amount of security and satisfaction with this type of leader.

Some advantages of autocratic leadership style are that it provides strong motivation and reward for the leader. It permits quick decisions, because only one person decides for the entire group. It is the best style in emergencies. Furthermore this style gives good results when one is dealing with unskilled employees doing repetitive tasks. **The main disadvantage** of autocratic leadership style is that most people dislike it. Frustration, dissatisfaction, fear, and conflict develop easily in autocratic situations. Employees do not involve their “self” in the organisational activities because their drives and creativity are suppressed.



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Participative leadership style

Participative leadership style is expression of leader's trust in the abilities of his subordinates. The leader believes that his people are as desirous of contributing to the organizational efforts as well as they have requisite capacities. Participative leaders decentralize authority. Participative decisions are not unilateral, as with the autocrat, because they arise from consultation with followers and participation by them. The leader and group are acting as one unit. Employees are informed about conditions requiring decisions, which encourage them to express their ideas and suggestions. Whereas autocratic leaders control through the authority they possess, participative leaders exercise control mostly by using forces within the group.

Participative style is supposed to be a better style of managing people. However, it is not without its own drawbacks. **This style is useless** when the leader is dealing with an emergency. Furthermore, the basic assumption of this style that the people have the skill and will to help organisational effort may not be correct.

Democratic Leadership Style

A democratic leader is a person who tries to do what majority of subordinates desire. Participative and democratic leaders tend to believe in Theory 'Y' assumptions. As the approach of management has gradually moved towards team-based, democratic leadership is becoming more and more relevant. These types of leaders also use participative management similar to participative leaders which allows the workers/employees to be a part of the decision making or objective setting process. This in turn, helps in increasing the productivity of the workers and makes them committed to their organizations.

Laissez-Faire (Free rein) leadership style

On the continuum of leadership style free rein style is the extreme. Free rein leaders avoid power and responsibility. They depend largely upon the group to establish its own goals and work out its own problems. A free rein leader is the one who abdicates all his decision making responsibilities and prerogative in favour of his follower. The leader plays only a minor role. In an organizational setting such a leader happens to be a bystander, he happens to be there because of his organizational appointment. He fails to guide, motivate and develop his subordinates.

This style tends to permit different units of an organization to proceed at cross-purposes, and it can degenerate into chaos. For these reasons normally it is not used as a dominant style but is useful in those situations where a leader can leave a choice entirely to the group. This style is also good when one is dealing with scientific and professional employees, who require more job-freedom.

Advantages of Laissez-Faire leadership style:

- Helps in motivating employees
- Brings in innovation and creativity
- Highly flexible
- Open and direct communication

Disadvantages of Laissez-Faire leadership style:

- Lack of control as the employees are given utmost freedom
- May result in confusion and chaos
- This style is most effective only when the employees are highly matured and knowledgeable
- Individual goals may get more important than group goals.

THEORIES OF LEADERSHIP



Since leadership makes difference between success and failure, for a long time, thinkers were trying to see if leadership success could be predicted. They were also trying to find out as to what makes a leader. Graphological, Phrenological and Demographic, studies were made in these directions. However, these studies had to be discarded because of many flaws. At best they were guesses.

1. Trait Theories of Leadership

The scientific analysis of leadership started off by concentrating on leaders themselves. The vital question that this theoretical approach attempted to answer was what characteristic traits make a person a leader? The earliest trait theories, which can be traced back to **the ancient Greeks and Romans, concluded that leaders are born, not made.** The “great man” theory of leadership said that a person is born either with or without the necessary traits for leadership. Famous figures in history – for example, Napoleon – were said to have had the “natural” leadership abilities to rise out of any situation and become great leaders.

Eventually, the “great man” theory gave way to a more realistic trait approach to leadership. Under the influence of the behaviourist school of psychological thought, researchers accepted the fact that leadership traits can be acquired through learning and experience. Attention was turned on the search for universal traits possessed by leaders. Later attempts on research helped in finding out **six traits** associated with effective leadership. They are as follows:

1. **Drive:** Willingness to take initiative
2. **Motivation:** A strong desire to lead and influence others.
3. **Honesty and Integrity:** Honesty and truthfulness in dealing with others.
4. **Self-confidence:** Being decisive, assertive and confident
5. **Intelligence:** Verbal and quantitative competence and the ability to process and use complex information.
6. **Job relevant knowledge:** In depth understanding of the job, organization and industry.

The research efforts were generally very disappointing. Only intelligence seemed to hold up with any degree of consistency.

In general, **research findings do not agree on which traits are generally found in leaders** or even on which ones are more important than others. The numbers of traits required of a successful leader are many. Not only this, **depending on the situation the leader has to bring in various shades of the same trait. Trait theories also suffer from the problem of semantics.**



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Similar to the trait theories of personality, the trait approach to leadership has provided some descriptive insight but has little analytical or predictive value. The trait approach is still alive, but now the emphasis has shifted away from personality traits toward job related skill.

2. Behavioral Leadership Theories

The failure of trait theory led to the study of other variables which influence effective leadership. These theories **focus on how leaders behave and assume that leaders can be made**, rather than born and successful leadership is based on definable, learnable behaviour.

These theories identified behaviors that **differentiate effective leaders from in-effective leaders**.

a) University of Iowa studies: This study was carried out in the 1939's by Kurt Lewin and his associates to identify the various leadership styles. They explored 3 major leadership styles: **Autocratic, Democratic and Laissez-faire leader**.

Results: Under democratic leadership less work was performed than authoritarian group, but much higher quality was achieved. Subordinates satisfaction was highest under democratic leader. In addition, decision making was less creative under authoritarian leadership than under democratic leadership. The researchers concluded that democratic leadership was the most effective form.

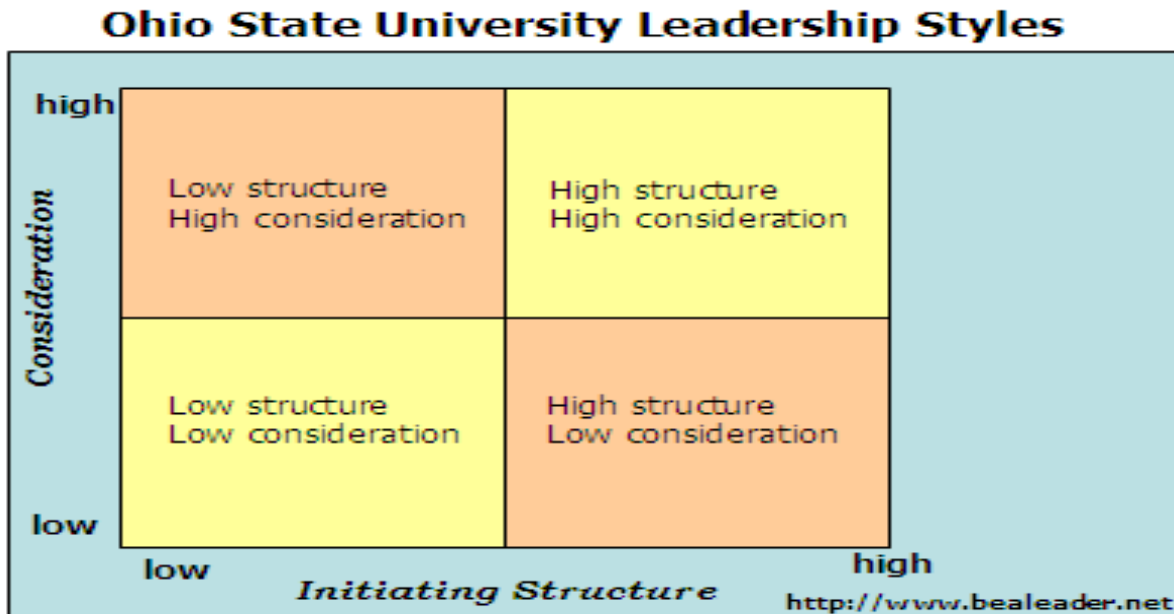
From the results of Iowa studies, the focus shifted on whether the leaders need to focus on high performance or on achieving higher member satisfaction. This led to other related behavioral studies.

2. b) The Ohio State Leadership studies: Beginning in 1945, researchers at Ohio State University made a series of studies in many organizations.

Resulted in Two important dimensions of leader behavior identified:

I) Initiating Structure: The extent to which leaders establish objectives and structure their roles and the roles of subordinates towards attainment of the objectives.

II) Consideration: The extent to which leaders relationship with subordinates are characterized by mutual trust and respect for employees, ideas and feelings.



A leader who is high on both Initiating structure and consideration achieved High Group Task Performance and satisfaction. However, the high-high style did not always yield positive results.

2. c) University of Michigan studies: Rensis Likert and his colleagues had conducted studies on behavioral characteristics of leaders in the University of Michigan Institute for Social Research. They came out with two dimensions of Leadership behavior similar to Ohio studies:

I) Employee Oriented Leader: Such leaders emphasize interpersonal relations, taking a personal interest in the needs of employees and accepting individual differences among members.

II) Production Oriented Leader: Such leaders emphasize on technical or task aspects of the job, regard group members as a means to that end.

Results indicated: Employee oriented leaders were associated with high group productivity and high employee satisfaction whereas Production oriented employee were associated with low productivity and low employee satisfaction.

2. d) The Managerial Grid: or Leadership Grid is a two-dimensional matrix developed by **Robert Blake and Jane Mouton in 1969**. Blake and mouton's model helps to measure a

managers relative concern for people and task and reflects bi-directional nature of leadership. The managerial grid identifies a range of management behaviour based on the various ways that the task oriented and employee-oriented styles, which have been explained as a continuum on a scale of 1 to 9. It shows concern for people on the vertical axis and concern for production on the horizontal axis.

Concern for people includes such elements as degree of personal commitment to-wards goal achievement, maintenance of self-esteem of people, assigning task based on trust, provision of good working conditions and maintenance of good inter-personal relationship.

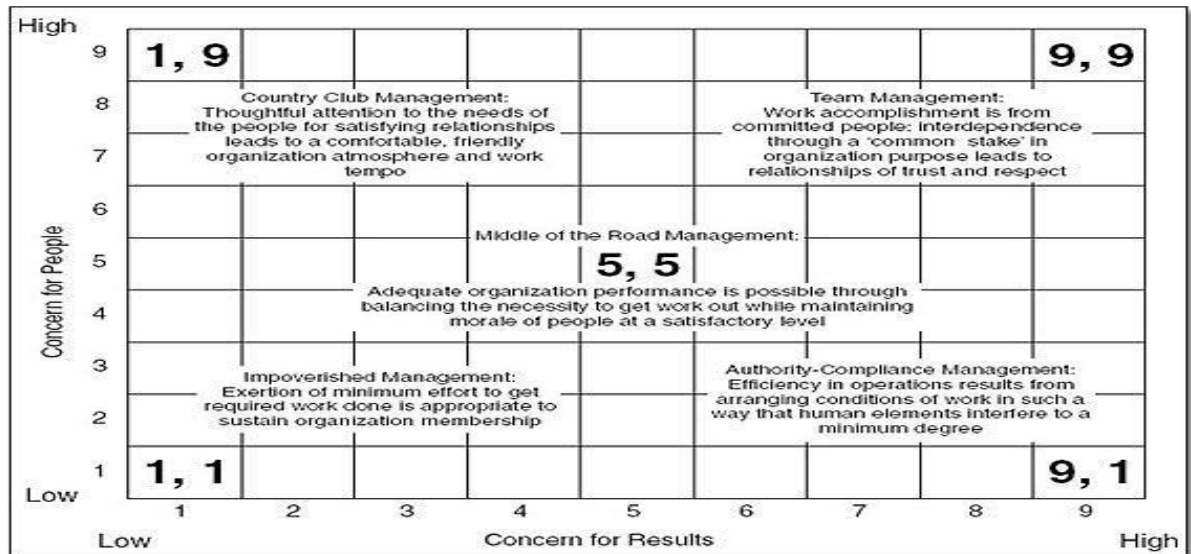
As far as the leadership style that displays **concern for production** includes elements like output of the workers, work efficiency, quality of policy decisions, various processes and procedures that are followed during the production line. It also includes creativity, research and development undertaken, quality of product produced and last but not the least services provided by the staff.

Although the grid has **Nine by nine matrix outlining 81 different leadership styles**, only **5 important behavior dimensions are emphasized**:

1. **Impoverished Management (1,1)**
2. **Task Management (9,1)**
3. **Middle of the road Management (5,5)**
4. **Country Club Management (1,9)**
5. **Team Management (9,9)**

1. **Impoverished Management (1,1):** or the **Laissez-faire** type of management. The manager has little concern for either people or production. They only mark time and have abandoned their job. They act as messenger to pass information from superiors to subordinates. They display minimum involvement in the job they are assigned to. This amounts to exertion of minimum efforts on the part of leader to get required work done as appropriate to sustain organizational membership.
2. **Task Management /Authority-Obedience (9,1):** Or the **autocratic style** of management. The Manager stresses on operating efficiently through controls in situations where human elements cannot interfere. The leader functions in an autocratic way with no or very little concern for people.

3. **Middle of the road Management /Organization-Man (5,5):** The manager acts as a compromiser, attempts to balance concern for work in exchange for the satisfactory level of morale of the people. Managers have both concern for people and production. They set moderate production goals and achieve them. They achieve reasonably satisfactory results in maintain high morale of workers and meet production requirements



4. **Country Club Management (1,9):** The Manager is thoughtful, comfortable, and friendly with people and has little concern for output. They create a very relaxed and friendly environment. There are no organizational goals and exist very loose style of functioning. The working environment is workers welfare oriented.
5. **Team Management (9,9):** The manager seeks high output through committed people, achieved through mutual trust, respect and a realization of interdependence. Their involvement is total. They are real team leaders who have full knowledge, skill and aptitude for job and also concern for the welfare of workers.

According to Blake and Mouton, the most effective leadership style is the Team Management Style (9,9). This leadership style results in improved performance, lower employee turnover and greater employee satisfaction.

The managerial grid is widely used model for training and development of managers. The model cannot determine a particular style of a leader because leadership is influenced by

personality traits, skills, attitude of the leader and the followers. Apart from the above situational factors in work environment and the organizational culture affects the leadership style to a great extent.

3. Situational or contingency leadership theories

After the trait approach and behavioral approach was proved to fall short of being adequate overall theories of leadership, attention turned to the situational aspects of leadership.

3.a) Fred Fiedler's Contingency Theory of Leadership

Fiedler was one of the first scholars to introduce the influence of the situation in determining leadership success **in his 1967 book, "A Theory of Leadership Effectiveness."** **He believed that there is no single most effective style that is appropriate to all situations.** His contingency model contained the relationship between leadership style and the favorableness of the situation to determine leadership effectiveness.

Fiedler believed that effective group performance depends on the proper match between the leader's style and the degree to which the situation gives control to the leader. Therefore, Fiedler's model consists of **3 primary elements:**

1. **Leadership Style** (which according to Fiedler is **fixed**)
2. **Situational favorableness** for leader (depends on Leader-Member Relations, Task Structure and Position Power of the leader)
3. **Relationship between Style and Situation**

1. Measuring the Leadership Style:

Fiedler believed that the leadership style is fixed, and it can be measured using a scale which he developed and called as the **Least Preferred Co-worker (LPC) scale**. The scale asks you to think about the person who you have least enjoyed working with. This can be a person who you have worked with in your job, or in education or training. You then rate on a scale of 1-8, (where 1 being the lowest rating and 8 being the highest), how you feel about this person for each factor (out of the 17 set of contrasting factors) and then add up your scores.

If your total score is high, you are likely to be a relationship-oriented leader. If your total score is low, you are more likely to be a task-oriented leader.

Least Preferred Coworker (LPC) Scale														
Pleasant	8	7	6	5	4	3	2	1	Unpleasant					
Friendly	8	7	6	5	4	3	2	1	Unfriendly					
Rejecting	8	7	6	5	4	3	2	1	Accepting					
Tense	8	7	6	5	4	3	2	1	Relaxed					
Cold	8	7	6	5	4	3	2	1	Warm					
Supportive	8	7	6	5	4	3	2	1	Hostile					
Boring	8	7	6	5	4	3	2	1	Interesting					
Quarrelsome	8	7	6	5	4	3	2	1	Harmonious					
Gloomy	8	7	6	5	4	3	2	1	Cheerful					
Open	8	7	6	5	4	3	2	1	Closed					
Backbiting	8	7	6	5	4	3	2	1	Loyal					
Untrustworthy	8	7	6	5	4	3	2	1	Trustworthy					
Considerate	8	7	6	5	4	3	2	1	Inconsiderate					
Nasty	8	7	6	5	4	3	2	1	Nice					
Agreeable	8	7	6	5	4	3	2	1	Disagreeable					
Insincere	8	7	6	5	4	3	2	1	Sincere					
Kind	8	7	6	5	4	3	2	1	Unkind					

The model says that **task-oriented leaders usually view their LPCs more negatively**, resulting in a lower score. Fiedler called these **low LPC-leaders**. He said that low LPCs are very effective at completing tasks. They're quick to organize a group to get tasks and projects done. Relationship-building is a low priority.

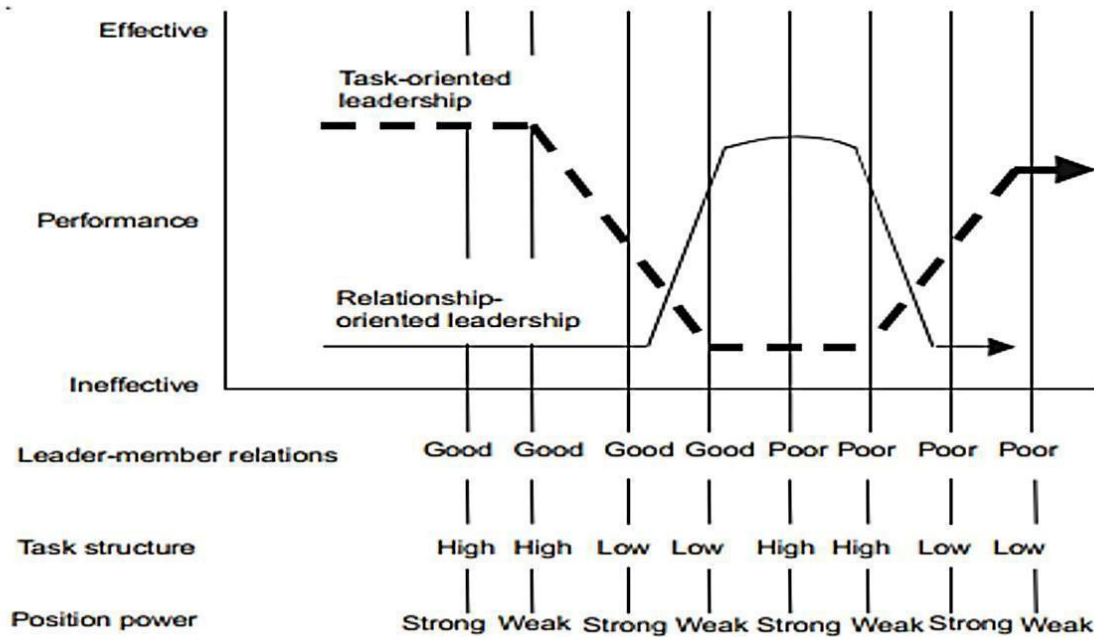
However, **relationship-oriented leaders usually view their LPCs more positively**, giving them a higher score. These are **high-LPC leaders**. High LPCs focus more on personal connections, and they're good at avoiding and managing conflict. They're better able to make complex decisions.

2. Determining the Situational Favorableness: Fiedler's model contained the relationship between leadership style and the favorableness of the situation. Fiedler described situational favorableness in terms of **three empirically derived dimensions:**

- The **leader member relationship**, which is the most critical variable in determining the situation's favorableness. This is the level of trust and confidence that your team has in you. A leader who is more trusted and has more influence with the group is in a more favorable situation than a leader who is not trusted.
- The **degree of task structure**, which is the second most important input into the favorableness of the situation. This refers to the type of task you're doing: clear and structured, or vague and unstructured. Unstructured tasks, or tasks where the team and leader have little knowledge of how to achieve them, are viewed unfavourably.
- The **leader's position power** obtained through formal authority, which is the third most critical dimension of the situation. This is the amount of power you have to direct the group, and provide reward or punishment. The more power you have, the more favorable your situation. Fiedler identifies power as being either strong or weak.

Situations are favorable to the leader if all three of the above dimensions are high. In other words, if the leader is generally accepted by followers; if the task is very structured and everything is "spelled out" and if a great deal of authority and power is formally attributed to the leader's position (high third dimension). If the opposite exists the situation will be very unfavorable for the leader.

	Very favourable		Intermediate				Very unfavourable	
Leader-Member Relations	Good	Good	Good	Good	Poor	Poor	Poor	Poor
Task Structure	High		Low		High		Low	
Leader Position Power	Strong	Weak	Strong	Weak	Strong	Weak	Strong	Weak
Situations	I	II	III	IV	V	VI	VII	VIII



Fiedler was convinced that the favorableness of the situation in combination with the leadership style determines effectiveness. Through the analysis of research findings, Fiedler was able to discover that **under very favorable and very unfavorable situations, the task-directed, autocratic type of leader was most effective.**

However, when the situation was only **moderately favorable or unfavorable (the intermediate range of favorableness)**, the human relations, or lenient, type of leader was most effective.

Drawbacks:

- 1) Researchers often find that Fiedler's contingency theory **falls short on flexibility.**
- 2) There is also an **issue with the Least-Preferred Co-Worker Scale** – if you fall near the middle of the scoring range, then it could be unclear which style of leader you are.
- 3) The **contingency variables were complex and difficult for practitioners to assess.**
- 4) This **theory lacks practical applicability** as it is difficult to determine how good the leader-member relations were, how structured the task was, and how much position power the leader had.

In spite of these limitations, Fiedler model provides a starting point for situational leadership research and provided evidence that effective leadership style needed to reflect on situational factors.

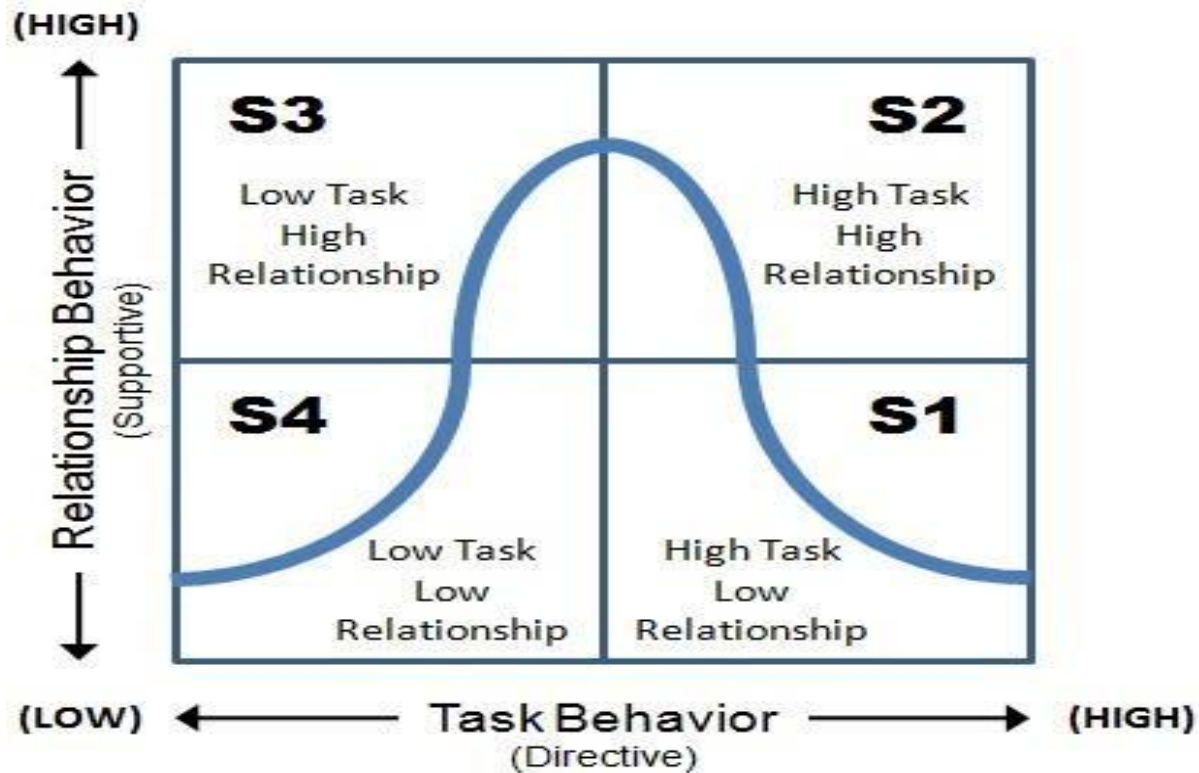
3. B) Hersey and Blanchard's situational leadership theory

Developed by **Paul Hersey and Kenneth Blanchard**, called as Situational Leadership Theory (SLT). Most effective leadership style varies according to the level of readiness of the followers and the demands of the situation. This theory is based on the relationship of the above two factors:

- The amount of task behavior the leader figures (providing the directions on getting the job done)
- The amount of relationship behavior the leader provides (consideration of people)
- The level of task relevant readiness followers have towards the accomplishment of the leader's task.

S1: Telling – High task, Low relationship behavior (Directive)

- It is about “telling” employees what, how, when and where to do the work.
- The decision making and problem solving are initiated solely by the leader and the decisions and solutions announced to the employees. Therefore, the leader uses one way communication at this stage.
- He defines the roles and objectives of employees.
- This style is appropriate for managers dealing with new and inexperienced employees who lack task-relevant readiness.



S2: Selling – High task, High relationship behavior (Supportive)

- At this stage, there is still a need for high level of task behavior, since the employees yet do not have much experience to assume responsibilities.
- The leader still has to provide great deal of direction and leads the team with his or her own ideas.
- But the leader also discovers the group's feelings about decisions as well as eliciting their ideas and suggestions. This leads to two-way communication and increase in emotional support for employees.
- However, the control over decision-making remains with the leader only.

S3: Participating – High relationship, Low task behavior (Consulting)

- The employees have acquired more skill and experience, and are willing to take responsibilities.
- In this style, the focus of control for day-to-day decision making and problem solving shifts from the leader to the group members. Therefore, the leader should reduce the amount of task behavior as employees have improved in task-relevant effectiveness.

- The leader's role is to provide recognition and to actively listen and facilitate decisionmaking on the part of the group.
- So, the leaders/managers should continue with the high-level of emotional support and consideration for employees.
- This is the most appropriate leadership style.

S4: Delegating – Low relationship, Low task behavior

- This stage has the highest level of follower readiness.
- Employees at this stage are self-directed and self-controlled, as they are highly skilled and experienced.
- The leader discusses problems with his or her team members until a joint agreement is achieved on problem definition and then the decision making process is totally delegated to the group members.
- The group members have the significant control over deciding how tasks are to be accomplished. So they do not expect a high task behavior from the leader at this stage.

Merits and demerits of situational leadership theory

MERITS:

- This theory suggests that a manager's leadership style must be adaptable and flexible enough to meet the changing needs of employees and situations. It discards the view that there is no single best leadership style to meet the demands of all situations.
- It is an useful and understandable frame-work for situational leadership.

DEMERITS:

- It is difficult and complex to identify the readiness level of followers and the demands of situation.
- Managers must recognize that they need to adapt or change their leadership styles whenever there is a change in the level of readiness of the followers for whatever reason.

DIFFERENCE BETWEEN A LEADER AND MANAGER

1. Leaders create a vision, managers create goals:

Leaders paint a picture of what they see as possible and inspire and engage their people in turning that vision into reality. They think beyond what individuals do. They activate people to be part of something bigger. They know that high-functioning teams can accomplish a lot



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more working together than individuals working autonomously. Managers focus on setting, measuring and achieving goals. They control situations to reach or exceed their objectives.

2. Leaders are change agents, managers maintain the status quo:

Leaders are proud disrupters. Innovation is their mantra. They embrace change and know that even if things are working, there could be a better way forward. And they understand and accept the fact that changes to the system often create waves. Managers stick with what works, refining systems, structures and processes to make them better.

3. Leaders are unique, manager's copy:

Leaders are willing to be themselves. They are self-aware and work actively to build their unique and differentiated personal brand. They are comfortable in their own shoes and willing to stand out. They're authentic and transparent. Managers mimic the competencies and behaviors they learn from others and adopt their leadership style rather than defining it.

4. Leaders take risks, managers control risk:

Leaders are willing to try new things even if they may fail miserably. They know that failure is often a step on the path to success. Managers work to minimize risk. They seek to avoid or control problems rather than embracing them.

5. Leaders are in it for the long haul, managers think short-term:

Leaders have intentionality. They do what they say they are going to do and stay motivated toward a big, often very distant goal. They remain motivated without receiving regular rewards. Managers work on shorter-term goals, seeking more regular acknowledgment or accolades.

6. Leaders grow personally; managers rely on existing, proven skills:

Leaders know if they aren't learning something new every day, they aren't standing still, they're falling behind. They remain curious and seek to remain relevant in an ever-changing world of work. They seek out people and information that will expand their thinking. Managers often double down on what made them successful, perfecting existing skills and adopting proven behaviors.

7. Leaders build relationships, managers build systems and processes:

Leaders focus on people – all the stakeholders they need to influence in order to realize their vision. They know who their stakeholders are and spend most of their time with them. They build loyalty and trust by consistently delivering on their promise. Managers focus on the structures necessary to set and achieve goals. They focus on the analytical and ensure systems



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are in place to attain desired outcomes. They work with individuals and their goals and objectives.

8. Leaders coach, managers direct:

Leaders know that people who work for them have the answers or are able to find them. They see their people as competent and are optimistic about their potential. They resist the temptation to tell their people what to do and how to do it. Managers assign tasks and provide guidance on how to accomplish them.

9. Leaders create fans, managers have employees.

Leaders have people who go beyond following them; their followers become their raving fans and fervent promoters – helping them build their brand and achieve their goals. Their fans help them increase their visibility and credibility. Managers have staff who follow directions and seek to please the boss.

CONTEMPORARY LEADERSHIP APPROACH:

1. Transactional leadership (Influence based leadership approach): Transactional leadership is largely characterized by a desire to maintain the company's existing culture, policies, and procedures. Transactional leaders use disciplinary power and an array of incentives to motivate employees to perform at their best.

The term "transactional" refers to the fact that this type of leader essentially motivates subordinates by exchanging rewards or punishment for performance. A transactional leadership style can be more effective for front-line supervisors who deal with minimum-wage employees.

Within the context of Maslow's hierarchy of needs, transactional leadership works at the basic levels of need satisfaction, where transactional leaders focus on the lower levels of the hierarchy. Transactional leaders use an exchange model, with rewards being given for good work or positive outcomes. Conversely, people with this leadership style also can punish poor work or negative outcomes, until the problem is corrected.

One way that transactional leadership focuses on lower level needs is by stressing specific task performance. Transactional leaders are effective in getting specific tasks completed by managing each portion individually.

2. Transformational leadership (Influence based leadership approach): A transformational leader goes beyond managing day-to-day operations and crafts strategies for taking his company, department or work team to the next level of performance and success.

Transformational leadership styles focus on team-building, motivation and collaboration with employees at different levels of an organization to accomplish change for the better. Transformational leaders set goals and incentives to push their subordinates to higher performance levels, while providing opportunities for personal and professional growth for each employee. CEOs or sales managers can be more effective if they are transformational leaders. **Example: Jack Welch, CEO of General Electric Co, USA.**

TRANSACTIONAL	TRANSFORMATIONAL
Leadership is responsive.	Leadership is proactive.
Works within the organizational culture.	Works to change the organizational culture by implementing new ideas.
Employees achieve objectives through rewards and punishments set by leader.	Employees achieve objectives through higher ideals and moral values.
Motivates followers by appealing to their own self interest.	Motivates followers by encouraging them to put group interests first.
Stress on correct actions to improve performance.	Promote creative and innovative ideas to solve problems.

3. Leader-member Exchange (LMX): theory proposes that the type of relationship leaders have with their followers (members of the organization) is the key to understanding how leaders influence employees. Leaders form different types of relationships with their employees. In high-quality LMX relationships, the leader forms a trust-based relationship with the member. The leader and member like each other, help each other when needed, and respect one another. In these relationships, the leader and the member are both ready to go above and beyond their job descriptions to promote the other's ability to succeed. In contrast, in low-quality LMX

relationships, the leader and the member have lower levels of trust, liking, and respect toward each other. These relationships do not have to involve actively disliking each other, but the leader and member do not go beyond their formal job descriptions in their exchanges. In other words, the member does his or her job, the leader provides rewards and punishments, and the relationship does not involve high levels of loyalty or obligation toward each other



If you have work experience, you may have witnessed the different types of relationships managers form with their employees. In fact, many leaders end up developing differentiated relationships with their followers. Within the same work group, they may have in-group members who are close to them and out-group members who are more distant. If you have ever been in a high-quality LMX relationship with your manager, you may attest to its advantages. Research shows that high-quality LMX members are more satisfied with their jobs, more committed to their companies, have higher levels of clarity about what is expected of them, and perform at a higher level. Their high levels of performance may not be a surprise because they may receive higher levels of resources and help from their managers as well as more information and guidance. If they have questions, these employees feel more comfortable seeking feedback or information. Because of all the help, support, and guidance they receive, those employees who have a good relationship with the manager are in a better position to perform well. Given all they receive, these employees are motivated to reciprocate to the manager, and therefore they demonstrate higher levels of citizenship behaviors such as helping the leader and coworkers. Being in a high-quality LMX relationship is also advantageous because a high-quality relationship is a buffer against many stressors, such as being a misfit in a company, having personality traits that do not match job demands, and having unmet expectations. The list of benefits high-quality LMX employees receive is long, and it is not surprising that these employees are less likely to leave their jobs.

4. Servant Leadership:

The early 21st century has been marked by a series of highly publicized corporate ethics scandals: between 2000 and 2003, we witnessed Enron, WorldCom, Arthur Andersen, Qwest,



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and Global Crossing shake investor confidence in corporations and leaders. The importance of ethical leadership and keeping long-term interests of stakeholders in mind is becoming more widely acknowledged.

Servant leadership approach defines the leader's role as serving the needs of others. According to this approach, the primary mission of the leader is to develop employees and help them reach their goals. Servant leaders put their employees first, understand their personal needs and desires, empower them, and help them develop in their careers. Unlike mainstream management approaches, the overriding objective in servant leadership is not necessarily getting employees to contribute to organizational goals. Instead, servant leaders feel an obligation to their employees, customers, and the external community. Employee happiness is seen as an end in itself, and servant leaders sometimes sacrifice their own well-being to help employees succeed. In addition to a clear focus on having a moral compass, servant leaders are also interested in serving the community. In other words, their efforts to help others are not restricted to company insiders, and they are genuinely concerned about the broader community surrounding their company. According to historian Doris Kearns Goodwin, Abraham Lincoln was a servant leader because of his balance of social conscience, empathy, and generosity. Even though servant leadership has some overlap with other leadership approaches such as transformational leadership, its explicit focus on ethics, community development, and self-sacrifice are distinct characteristics of this leadership style. Research shows that servant leadership has a positive effect on employee commitment, employee citizenship behaviors toward the community (such as participating in community volunteering), and job performance. Leaders who follow the servant leadership approach create a climate of fairness in their departments, which leads to higher levels of interpersonal helping behavior.

Servant leadership is a tough transition for many managers who are socialized to put their own needs first, be driven by success, and tell people what to do. In fact, many of today's corporate leaders are not known for their humility! However, leaders who have adopted this approach attest to its effectiveness. David Wolfskehl, of Action Fast Print in New Jersey, founded his printing company when he was 24. He marks the day he started asking employees what he can do for them as the beginning of his company's new culture. In the next two years, his company increased its productivity by 30%.

5. Charismatic Leadership

A person who is dominant, self-confident, convinced of the moral righteousness of his beliefs, and able to arouse a sense of excitement and adventure in followers. **The four characteristics of charismatic leaders are –**

- Have a vision,
- Are willing to take personal risks to achieve the vision
- Are sensitive to follower needs
- Exhibit behaviors that are out of the ordinary

6. Authentic Leadership

Leaders have to be a lot of things to a lot of people. They operate within different structures, work with different types of people, and they have to be adaptable. At times, it may seem that a leader's smartest strategy would be to act as a social chameleon, changing his or her style whenever doing so seems advantageous. But this would lose sight of the fact that effective leaders have to stay true to themselves. The authentic leadership approach embraces this value: its key advice is "be yourself." Think about it: We all have different backgrounds, different life experiences, and different role models. These trigger events over the course of our lifetime that shape our values, preferences, and priorities. Instead of trying to fit into societal expectations about what a leader should be like, act like, or look like, authentic leaders derive their strength from their own past experiences. Thus, one key characteristic of authentic leaders is that they are self-aware. They are introspective, understand where they are coming from, and have a thorough understanding of their own values and priorities. Second, they are not afraid to act the way they are. In other words, they have high levels of personal integrity. They say what they think. They behave in a way consistent with their values—they practice what they preach. Instead of trying to imitate other great leaders, they find their style in their own personality and life experiences.

One example of an authentic leader is Howard Schultz, the founder of Starbucks coffeehouses. As a child, Schultz witnessed the job-related difficulties his father experienced because of medical problems. Even though he had no idea he would have his own business one day, the desire to protect people was shaped in those years and became one of his foremost values. When he founded Starbucks, he became an industry pioneer in providing health insurance and retirement coverage to part-time as well as full-time employees.

Authentic leadership requires understanding oneself. Therefore, in addition to self-reflection, feedback from others is needed to gain a true understanding of one's behavior and effect on others. Authentic leadership is viewed as a potentially influential style because employees are more likely to trust such a leader. Moreover, working for authentic leaders is likely to lead to greater levels of satisfaction, performance, and overall well-being on the part of employees.