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**M. Com. (Part II)**

**Business Management**

**(PAPER III)**

**ORGANISATIONAL  
BEHAVIOUR**

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## **Revised Syllabus for M.Com. (Part II) Organizational Behaviour (Paper III)**

### **Objectives**

To explore the organization as a micro-social system - a medium to facilitate and improve the interpersonal relationships in the context of organizational functioning.

### **Learning Outcomes**

1. Participants will become more self aware and will have identified areas of development for long term effectiveness.
2. Participants will understand the role that individuals play collectively to perform in organizations.

### **Teaching Methodology**

1. Lectures
2. Case Studies
3. Experiential exercises

### **Organizational Behaviour (Paper-III) Section – I**

#### **Module I : The Field of Organizational Behaviour**

##### **1. Introduction to Organizational Behaviour (5 lectures)**

- (a) Definition of organization and behaviour
- (b) Historical Development of OB
- (c) Human Relations Movement
- (d) Impact of technology on organizational behaviour

#### **Module II : The Organization**

##### **2. Organizational Design (5 lectures)**

- (a) Key factors in organizational design
- (b) Types of organizational design
- (c) Need and significance of a sound organizational design
- (d) Organizational Structures - traditional and contemporary structures

##### **3. Organizational Culture (6 lectures)**

- (a) Meaning and dimensions
- (b) Role of founders' values and vision in creating and sustaining culture
- (c) Types of organizational cultures
- (d) Impact of culture on image and performance of the organization

## II

### **4. Organizational Communication - Tool and Techniques (8 lectures)**

- (a) Johari Window
- (b) Transactional Analysis
- (c) Lateral Thinking
- (d) Brain Storming
- (e) Delphi Technique
- (f) Power of grapevine and other informal communication techniques

### **Module III : Groups and Organizations**

#### **5. Groups and Teams (8 lectures)**

- (a) Group Dynamics - Groups versus teams
- (b) Nature and types of groups and teams
- (c) Five stages of group/team development
- (d) Determinants of group behaviour
- (e) Typical teams in organizations

#### **6. Leadership (8 lectures)**

- (a) Leadership as a concept and its essence
- (b) Leaders versus managers
- (c) Blake and Mouton's Managerial Grid
- (d) Hersey and Blanchard's situational leadership
- (e) Transactional versus Transformational leadership
- (f) Women as leaders
- (g) Leadership in entrepreneurial and family business organizations

### **Section - II**

### **Module IV : Individual and Organizations**

#### **7. Foundations of Individual Behaviour (5 lectures)**

- (a) Factors affecting individual behaviour - personal, environmental and organizational
- (b) Nature and Determinants of Personality
- (c) Personality Traits - Big Five, Locus of Control, Self, esteem, Type A/ Type B Personality, Risk Taking, Machiavellianism, Self Monitoring
- (d) Personality and OB

#### **8. Motivation (8 lectures)**

- (a) Power and purpose of motivation
- (b) Theories of motivation - Locke's goal setting theory, Vroom's expectancy theory, Porter and Lawler's model, Adam's equity theory, McClelland's theory of needs.
- (c) Motivational Techniques – Job design/enlargement / enrichment / rotation

### III

- (d) Managing rewards - Job status based rewards, Competency based rewards, performance based rewards
- (e) Empowerment and Self Managed Teams

#### **9. Work Related Attitudes, Values and Perception (7 lectures)**

- (a) Meaning and definitions
- (b) Factors influencing perception
- (c) Social and Person perception
- (d) When perception fails
- (e) Perception and OB

#### **Module V : Organizational Outcomes**

##### **10. Power and Politics**

**(5 lectures)**

- (a) Power - Dynamics, Sources and Tactics
- (b) Politics - Essence, Types of political activities
- (c) Ethics of power and politics

##### **11. Conflicts and Negotiations**

**(7 lectures)**

- (a) Nature of conflict
- (b) Functional and Dysfunctional conflict
- (c) Conflict resolution and negotiations
- (d) Managing conflict during change initiatives

##### **12. Stress**

**(8 lectures)**

- (a) Meaning and definition
- (b) Work stress model
- (c) Sources of stress
- (d) Stress Management - Individual and Organizational Strategies
- (e) Impact of stress on performance



## IV

### Question Paper Pattern

- A) Question one is a compulsory question  
The question will be in the form of "Explain the following terms in not more than 8 sentences. (Any 5 out of 8).
- B) Student has to attempt **any two other questions each** from Section I and Section II.
- C) There will always be one case study. Either Question Number 4 or 7 will be a case study question.
- D) All questions are of 20 Marks each.
- E) In all student has to attempt five questions

### Paper Format

#### Section - I

- 1) Explain the following terms in not more than 8 sentences (Any 5)
  - (1)
  - (2)
  - (3)
  - (4)
  - (5)
  - (6)
  - (7)
  - (8)
- 2) Question from Module I or II or III of the syllabus
- 3) Question from Module I or II or III of the syllabus
- 4) Question from Module I or II or III of the syllabus OR Case Study

#### Section - II

- 5) Question from Module IV or V of the syllabus
- 6) Question from Module IV or V of the syllabus
- 7) Question from Module IV or V of the syllabus OR Case Study.







# INTRODUCTION TO ORGANISATIONAL BEHAVIOUR

## Objective of the unit

After the completion of the unit the student will be able to

1. Understand meaning feature nature of organisational behaviour
2. Know the Philosophy and goals, Formal and informal organisations, Social environment, System of controls and Attitudes and situation.
3. Understand the Scope of organisational behaviour
4. Study Historical development of organisational behaviour
5. Understand human relations factors
6. Study the impact of technology on organisational behaviour

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## INTRODUCTION

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Organisational Behaviour is the study and application of knowledge about how people act within organisations. It is a human tool for human benefits. It applies to the behaviour of people at work in all types of organizations: public, private, cooperative sector, commercial or service organisations. Whatever organisations are, there is a need to understand organisational behaviour.

Organisational Behaviour is the study of human behaviour in organisations to make more active human performance to achieve organisational objectives as well as human objectives. Organisational Behaviour aims at finding out those ways in which people will contribute in best possible manner.

The study of Organisational Behaviour involves understanding, prediction and control of human behaviour and the factors which influence the performance of people in an organisation. It is concerned with the behaviour of individuals and groups not the behaviour of all members collectively.

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## DEFINITIONS OF ORGANISATIONAL BEHAVIOUR

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**1. Stephen P. Robbins :** “Organisation Behaviour is a field of study that investigates the impact that individuals, groups and structure have on behaviour within organisations, for the purpose of applying such knowledge toward improving an organisation’s effectiveness.”

**2. Moorhead/Griffin :** “Organisation behaviour is the study of human behaviour in organisational settings that interface between

human behaviour and the organisation and the organisation itself.”

**3. Ramon J Aldag and Arthur P Brief :** “Organisation behaviour is a branch of the social science that seek to build theories that ca be applied to predicting, understanding and controlling behaviour in work organisations.”

**Nature and Feature :** The following is the nature of organisational behaviour :

**1. Multidisciplinary study :** Organisational behaviour is a Multidisciplinary Subject. Organisational of behaviour uses and applies principles, practices thoughts and theories of various disciplines such as : Law, History, Psychology, Political science, Economics etc. So Organisational behaviour is a Multidisciplinary Subject.

**2. Science as well as Art :** Organisational behaviour is a science because it applies principles and concepts objectively.. Organisational behaviour is also an art because its application changes as and when required. Organisational behaviour searches concepts and solutions according to the situation and need.

**3. System Approach :** Organisational behaviour uses system approach. System approach provides a useful framework for understanding how the elements of any organisation react among themselves and with their external environment. Organisational behaviour uses system approach because it takes into account all the variables affecting organisational functioning.

**4. Contingency Approach :** Today’s business world is full of uncertainties, i.e., in most organisational situations, outcomes are affected by many factors.

In the earlier days of management studies, managers tried to search for the universally applicable answers to organizational problems. That’s why the earlier management concepts were not successful. Organisational environment is volatile and fast changing so management without contingent approach can not be successful. It must have Contingency (as and when required) approach.

**Elements in Organisational Behaviour:** An organisation consists not only of people but also a changing network of interrelated activities. To study the behaviour of people, we must understand the inter-relationship between human behaviour and other variables, and the interactions among the formal structure of organisation, tasks, technology and methods of work, process of management, the behaviour of individuals and groups, and the

external environment. The following are the main elements in Organisational behaviour.

**1. Philosophy and Goals :** The Philosophy and goals of management and workers create the climate of an organisation. The philosophy of organisational behaviour is derived from both fact and value premises. Fact premises represents, the behaviour of man or things in common. It is a universally accepted fact just as law of gravitation, law of demand and supply etc. Value premises represents the desirability of certain goals. Value premises control the human activities.

The goal of an organisation is to produce more for the benefit of society, i.e., workers, investors, and common public, and to satisfy their needs to a maximum extent.

**2. Formal and Informal Organisations :** Philosophy and goals can be achieved through formal and informal organisations. Formal organisation interprets the philosophy and goals of the organisation and implement in a rigid manner. Informal organisations on the other hand, are opposite to formal organisation and are not implement rigidly.

**3. Social Environment :** Social environment means the association with othe organisation in the society which influence each other.

**4. Control System :** Control is a must to get the best results. It intermingles formal organisation, informal organisation and social environment and such intermingling becomes possible only through communication and group process.

**5. Attitudes and Situation :** System of controls influences the two principal factor of particular motivation i.e., attitudes of workers and situation factor. An ideal mix of three will yield desirable results. All these three– control, attitudes, and situations – affect each other and a slight change in one factor may influence the motivational pattern.

Thus, an effective organisational behaviour system results in productive motivation which should get an above average performance out of average. Problem makers should be converted into problem solvers. It benefits both.

If Organisational Behaviour is applied successfully, the result will be a triple reward system - in which human, organisational and social objectives are met.

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## **SCOPE OF ORGANISATIONAL BEHAVIOUR**

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The major focus of Organisational Behaviour is to understand the behaviour of employees in an organisation. The manager is expected to make use of these information/ideas in persuading employees to give their best to the jobs and thereby help the organisation to achieve its goals. The focus of Organisational Behaviour is behaviour of an employee as an individual who is working in the organisation.

Psychology tell us that no two individuals are alike. Individual differences will be there. And hence it is certainly possible that a strategy which may enable a manager to persuade one employee may not succeed in persuading another employee. So our manager will have to appreciate this reality and then continue his efforts of persuading people around him.

Secondly, the individual with whom our manager is dealing would also change over a period (So also our manager). So our manager will also be required to keep this message in mind that strategy which had worked in case of a particular individual a few years ago may not work for him now. At this stage we will not go into the details of why individuals change. Let it be sufficient for us to realise that we change over a period.

Thirdly our individual whom our manager is trying to persuade is capable of being influenced by other individuals around him. In fact, the process operates both ways. An individual is influenced by others around him and controriwise he also can influence other individuals around him. The relationship amongst individuals who are working together is reciprocal. However when an individual is working along with others in the organisation some other considerations have to be kept in mind. Other individuals around our individual are capable of pressurising him. The manager can also pressurise the individual is question. But the chances are that the influence of the group members is likely to be more powerful and the individual would usually accept these ideas which come to him from his co-workers. So the sum and substance of this discussion is that in order to understand the behaviour of one single individual, the manager will also have to understand the thinking of other individual around him. He may have to raise some specific questions such as What is the thinking of these individuals about their management? What is their thinking about the work which they are doing? Who is the opinion-maker amongst these employees? What are his views about such issues? 'How can I persuade this influential employee to my way of thinking?' and so on. So, in order to influence one individual our manager must acquire an understanding of this group or groups of individuals in his custodial care.

Fourthly, our individual manager may be in charge of one section or one department. There are other departments as well with their own peculiarities. So the relationships between these departments and sections can also influence the behaviour of individuals in his section/department.

Fifthly, we also have to appreciate that the organisation is functioning in society. Events occurring around the organisation are also capable of influencing our organisation and more specifically the behaviour of people in our organisation. So our manager will also have to keep track of what is happening in the world outside the organisation and try to appreciate how these events can influence the behavior of individuals in his organisation.

### **Historical Development of Organisational Behaviour**

The history of human relations is not new. It existed since the beginning of the time but its dealings is quite new with the development of art and science. In the early days people worked alone or in small groups where human relations were not problem because organisations were not as complicated as they are today. Human relations are handled very easily because there were direct links between labour, capital and management. They were supposed to be happy in such conditions in fulfilling their needs Actual conditions were brutal and backbreaking. Life was very hard those days. People worked from dawn to dusk under intolerable conditions of disease, filth, danger and scarcity of resources. They had to work to survive hence there was no possibility of trying to improve the behavioural satisfaction.

Then industrial revolution broke in. In the beginning there was no improvement in human relations but later on improvement was seen in the working conditions of the people. The industry generated a surplus capital of goods and knowledge that eventually provided workers increased wages, shorter hours of work and more work satisfaction.

In this new industrial environment, A Wales factory owner, Mr. Robert Owen, was the first to emphasise the human needs of the workers. He refused to employ young children in his factory. He taught his workers cleanliness and self-restraint and improved their working conditions a lot. He was known as father of personnel administration in early days. This could hardly be called modern organisational behaviour but it was the beginning.

A book entitled 'The Philosophy of Manufacturers' written by Andrew Ure was published in 1833 in which he recognised the mechanical and commercial aspects of manufacturing. He also gave recognition to the human factor to manufacturing. He

illustrated how this factor was recognised by providing workers hot tea, medical treatment, ventilation and sick payments. The approaches of Owen and Ure were accepted gradually and gave birth to paternalistic approach to people. It was the beginning of the history.

**Early Development** : During 1900s, F.W. Taylor presented the concept of scientific management to the world. He awakened the management. He gave the new dimension in the management thought, that paved the way for the subsequent development of organisational behaviour. He was first to recognise the fact that improved work situation would certainly add to the productivity. He pointed out that just as there was a best machine for a job, so were there best ways for people to do their jobs. The goal still was to improve the technical efficiency, but at least management was awakened to the importance of one of its higher to neglect resources.

The major work of Mr. F.W. Taylor was published in 1911. During the decade, the interest in human relations at work was accelerated by World War I. 'The National Personnel Association' was formed in U.S.A. and later in 1923, the name of the association was changed to 'The American Management Association'. Its main object was to devote itself exclusively to the consideration of human factor in commerce and industry. In 1918, a 'Selver Bay conference' was organised in New York to consider 'Human Relations in Industry' and since then, conference is being regularly held. During the same period Whiting Williams was engaged in studying workers while working with them and his experiences were made public in 1920 entitled 'What's on the Workers Mind.'

**Mayo and Roethlisberger** : Eltan Mayo and F.J. Roethlisberger at Harvard University gave the academic stature of human behaviour at work during 1920 and 1930. They showed keen insight, straight thinking and sociological backgrounds to the industrial experiments at Western Electric Company Harthorne plant. The study developed the concept that an organisation is a social system and the human element is one of the most important elements in it. The experiments showed that worker is not simply a tool but he is a complex personality interacting in a group situation that is hard to deal with and thoroughly misunderstood. Mayo pleaded that collaboration.... cannot be left to chance. His colleague Roethlisberger added that 'a human problem to be brought to a human solution requires human dat and human tools'.

The Mayo research, though criticised as being inadequately controlled and interpreted but its basic idea of social system within the work environment have stood the test of time.

**Popularity** : During Second World War and after, the industrialists and academicians showed a great interest in human relations in organisations. It was due to short supplies of labour during war period. By the 1950s, the study of the subject became fashionable of the day and it became popular. Main reasons of its popularity were

- (i) There was a cultural lag in understanding the human side of organisation so that heavy emphasis was laid on its study to achieve development equivalent to that in engineering, production, sales, etc.
- (ii) Mayo and Roethlisberger researches were followed by fresh researches, giving managers new understanding in building up a more effective organisation.
- (iii) Labour unions gained strength and pressed for better working conditions for the workers. Workers also were better educated and expected better work environment, and more human quality leadership in organisation. There was a change in social attitudes demanding more social responsibility from organisations.
- (iv) Work-environment itself became more complex and needed more attention. Size of organisation increased considerably that multiplied the complexity of work. Increased specialisation also contributed to the complexity of work because now workers were unable to understand the whole product.

The reasons discussed above show that the emphasis given to organisation behaviour was a result of trends, development over a long period of time.

#### **Human Relations Factors :**

Behavioural climate is as important to an organisation as personality to a man. Climate in an organisation can be achieved through an organisational behaviour system. The main elements of the system are :

**1. Philosophy and Goals** : The climate of an organisation drives originally from the philosophy and goals of those who join together to create it. A person joins the organisation with his psychological, social, and economic wants which he expresses in both individual and group ways. These different interests—individual and group—come together in a working social system.

The philosophy of organisational behaviour is derived from both fact and value premises. Fact Premises represent the view of how

people or things in common behave, i.e. it is a universally recognised fact. It is a well known fact that gravity of earth will pull everything down on the earth and therefore, no body will dare jump from a multi-storied building otherwise he will be no more. Value Premises, on the other hand, represent the view of desirability of certain goals. A person who is miserable unhappy from his life may jump from the upper top of the multistoried building with an intention to die. He also knew the fact premises of gravity but his value premises had changed. This illustration shows that Value Premises control the human activities and therefore are more important than the fact premises in an organisation.

The goal of an organisation is to produce goods and services and to provide them to the society. To produce is no aim in itself. The main and important aim of an organisation is to satisfy the consumers' needs. Production is done by workers and is supplemented by the resources of another group called shareholders or owners and in the midst of another group called public. Every group—workers, shareholders and public—has its own tastes and distastes and it is the responsibility for the organisation to develop the tastes and minimise the distastes of each group. It should work for the maximum satisfaction of each group. Combined with the satisfaction of consumer. Satisfaction of one group should not be over-emphasised and all should be properly co-ordinated.

**2. Formal and Informal Organisation :** The philosophy and goals of people are implemented by leadership (manager) working through formal and informal organisations. Formal organisations interpret the philosophy and goals of the organisation and implement them in a rigid manner. The main preises of formal organisation are planning, policies, organisation structure and procedure. Though planning is done, policies are framed and organisation structure and procedure are fixed by the management yet all these are implemented by the workers at lowest level and, therefore, should be in easy language. Planning, policies, structure and procedures should be communicated to all concerned so that they can prepare themselves and develop their abilities to work accordingly. The main aim of organisation policy is not to bring uniformity in action but it guides people in taking decisions. Employees at all levels can contribute in determining the policy of the organisation and they should be motivated for the purpose. Modern human behaviour policies prefer to emphasise points what a person is to do and not what he is not to do so that he may become a duty-conscious employee.

A manager generally deals with the formal organisations but he is to deal with the informal organisations too. Which are formed in a natural way. Informal organisations are just opposite to formal organisation.



**3. Social Environment :** Every organisation comes into contact with other institutions and is affected by customs and practices prevalent in the society. Social environment directly influence human behaviour at work.

**4. System of Controls :** All organisations influence their members by means of control system. It is a steering process to keep the organizational system on track and to ensure that what is planned is translated into reality.

The very purpose of control is to get best results according to the plan prepared by the organisations. Control will be effective if management is able to implement certain rules and regulations.. It has been realised that subordinates take interest in matters in which their officers take interest or care most.

**5. Attitudes and Situations :** The system of controls in an organisation influence with the attitudes of workers and with situational factor to yield a motivation for a designated person at a given time. If any of the three—control, attitude and situation differs, the motivation will also be different. There is a contingency relationship between the three. Each one attracts the other. For example, suppose, control is tightened or situation is changed, and other two factors remain constant, motivation will naturally be different and produce different results. Thus motivation is determined by the interaction of controls, attitudes and situation. All operate in equilibrium within the social system.

Thus, effective organisational behaviour system results in productive motivation. Such kind of motivation should get an above average performance out of average people. Problems in the organisation are reduced to a minimum because it develops problem solvers out of problem makers. It establishes two way relationship, i.e., manager and workers jointly influence each other and both are benefitted. Power rests with people rather than power over them. People are treated like people and nothing else.

### **Impact of Technology on Organisational Behaviour**

Technology is considered as the basic factor in the process of economic development. In organisational environment, technological changes means the technical knowledge used in the production of capital and machinery. The modern changes in technology lead to increase in the productivity of labour, capital and other production factors. J.K. Galbraith defines technology as a systematic application of scientific or other organised knowledge to practical tasks. The technology is the powerful means of wresting power from nature in all possible ways. Technology strengthens the faculties of men and enables them to harness gigantic physical forces of nature.

In the words of Frankel, “Technological change is not a mere improvement in the technical know-how. It means much more than this. It should be preceded by sociological change also, a willingness and desire on the part of community to modify their social, political and administrative institutions so as to make them fit with new techniques of production and faster tempo of economic activity.”

According to H. Bhabha, “What the developed countries have and the underdeveloped lack is modern science and economy based on modern technology. The problem of the developing underdeveloped countries is therefore, the problem of establishing modern science in them and transferring their economies to one based on modern science and technology.”

**Technology and Organisation** : The interface between organisation and technology can be explained under the following heads :

**1. Technology Reaches through Organisation** : Organisation is an institution through which people expect new techniques to be converted into goods and services. The managerial staff of the organisations pool the necessary resources and work on the new discoveries to convert them into useful products. Society depends on organisation to keep the stream of discovery flowing into useful goods and services for human beings. There is no doubt that economic prosperity of a country depends on technology. Fifty-two percent of economic growth of USA, France, UK and Japan has come from technical progress achieved in these countries.

**2. Increased Productivity** : The primary role of technology is to increase productivity in terms of both quality and quantity. This is the main reason why most technology is adopted. In an organisation, the objective may be quantitative and qualitative in terms of maximum production at lower cost. As a result of productivity improvements, real wages of employees tend to rise and prices of some products decline.

**3. More Spent on Research and Development** : The investment in Research and Development (R and D) has increased from Rs. 20 crore in the First Five Year Plan to about Rs. 20,000 crore in the Eighth Five Year Plan. Presently, there are 214 universities, 400 national laboratories and 1,300 in-house R and D centres in the industrial sector. Several science and technology departments have been set up in the areas of environment, non-conventional energy resources, bio-technology industrial research, defence, health, agriculture and electronics.

An important question arises as to why does an organisation spend too much money on discovering new technologies? The following reasons for making investment :

- (a) Declining growth in base organisation,
- (b) Dramatic development in new technologies,
- (c) Development of international competition, and
- (d) Vitality of the venture markets.

**4. Fast Changing Technology :** The changing global and national scenario is bound to make greater demands on science and technology. Our government policy for science and technology has to be geared to face this demand. Government policy framework would continue to encompass encouragement of entrepreneurship, developing of indigenous technology through investment in R and D, bringing in fast changing technology.

From the above discussions it may be said that development technology has a large impact on organisation but in the technological race between different economies, the developing economies lag far behind, consequently they are dependent on the developed industrial world for technology required to accelerate development process.

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## **TECHNIQUES RELEVANT TO ORGANISATIONAL BEHAVIOUR**

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**1. Re-engineering :** Re engineering is the fundamental and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance such as cost, quality, service and speed. Many TQM approaches are designed to increase efficiency by streamlining current operations. Re engineering however, involves a total redesign of operations by analysing jobs and asking : How can this work be done most efficiently? Rather than modifying current work procedures, the reengineering process begins with a clear state and plans the job from beginning to end.

Re-engineering allows the organisation to eliminate inefficiencies and increase productivity.

**2. Bench Marking :** Benchmarking is the process of comparing company work and service methods, against the best practices and outcomes for the purpose of identifying changes that will result in higher quality output. It incorporates the use of human resources techniques such as goal setting to set targets that are pursued, identified and then used as a basis for future action. The bench marking process involves looking inside and outside the organisation to find ways and means to improve operational efficiency. It is beneficial to the

**Organisations because :**

- (a) This technique helps organisations compare themselves against successful companies for the purpose of identifying improvement strategies.
- (b) It enables organisations to learn for others.
- (c) It helps create a need for change by showing the organisation how procedures work assignments should be altered and resources reallocated.

**3. Empowerment :** Empowerment is the authority to make decisions within one's area of operations without having to get approval from anyone else. It has two unique characteristics:

- (a) The personnel are encouraged to use their initiative.
- (b) Employees are given not just authority but resources, as well, so that they are able to make a decision and see that it is implemented.

There are several basic conditions necessary for empowerment to become embedded in the organisational culture and become operational

**(i) Participation :** Empowerment assumes that all employees are willing to improve their daily work processes and relationships.

**(ii) Innovation :** Empowerment encourages innovation because employees have the authority and bring out new ideas and make decision that result in new ways of doing things.

**(iii) Access to Information :** When employees are given access to information, their willingness to cooperate and use their empowerment is enhanced.

**(iv) Accountability :** Although employees are empowered to make decisions they believe will be most beneficial to the organisation, they are also held accountable for results. However this accountability is not intended to punish personnel or to generate immediate short term results. Instead, the intent is to ensure that the empowered employees are giving their best efforts, working towards agreed upon goals, and behaving responsibly towards each other. If these behaviours are exhibited then management continues to empower employees to proceed at their own place in their own way.

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## SUMMARY

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Organisational behaviour is the study of behaviour of people while at work. It is a study (a) To understand the behaviour of individual employees around him as individuals. (b) To understand the behaviour of these employees in the same group as they are interacting with each other as they are doing their work. (c) To

appreciate how other groups are related to his group and the people in his group. (d) To persuade the employees to work for the goals of the organisation. (e) To keep the employees fairly contented and enthusiastic about their work and their organisation. Our manager will have to appreciate the issues at three levels viz. (1) The level of the individual employees; (2) The level of the group of which our individual is a member and (3) The level of the organisation wherein these groups are expected to work together.

These levels are different but also inter-related. And the subject matter is not as simple as it sounds. At the present state of knowledge which we have about human being and their behaviours we fully appreciate the fact that even if we spend our whole life time in studying just one single individual, still our understanding about him would be inadequate. And, therefore, to persuade others to work for us is a formidable task indeed. This is the challenge for the practising manager. And it is hoped that the knowledge in this field of Organisational Behaviour may be some use to him in sorting out some of his problems.

The main concern for the managers in any organisation is to persuade people to work together in a coordinated manner and achieve the goals of the organisation. The role of the manager is similar to that of a conductor of an orchestra. Different musicians who are playing their different instruments. And if they are able to work in a coordinated manner they can come out with a beautiful musical composition. And it is primarily the responsibility of the conductor that they are trained to work together in such a coordinated manner. So is the job of the manager.

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## QUESTIONS

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1. Define Organisation Behaviour. Explain in brief the contribution of Human Relations Movement in Organisational Behaviour.
2. What do you mean by 'Organisational Behaviour'? Discuss the historical development of 'Organisational Behaviour'.
3. Briefly trace the historical development of Organisational Behaviour as a discipline.
4. Explain briefly the various human relations factors.
5. What are the elements of an Organisational Behaviour system? Discuss.
6. What is technology? What is its influence on organisation?
7. What do you understand by technology? Bring out the interface between technology and business.
8. What are the main factors you will keep in your mind while selecting appropriate technology?



## ORGANISATIONAL DESIGN

### Objective of the unit

After the completion of the units the student will be able to

1. Understand key factors in Organisation design.
2. Know types of organizational design.
3. Study need and significance of a sound organisational design.
4. Understand Organisational structure – Traditional and contemporary structures.

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### INTRODUCTION:

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The term organization is derived from the word "organism" which means a structure of body divided into parts that are held together by a fluoric of relationship as one organic whole.

Organizational design is the structure which indicates the pattern of relationship among the components parts of an enterprise. Organisational design is represented as a form of a graph which becomes the Organisational chart. As the human beings have organs that defines their parameters and coordination of different organs of a body. Similarly Organisational design has structure that specifies various positions groups dimensions etc. and their necessary coordination in order to achieve well established objectives.

Thus the Organisational design establishes the responsibility of each department, section, individual and their scope of authority as well as their inter-personal relationships. It promotes coordination among the functions and ensures that every part work as per pre-established plan in proper relation it parts in the organisation.

This lesson will include the discussion on the following topics:

- a. Key factors in Organisational design.
- b. Types of Organisational design
- c. Need & significance of a sound Organisational design
- d. Organisational structure- Traditional and contemporary structures.

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### KEY FACTORS IN ORGANISATIONAL DESIGN:

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Key factors in Organisational design of an enterprise are divided into two types:

1. Internal factors
2. External factors

**Internal factors:** There are many internal factors affecting an Organisational design. The most important are:

- a. **Organisational Objectives:** Every Organisation is supposed to be an economic Organisation as well as a social Organisation. Therefore any business enterprises have to fulfill the needs of social groups like customers, employees, Distributors, investors, the society and the government. So the enterprise sets up various goals and objectives which are capable of satisfying these groups.

These objectives can be achieved only when Organisational design is flexible and adaptable to the situation and requirement. Sometimes the issues like flexibility, adaptability and technical superiority play an important role in achieving Organisational goals. These issues are based on Organisational design.

- b. **Size of the Organisation:** Size of the Organisation is another important factor which influences the Organisational design. E.g. If the enterprise is small in size, design will be very informal. Actions and decisions are made on personal relationship.

But as the Organisation grows the Organisational design moves from informal to the formalized structure. Because operations are spread geographically and people are assigned roles on the basis of their specialization. Thus Organisation becomes bureaucratic.

- c. **Nature of employees:** Employees differ in nature and their characteristics. So some of them prefer formal organisation and some prefer informal structure. This difference is because of their age, education, intelligence, and experience etc. e.g. Old people feel safe in bureaucratic model but younger ones prefer more dynamic and informal Organisational design and they are against rules & regulations i.e. bureaucratic model.

Similarly educated employees like interactive and Participative model of decision making process as well as flexible Organisational design and informal cooperation of people to get the work done.

Further more intelligent employees are against the bureaucratic rules and prefer short cut ways to get the work done more efficiently.

Employee experience also influences Organisational design. E.g. a newly hired employee seeks guidance and needs close control.

But better experienced employees need less control and prefer more flexible organisation.

**External Factors:** External Factors also play important role in Organisational design. These include:

**a. Environment:** Since the Organisation are open systems they must respond to their external environments. The environment may be of two types:

**i) General Environment:** This includes demographical, physical, political, legal, social, cultural, technological economical etc. All these environment affect the Organisational design.

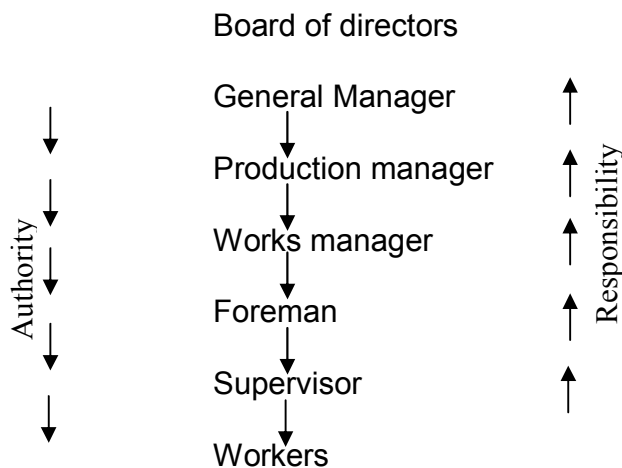
**ii) Task Environment:** This includes competition, customers and suppliers etc. these are more specific and therefore are highly relevant in designing Organisational structure.

**b. Technology:** In highly- technology units operating on the frontiers of technical development. Organisational design should facilitate problem solving and risk taking. Conversely operating with more well-known and stable processes should consider structures that facilitate efficiency. As the range of products and services increases the structure of the Organisation should accommodate differences across product and services.

**Types of Organisational Design:**

Organisational design takes different forms. These forms can be broadly divided into following types:

1.Line Organisation:



It is oldest & simplest form of Organisational design. It is used even today in small manufacturing unit.

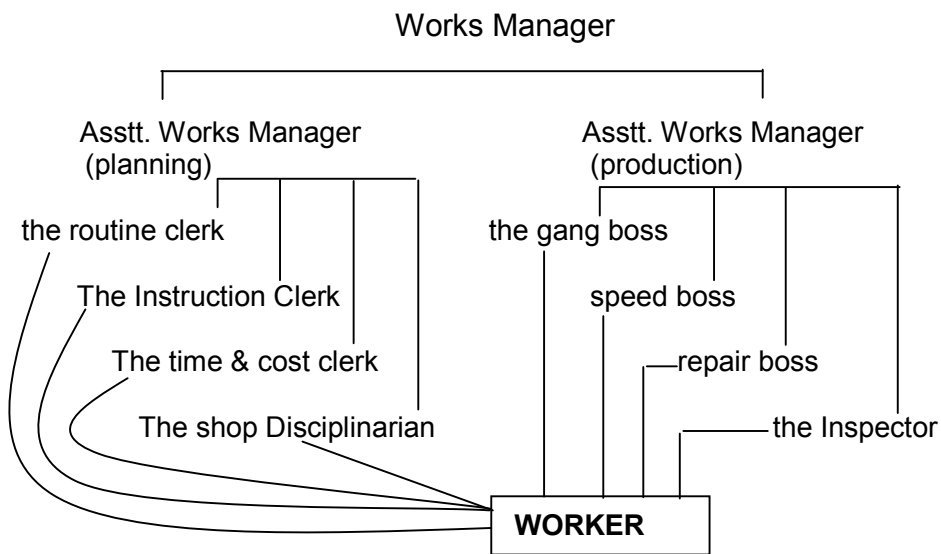


In line Organisation the line of authority moves directly from top to bottom in a step by step manner.

According to Jame Stoner “Line authority is represented by the standard chain of command, starting with the Board of Directors and extending down through the point where the basic activities of the Organisation are carried out.”

**2.The Functional Organisation:**

It is a way of putting specialists to work. It was developed by F.W.Taylor who introduced specialization at the plant level. He divided the plant work into planning and shop floor jobs. His main idea was that the direction of work must be decided by functions and not by mere authority. He divided work on the basic of specialization. Each worker had four supervisors who were specialized in 1 different function, each workman is held responsible to many bosses. He pointed out that under this structure , each worker comes in contact with many member of management for directions rather than just one member the foreman.



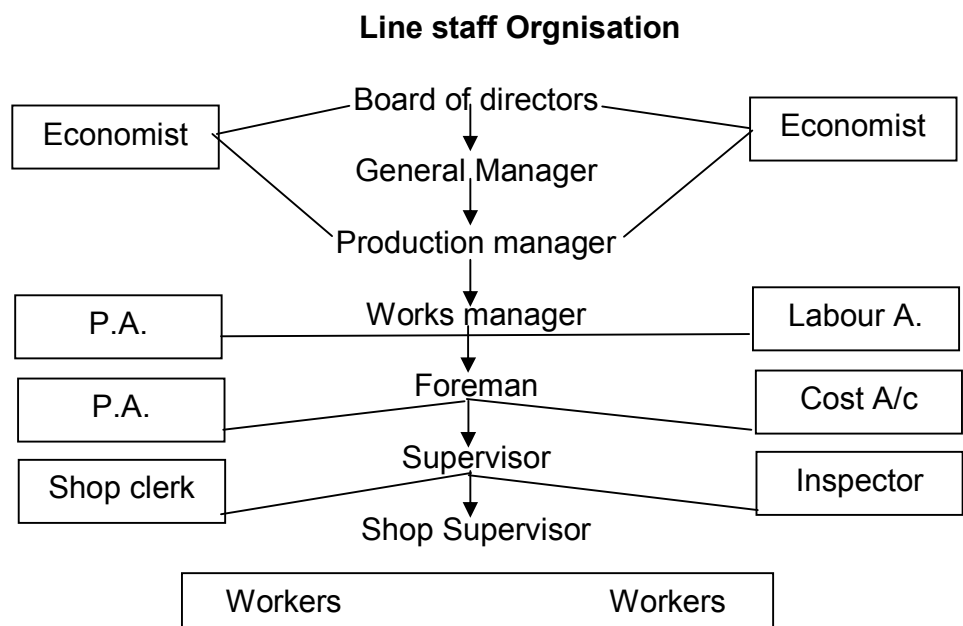
**3.The Line staff Organisation:**

It is nothing but the combination of two Organisational design line and functional. This design tries to retain the advantages of both the line and functional Organisation and tries to remove the limitation of both.

In this case Organisation structure is divided into 2 parts, line executives who are also called “doers” and staff execut who are also called “thinkers”. The line executives are concerned with the

execution of plans and policies. The staff concentrates their attention on research and planning activities. They only suggest or recommend but have no power to command the line executives.

According to Louis Allen,  
 “Line refers to those positions and elements of the Organisation, which have the responsibility and authority and are accountable to accomplishment of primary objectives. Staff elements are those which have responsibility and authority for providing advice and service to the line in attainment of objectives.”



### Effect of line & staff on behaviour:

One behavioral implication of line & staff Organisational design is its potential for conflict between line offices and staff experts.

Other behavioral problems can be traced to the unity of command principle. Theoretically the line- staff structure is designed to preserve this principle in the light of the existence of primary & secondary Organisational objectives, However because people do not act as mechanically as the Organisational chart , the system becomes lader with power struggle, influence systems, policies and confrontation over authority relationship.

### Need & significance of a sound Organisational design

A sound Organisational design is capable of surviving many functions at the same time but can not serve all function equally well all the time. Design developed for one purpose may not serve

other purposes well. Therefore, it is important for manager to determine the outcomes derived from Organisational design and to match the structure with changing needs. With multiple needs and roles of Organisational design a balance will have to be struck and priorities established in the operation the Organisational mechanism.

In general there may be following significances of a Sound Organisational design:

### **1. Facilitating Management Action:**

In every enterprises a group of people work together. Their functions are interdependent and interrelated. Therefore some sort of structural design is required to place everyone as per the needs of the Organisation.

Organisational design is the mechanism through which management directs, coordinates and controls the Organisational activities. Management actions take place with certainty and continuity only when properly designed Organisational structure is developed. The grouping and arrangement of activities directly affect operating results. Thus a need for updated Organisational structure can be ganged from the fact that many Organisation create separate unit for Organisational analysis which looks after the various aspects affecting the Organisational structure such as delegation of authority communication, control, coordination etc.,

### **2. Emerging Efficiency:**

With the sound Organisational design , members of the enterprises try to maximize to output from available input of resources. So there is a need to develop some measure of systematic , orderly, rational, and coordinated effort and to control waste & loss. In this way all the models of Organisational design try to achieve efficiency in Organisational operations.

### **3. Communication:**

Organisational design establish reporting relationship i.e. who will communicate with whom. Simiralarly a communication process is involved with its environment. This will develop various focuses of communications horizontal, vertical, and lateral etc. All these communications are effective only when sound Organisational structure is designed properly, so that various lines of communications can be provided in all the directions.

### **4. Optimum use of Resources:**

The activities of an Organisation are arranged according to their importance. Activities which are more important to achievement of objectives are placed at higher level and vice versa. This provides guidelines for resources allocation. This will improve the efficiency

resulting to Organisational growth and optimum allocation of resources.

#### **5. Stimulating creativity:**

A sound Organisational structure based on specification stimulates creative thinking by providing well-defined area of work with provision of development of new and improved ways of working. Organisational structure tries to put people of places where they are required. When they work on a job for long lime they get specialized and they are in a position to suggest some thing new. Many management people have contributed to the development of management thinking which shows the results of their creativity because of a sound Organisational structure.

#### **6. Job satisfaction:**

Organisational structure provides for each person a place of status which gives respects among the group of people. This is a motivating factor for them. Nature of job promotion and use of authority and responsibility during the long period of time the people are associated in an Organisation. This provides a reasonable degree of job satisfaction. This is possible only through sound frame work in the Organisational design.

All above mentioned roles of Organisational design can be performed only when it is properly designed. Further the Organisational structure should be viewed as a means towards specific ends. As such it can be used as a tool not an end. Like any tool, result depend on the skill with which it is used. Manager need not go out of their way to equip themselves with out of date or inadequate Organisational tools.

### **Organisational structure- Traditional and contemporary structures**

Organisational structure has been changed recently which influenced the shape of an Organisation. This topic will discuss the different structural changes and their affects in decision making and behaviour.

TALL v\ s FLAT Organisational structure: for example the shape of an Organisation has direct influence of the span of control. An Organisation may have a "TALL" or "FLAT" structures.

Tall structure has many hierarchical level and few workers reporting to each manager. In his case the span of control is small or narrow.

Flat structure may be another shape of Organisation in which span of control may large or wide. It has few hierarchical levels and many workers reporting to each manager.

FLAT Structure (30employees & 3levels)

TALL structure (30 employees & seven levels)

As shown in above fig. two companies with an equal number of employees may have differently shaped structures. Holding the no. of employees constant, an increase in the no. of levels decrease the span of control while decreasing the no. of levels increase the span of control.

**Comparison of TALL & FLAT Structures:**

TALL Structure	FLAT Structure
Needed When: 1. Closer control monitoring is required. 2. Mistakes are likely to be costly. 3. Tasks are clear and require specialization. 4. Routine Technology. 5. In experienced subordinates. 6. Placid, stable environment.	Needed When: 1. More Autonomy & Self-control is required. 2. Flexibility & innovation are required. 3. Ambiguous task & roles, specialization does not work. 4. Non-routine technology. 5. Experienced subordinates. 6. Unstable environment.

Trend towards FLAT structures:

The management guru Peter Drucker in his book “The Need Relation” has emphasized that only flat structures would survive in 1990’s. His prediction has come true in our Country. The driving force is competition within and without. A business Today (Dec 7-21-1993) survey revealed that more than two dozen of the biggest companies were busy reducing the no. of management grades and eliminating layer in their org...ITC,HLL,Godrej & Boyce, RPG enterprises, Raymond Woolen Mills, Shaw Wallace, etc. are some companies which have exercised to form flat structures. The survey claimed the following benefits and Pitfalls of FLAT structure.

Benefits	Pitfalls
1.Increased growth options for performances. 2.faster decision making and market response. 3.Upgradation of skills within ranks. 4.Better internal communication & interaction 5.Perceptible decline in overall man power costs.	1.Reduced promotion options for employees. 2.Increased work load as layers get trimmed. 3.Increased Training & development needs. 4.Low staff morale during the transition phase. 5.Strictness of manpower attrition.

### **Mechanistic v/s Organic structure:**

In the concept of Organisational structure flexibility plays an important role. Flexibility refers to the operating freedom available to an Organisational member to perform the tasks assigned to him.

With reference to flexibility, there are 2 distinct structures: "Mechanistic" & "Organic". Out of these 2 Mechanistic structure is characterized as highly rigid, and Organic structure has the main feature of flexibility.

#### **a. Mechanistic or Bureaucratic structure:**

The German sociologist Max Weber(1864-1920) developed the Bureaucratic model of Organisational structure. This model stresses the need for clearly defined hierarchy governed by clear rules and regulations. He argued Bureaucratic as the most efficient form of org. This model has following characteristics :

- 1.Division labor.
- 2.Well defined hierarchy of authority.
- 3.Clearly defined responsibilities & authority.
- 4.More dependence on formal rules & regulations.
- 5.employment decisions based on merit
- 6.Formal relation among members.
- 7.Promotion on Technical qualification.
- 8.Centralisation of Authority.

Best e.g. of this model is Indian railways(Largest network in the world) with its tracks covering a stretch of 62,000 kms, transports about 1 crore people everyday and 300 million tones of freight transport every year and employees 1.62 million people.

It has 11 functional departments and 9 operational zones. Complexity of the structure can be gauged from the fact that there are about 700 jobs categories in railways, which are spread over its 58 divisions

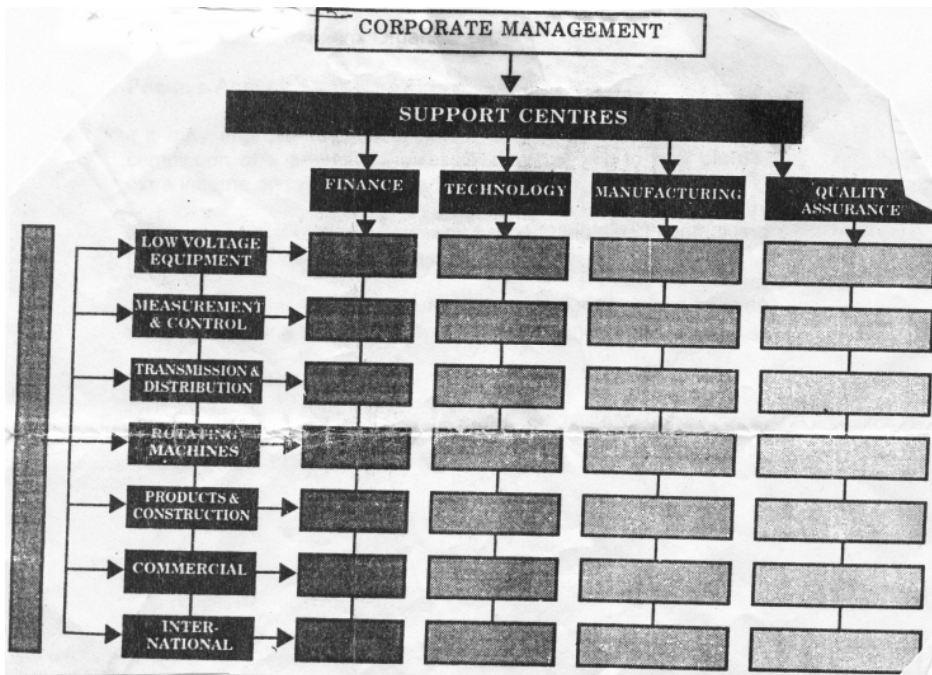
Bureaucratic model often has host of attributes like inefficiency red tapism, paper shuffling, rigid application of roles and redundancy of efforts.

Although the term Bureaucratic is not liked by contemporary management thinkers and practitioners many of its char. Are found in most modern org...If you study the structure of any large org. you will find the attributes of perfect department able centralized authority, high formalization which are the parts of Bureaucratic structure conceived by Max Weber.

### b. Organic or Matrix Organisation:

Matrix Organisation which took its birth during 1970's is just contrast to the Bureaneratic structure and shows the structure flexibility. It is the combination of two type of Org. structure in which 2 chain of command is directing individual employees. It begins with the functional structure on which another structure organized by the "Project" is overlaid. As a result employees are assigned to a basic functional department and, at the same time are assigned to work on a particular project. When the project is completed the employees go back to their parent departments.

Thus one chain of command in the matrix structure is exercised by the functional managers and the second line of command is exercised by the project manager. In this way authority flows vertically and horizontally respectively making a matrix model which is also called the "multiple command" system.



### Critical Analysis of Matrix Organisation:

#### Positive Aspect:

1. It may improve the motivation of employees due to focus on completion of a project i.e. gives excitement, visit to new places, extra income and perks etc.
2. It may improve communication by encouraging direct contact and reducing formal communication and ranks.

3. Matrix Organisation contribute to the development of employee skills by exposing to new challenges and responsibilities.

**Negative Aspect:**

1. It gives rise to an intense power struggle, feelings of insecurity and conflict among the people involved.
2. Due to over involvement in groups and committee meetings, dual staffing of mgt. positions and unnecessary complexity there may be stress and pressure among the employees.
3. There may be tendency towards hierarchy i.e. conclusion about reporting which is against the principle of unity of command.
4. There may also be the problem of performance appraisal. Performance evaluation is done by their functional bosses but major inputs for appraisal are provided by the project managers.

**Contemporary Structures (Emerging Dimensions in Org. Designs):**

As we move forward to new millennium, the business enterprises will have the views of new dimensions in Org. design

Important structures are as follows:

**1. Virtual organisation:** Virtual means real. So in this org. a temporary network of companies is created which tries to exploit fast- changing opportunities by sharing cost, skills and access to global markets. This org. tries to have max. Flexibility.

Virtual org. contract out manufacturing, distribution, marketing or any other business activity where mgt. feels that others can do better or more cheaply. In this way a virtual org. outsource many of its functions and concentrates on what it can do best.

Small org. can do better in this respect. But in real sense virtual org. are created by large companies such as IBM, APPLE, Ford and Toshiba. IBM, APPLE and Japanese partnership are working on multimedia software that will work on any machine. Intel works with two Japanese org. to manufacture flash memory chips for computers.

So virtual org. may be another mgt. crazes for future org. structure to capitalise certain types of projects. Mgt. scholars have mixed opinions on the effectiveness of much arrangement. Therefore this approach can produce substantial benefits in some situations.



**2. Boundaryless organisation:** In this case vertical and horizontal boundaries within the organisation are removed and also external barriers between the company its customers and suppliers are abolished.

Removal of these boundaries minimizes the status and ranks of employees and communication is made easy and faster. This simplifies formation of cross hierarchical teams, participative decision making and 360 degree appraisal techniques.

By making multi-disciplinary teams and discussion new products can be developed easily.

In the same way external barrier can be removed by globalization strategic alliances, supplier organisation and customer organisation linkages. e.g. Coca-Cola seeks to project itself as a global corporation and not just a US based multinational.

**3. Technology (Mechanistic Structure):** It is the systematic application of scientific or other organisational knowledge to perform work. So technology has significant impact on organisational design.

Those firms which use large batch (mass) production technology start their manufacturing cycle with product development. They prefer organic designs. The key to success is the ability to discover a new product that can be manufactured by already existing facilities or by new facilities. The product development production and marketing functions demand scientific staff and specialized competence at the highest levels in the organisation.

Therefore mechanistic structure is effective for the companies that use mass production technology. The market exists for a standardized product and the task is to manufacture the product efficiently and economically through fairly routine means. Workers tend to machines designed and placed by engineering standards. Actual control of the work flow is separated from supervision of the workforce. In such organisation, the ideas of scientific management and mechanistic designs are applicable.

**4. Learning organisation:** A learning organisation is one that has developed the capacity to adapt and change. In modern competitive environment only a learning organisation will survive. Abilities to learn, create, codify and utilize knowledge faster than its rivals and quicker than environment changes will provide tomorrow's corporation a competitive edge.

In a learning organisation old patterns are demolished and a new order is created that not only encourages managers to look at their people differently, but actually teaches them to look at the world a fresh.

### **FEATURES:**

1. A learning organisation is an active philosophy not merely an organisation system.
2. It believes that its only competitive advantage is learning.
3. It encourages people to learn to produce the results they desire.
4. It nurtures creative and innovative patterns of collective learning.
5. It develops fresh organisational capabilities all the time.

According to Chris Argyris there are 2 types of learning organisations. Single loop learning and double loop learning.

**Single loop learning** involves improving the organisation. Capacity to achieve known objectives. It relates to routine and behavioral learning.

**Double loop learning** evaluates the nature of organisations objectives and the values and beliefs surrounding them. This type of learning organisation involves change of organisations culture. When any error is taken place they are detected and corrected by the modification of objectives, policies and standard routine.

### **Elements of the learning organisation:**

1. **Openness:** Learning organisation must be open to new ideas, and anticipate changes.
2. **Creativity:** i.e. A. personal flexibility so that no opportunities are missed. B. Risk taking and not to be conservative. E.g. One person went to US and found that there is no scope of sleepers in US as everyone puts on shoes. Another person said that there is 100% scope of sleepers as no one is using so everyone will start using it in future. This is risk taking.
3. **Personal Efficiency:** It means that one can influence significantly the world in which he lives. This can be achieved by teaching employees self-awareness and active problem solving.

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## QUESTIONS

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1. Explain in brief the importance of a sound organizational design.
2. Explain the determinants of sound organizational design.
3. What are the internal and external factors in organizational design?
4. What are the types of organizational design? Examine the need and significance of sound organization design.
5. Explain traditional and contemporary structure. How does tall structure differs from flat structure?



## ORGANISATIONAL CULTURE

### Objective of the Unit

After the completion of the unit the student will be able to understand.

1. Basic concept of organizational culture.
2. The various cultural dimensions.
3. Role of fundamental values and vision in creating and sustaining culture.
4. Types of organizational culture.
5. Impact of organizational culture on the performance of the organization.

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### INTRODUCTION

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Organisational Culture plays an important role in modern business environment because it has its impact on employee performance and satisfaction. Hence in this chapter we discuss the nature, role, types and importance of Organisational Culture on the performance of the Organisation.

Though the concept of culture and its implications for society have been studied for long time. In org. behaviour culture became a central concern only during 1980's. Several research studies were undertaken during this period to develop conceptual framework as well as to understand its impact on the functioning of Organisation.

#### 1. Meaning and definition:

The concept of culture has been derived from anthropology where it is defined in so many ways. Culture is nothing but the combination of knowledge, belief, art, morals, law, custom and other capabilities and habits acquired by man in a society.

Organisational Culture may also be called corporate culture has been defined as the philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes and norms that an Organisation together and are shared by its employees.

Charles O'Reilly has defined Organisational Culture in a precise manner as: "Organisational Culture is the set of assumptions, beliefs, values, and norms that are shared by an Organisation's members."

Thus Organisational Culture is a set of characteristics that are commonly shared by people in the Organisation. Such characteristics may be in the form of assumptions, beliefs, values,

and norms which are known as abstract elements of the culture or externally oriented characteristics like products, buildings, and dresses etc. which are known as material elements of the culture.

### **Characteristics of Organisational Culture:**

There are following characteristics which help to understand the essence of an Organisational Culture.

1. **Initiative:** The degree of freedom, authority and responsibility enjoyed by an individual in an Organisation.
2. **Risk taking:** Employees are encouraged to be aggressive, innovative and risk taking.
3. **Direction:** The degree to which the organisation creates clear objectives and performance expectations.
4. **Integration:** The degree to which units within the org. are encouraged to operate in an integrated manner.
5. **Management Support:** The degree to which managers provide clear communication, assistance and support to their subordinates.
6. **Control:** The number of rules and regulations and the amount of direct supervision that is used to control employee behaviour.
7. **Identity:** The degree to which members' identity with the org. as a whole rather than with their particular work group or field of professional expertise.
8. **Reward system:** The degree to which reward allocation are based on employee performance criteria in contrast to seniority, favoritism etc.
9. **Conflict Tolerance:** The degree to which employees are encouraged to air conflicts and criticisms openly.
10. **Communication Patterns:** The degree to which org. communication are restricted to the formal hierarchy of authority.

All these characteristics exist in an organization which shows Organisational Culture. This culture becomes unique for every org. and distinguishes it from other org. For example while defining Tata groups, its former chairman, JRD Tata said that:

“I would call it a group of individually managed companies united by two factors. First a feeling that are a part of large group which carries the name of tatas and public recognition of honesty and trust worthiness. The other reason is more metaphysical. There is an inmate loyalty, a sharing of beliefs. We all feel a certain pride that we are somewhat different from others.”

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## **CULTURAL DIMENSIONS:**

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There are various cultural dimensions which have been identified. Some of them are as below.

### **1. Mechanistic and organic Cultures:**

Mechanistic Cultures represents the bureaucratic model of org. design. In this culture, well defined hierarchy of authority and formal relations among members are found Authority flow from top to bottom and communication flows through prescribed channels. There is a great deal of departmental loyalty and inter-departmental enmity, a strong “we” versus “they” perception. This sort of culture resists change and innovation.

Organic culture is just opposite to mechanistic culture. In this case formal hierarchies of authority, departmental boundaries formal rules and regulations and prescribed channels of communications have less importance. But emphasis is given on task accomplishment, team work and free flow of communication. There is a better understanding among the staff. If the org. fares problems, or threats there is willingness to take appropriate steps with full cooperation to solve problem This culture stresses flexibility, consultation, change and innovation. Central Government org. may be one example of organic culture.

### **2. Authoritarian and Participative Culture:**

Authoritarian culture is characterized used by power concentration to leader and obedience orders and discipline are stressed. Any disbelieves is punished severely to set an example to others. Main feature is that manager knows about the org. and decides and in its interest. But he does not involve subordinates in decision making.

The participative culture is just opposite to above culture. So in this case people are more committed to the decisions that are participative made. Such group problem solving leads to better decisions because several new points and information are shared during discussion. This is suitable where most org. members are professional or see themselves as equals.

### **3. Subculture and dominant culture:**

Each department of an organization, may have its own culture which refers to subculture. A dominant culture emerges where there is an integration of all departments into an unified whole.

### **4. Strong & Weak culture:**

In strong culture the core values are both intensely held and widely shared by its members. Such employees develop strong loyalty to the org... The benefit of this culture is reduced turnover and positive employee attitude. The danger of this culture is that it leads to "group think" collective blind pots, and resistance to change and innovation.

On the other hand weak culture is that in which members of the org. may be different in values and thinking. So the employees may not be loyal to the Organisation.

### **5. National Culture versus Organisational culture:**

Orgnisational culture is influenced by the culture of the land, irrespective of the origin of the company. Go to any company operating in India. Indian, Foreign or the local culture is visible. The holidays declared festivals celebrated functions organized and other cultural activities reflect Indian culture.

### **Role of Fundamental values and vision in creating and sustai culture:**

Culture is created through environment, beliefs of the group members, as well as ideologies of the founder of the Organisation Sometimes there are several models which can explain the culture creation.

Therefore one mechanism of culture creation is the modeling by founder member of the org... who permits group members to identify with them and internalise their values and assumptions. When groups or org. First form there are usually dominant figures or "founders" who help established the early culture. They have a vision or mission of what the org. should be. They are unconstrained by previous customs or ideologies. The small size that typically charities Any new org. further facilities the founders imposing their vision on all organisational members because the founders have the original ideas they also typically have biases or how to get the idea fulfilled.

Thus the org. culture results from the interaction between:

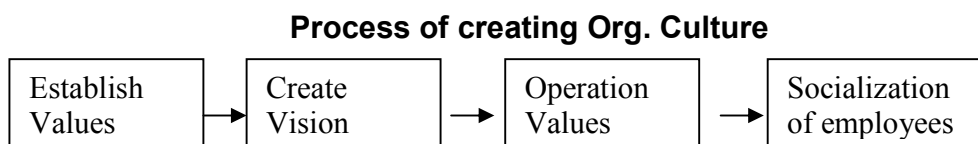
1. the founders biases and assumptions, and

2. what the original members who the founders initially employ learn subsequently from their own experiences.

One such example of culture creation is expressed by late JRD Tata. His supportive role, his belief on professionalism and assumption that only honesty and fair dealing will pay have the next Tata empire what it is today.

Above mentioned approach is not very effective for org. which strategies are large unit. But it is successful in the org. which are not large.

Another mechanism to create org. culture is like a process with distinct steps as described below. This is successful when org. starts with a large size.



### Steps:

**1. Establish Values:** Values simply means what is right and what is wrong, what is desirable and what is undesirable etc. This will help the founder to decide what business the org. should be in. For example, Founders of Bajaj Auto Limited who were in the business of trading in Auto Parts since 1945 decided to enter manufacturing sector around 1960. They considered several alternatives except higher and will cloth because of their values and stomach belief in Guardian ideology. Some of the excellent companies follow different types of values which are as follows:

1. A belief in being the best.
2. A belief in the importance of people as individuals.
3. A belief in superior quality & services.
4. A belief in being innovative
5. A belief in informal communications.

**2. Create Vision:** Vision represents the imagination of future events and prepares the org. for the same. It implies that the org. should create projections about where it should go in the future and what major challenges lie ahead.

On the basis of six- years study by Collins & Porras, they have concluded that companies may be grouped into two categories. These are Visionary companies' and Comparison Companies.

A Visionary Company is having following features:



1. It holds a distinctive set of values from which it does not deviate.
2. It expresses its core purpose in enlightened terms which provides challenges for actions.
3. It develops a visionary scenario of its future decides actions accordingly and implement there.

A good vision defined in a proper way helps the org. nal members in several ways.

1. It inspires and exhilarates them.
2. It creates competitiveness, originality & uniqueness.
3. fosters risk taking and uniqueness experimentation.
4. It fosters long term thinking.

**3. Operation Values vision Or Sustaining Culture:** The values & Vision are just a mental process but for putting them into action following steps can be taken:

- a. Prepare written statement of values and vision and communicate to each member.
- b. Design the org. structure that facilitates employees to take action in the light of values.
- c. Focus on flexibility creativity an innovation to inspire employees to adage to org. values & vision.
- d. Selection of employees should be made in such away that value of employees should match with values of the org... There should be reward system to encourage employee, in their behaviour which should match with org. values & vision.

**4. Socialization of employees:** Socialization is for sustaining culture a process that takes place as new employees attempt to learn and increate values and norms that are part of the orgnisational culture. It is very important for new employees because they are not fully adaptable in the org. Culture.

So org. norms and values can be transmitted in employees in various ways.

- a. Stories: It includes circulation of informal and oral narration of events about the org. its founder etc. These stories anchor the present in the part and provide explanation and legitimacy for current practices.
- b. Rituals: There are repetitive sequences of activities that express and reinforce the key value of the org. e.g. in some org. functions are organized to honor top performers.

- c. **Material Symbols:** Various material symbols used by the organisation convey specific meaning. E.g. status of a person can be distinguished on to the basis of facilities enjoyed by a person. Similarly for developing common culture. Common dress, using same canteen is to convey the feeling of equality.
- d. **Language:** Use of common language by members attests their acceptance of the culture.

### 5. Types of Organisational Culture:

Recent research by Goffee and Jones provides some interesting insights on different org. cultures and guidance to prospective employees. They have identified four distinct culture types. Let's take look at their cultural framework and how you can use it to select an employer where you'll best fit in.

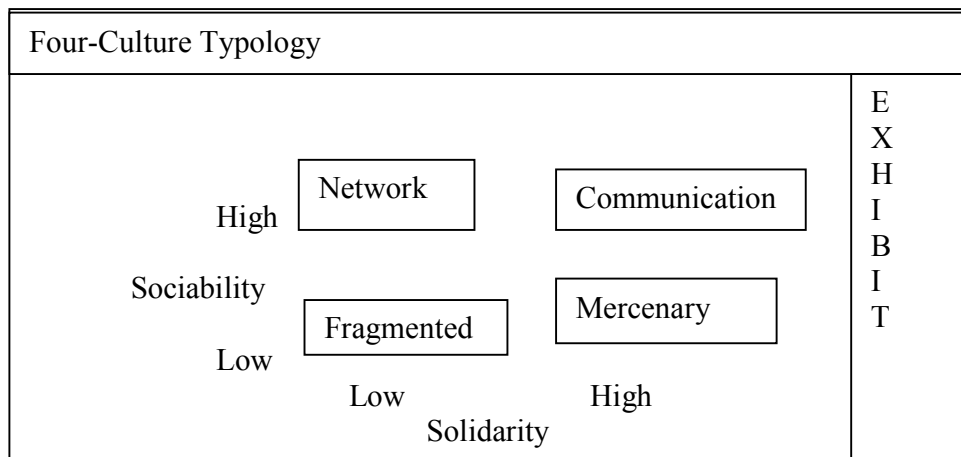
Goffee and Jones argue that two dimensions underline org. culture. The 1<sup>st</sup> they call sociability. This is a measure of Friendliness. High Sociability means people do kind things for one another without expecting something in return and relate to each other in a friendly, caring way. In terms of our definition of org. culture presented at the beginning of this chapter, Sociability is consistent with a high people orientation, high team orientation, and focus on processes rather than outcomes. The second is solidarity. Its measure of task orientation. High solidarity means people can overlook personal biases and rally behind common interests and common goals. again, referring back to our earlier definition, solidarity is consistent with high attention to detail and high aggressiveness , exhibit illustrates a matrix with these two dimensions rated as either high or low. They create four distinct culture types:

**Networked culture (high on sociability; low on solidarity):** These org. view members as family and friends. People know and like each other. People willingly give assistants to other and openly share information. The major negative aspect associated with this culture is that the focus on friendship can lead to a tolerance for poor performance and creation of political cliques.

**Mercenary culture (low on sociability; high on solidarity):** This org. is fiercely goal focused. People are intense and determined to meet goals. They have a zest for getting things done quickly and a powerful sense of purpose. Mercenary cultures aren't just about winning; they're about destroying the enemy. This focus on goals and objectivity also leads to a minimal degree of politicking. The downside of this culture is that it can lead to an almost inhumane treatment of people who are perceived as low performers.

**Fragmented culture (low on sociability; low on solidarity) :**

These org. are made up of individualists. Commitment is first and foremost to individual members and their job tasks. There is little or no identification with org...In fragmented cultures, employees are judged solely on their productivity and the quality of their work. The major negatives in these cultures are excessive critiquing of others and an absence of collegiality.

**Communal culture (high on sociability; high on solidarity):**

This category values both friendship and performance. People have a feeling of belonging but there is still a ruthless focus on goal achievement. Leaders of these cultures tend to be inspirational and charismatic, with a clear vision of the org. future. The downside of these cultures is that they often consume one's total life. Their charismatic leaders frequently look to create disciples rather than followers, resulting in a work climate that is almost cultivate.

Unilever and Heineken are examples of networked cultures. Heineken for example has over 30000 employees but retains that feeling of friendship and family that is more typical among small firms. The company's highly social culture produces a strong sense of belonging and often a passionate identification with its product. Are you cut out for a networked culture? You are if you possess good social skills and empathy; you like to forge close, work-related friendship you thrive in a relaxed and convivial atmosphere; and you're not obsessed with efficiency and task performance.

Mars, Campbell Soup, and Japanese heavy-equipment manufacturer komatsu are classic mercenary cultures. At Mars, for instance, meetings are almost totally concerned with work issues. There's little tolerance for socializing or small talk. You're well matched to a mercenary culture if you're goal oriented; thrive on competition, like clearly structured work tasks, enjoy risk taking, and are able to deal openly with conflict.

Most top-tier universities and law firms take on the properties of fragmented cultures. Professors at major universities, for instance, are judged on their research and scholarship. Senior professors with big reputations don't need to be friendly to their peers or attend social functions to retain their status. Similarly, law partners who bring in new clients and win cases need to expend little energy getting to know co-workers or being visible in the office. You're likely to fit in well in a fragmented culture if you're independent; have a low need to be a part of a group atmosphere; are analytical rather than intuitive; and have a strong sense of self that is not easily undermined by criticism.

Examples of communal cultures would include Hewlett-Packard, Johnson & Johnson and consulting firm Bain & Co. Hewlett-Packard is large and very goal focused, yet it has a strong family feel. The "HP Way" is a set of values that the company has enumerated that governs how people should behave and interact with each other. The HP Way's value of trust and community encourages loyalty to the company. And the company returns that loyalty to employees as long as they perform well. Who fits into communal cultures? You might if you have a strong need to identify with something bigger than yourself, enjoy working in teams, and are willing to put the org. above family and personal life.

## **6. Impact of culture on image and performance of the organisation:**

Organisation culture being unique and distinctive, prescribes some specific modes of behaviour for its members. These modes of behaviour affect the entire behavioral processes.

**A Impact On Image of the Organisation .:** Culture makes an org. a family which leads to group thinking. In this way its impact on org. image will be as under:

**1. Objective setting:** Culture moulds people and people are the basic building blocks of the org. So it must reflect the objectives of its members especially those who are key decision makers. Thus it helps in objective setting of an org.

**2. Work ethic:** Ethic is synonymous to moral good right honest etc. work ethic in an org. is determined from its culture. Thus org. culture determines the ethical standards for the org. as a whole and its individual members.

**3. Motivation Pattern:** Culture interacts to develop each person a motivational pattern. Culture determines the way people approach their jobs and even life in general. If org. Culture is geared towards

achievement people will find it quite motivating and put their efforts for achievement objectives.

**4. Organisational Process:** Various OP like planning, decision making , controlling, etc. are determined by the OC because these processes are carried out by the people in the org...Bhattacharya has analyzed the cultures of various professionally-managed companies including multinationals as well as family-managed companies in India to find out how cultures affect OP. The Analysis is presented in Table

Dimensions of Organisational culture

<b>Professionally-manged companies</b>	<b>Family-managed companies</b>
<ol style="list-style-type: none"> <li>1. Emphasis on professional qualifications and rank.</li> <li>2. Emphasis on conformity to org. values, loyalty and relative fit with the position.</li> <li>3. Emphasis on information gathering, bureaucratic mode of function, risk aversion and non entrepreneurial decision making.</li> <li>4. Emphasis on use of elegant, scientific, sophisticated, and rational system.</li> <li>5. Comprehensive, formal, and written reporting.</li> </ol>	<ol style="list-style-type: none"> <li>1. Emphasis on demonstrated skill depth quality, and knowledge.</li> <li>2. Emphasis on originality of action and thinking , innovation and upgradation of knowledge and skills.</li> <li>3. Emphasis on selective information usage, intuitive and qualitative decision making entrepreneurial nature.</li> <li>4. Emphasis on reliance on business sense and no frills, system geared to quick action.</li> <li>5. Emphasis on primary use of verbal reporting and remedial action.</li> </ol>

**B Impact on performance of the Organisation:**

There is relatively strong relationship between culture and satisfaction. Satisfaction will be the highest when there is proper match between the individual needs and the culture. E.g. An org. whose culture would be described as low in structure, having loose supervision achievement need and prefer autonomy.

Similarly culture and performance are interrelated. If the culture is informal, creative and supports risk taking and conflict performance will be higher. The more formally structured org. that are risk overseen, eliminate conflict and that are prove to more task oriented leadership will achieve higher performance. When routine technology is untitled. Socialization also has influence on

performance. If an individual is properly communicated with the org. culture. His performance tends to be of employees higher.

A study conducted by John Kotter and James Heskett of Harvard Business School, confirms the positive correlation between culture and performance. The study desired four main conclusions:-

1. Corporate culture can have a significant impact on an org. long-term economic performance.
2. Corporate culture will probably be an ever more important factor in determining the success or failures of companies in the next decade.
3. Corporate culture that inhibits strong long term financial performances is not rare. They develop easily even in an org. that are full of reasonable and intelligent people.
4. Although tough to change, corporate cultures can be made more performance enhancing.

**Conclusion:** It should be also remembered that in order to have a positive sustained impact on satisfaction and performance culture must be valuable, rare, and immitigable. If a culture can imitated then adoption of the culture by competitors will slowly eliminate the competitive advantages of the culture. So a culture may be positive in an environmental but a liability in a different economic environment.

#### **Culture as a Liability:**

Though concept of OC is used in normative way as it is used to develop commitment on the part of employees, in actual practice, sometimes, it becomes dysfunctional. It, then, becomes a liability of the orgnisation. In this context, views expressed by Arnavaz, Aga, Chairperson of Thermax Limited are relevant:

“Our culture – once our strength- has in some ways contributed to our woes. We have also misinterpreted the culture to suit our convenience. In the name of Thermax culture. We have chosen to opt out of unpleasant and unpopular decisions relating to business and people. We have justified this analysis by arguing that Thermax is a people-oriented company. Individual comfort is wrongly given higher priority than org. survival and well-being. The consequence of this inaction at that our better performances are frustrated and are impatient and non-performers are complacement and there is a general belief that Thermax is a parking place for anyone who has once entered it.”

Thermax is not an isolated case. There are numerous such examples. Culture becomes liability specially when it is low performing. A low-performing culture is characterized by maintaining status quo, rigid OP and rules, and centralized decision making power. Usually, such a culture is the by-product of slow environmental changes and a well- defined protective market. When an org. operates in this situation for long tends to develop a kind of complacency which percolates among its members right from top to bottom. Thus, OC works as barrier to change, barrier to growth through external means, and barrier to tolerance of diversity. These phenomena are as follows:

1. Organisational Culture works as resistant to change if it is based on the principle of maintaining status quo. Since environment is dynamic, org. effectiveness depends on the degree to which it is able to align itself with environmental requirements. Because of its cultural constraints, an org. may not be able to do so.

2. Organisational Culture works as barrier to growth through external means like mergers and acquisitions and joint ventures. In mergers and acquisitions, the acquiring org. merges in itself the acquired company. If the culture of the acquiring company differs substantially from that of the acquired company, the merger will be misfit and is unlikely to succeed. In joint ventures, 2 or more org. join hands together to form a new org... If the cultures of this org. are incompatible, joint venture is unlikely to succeed.

3. Cultural diversity among employees is becoming more and more common because of economic liberalization and globalization. If org. culture is not suitable to tolerate this diversity, it will become ineffective.

#### **Questions.**

1. What are the types of culture and how do employees know about culture?
2. Define organization culture and explain how it affect the employees of any organization?
3. Explain “strong culture is the foundation of success of any organization?”
4. Explain the characteristics making up organizational culture?



## ORGANIZATIONAL COMMUNICATION:

### Objectives of the units

After completion of this unit the student will be able to.

1. understand the meaning and concepts of various communications tools.
2. know the characteristics of different communication techniques.
3. know the process of these techniques.
4. Perceive the usefulness of these techniques in business organization.
5. Differentiate between these techniques of communication.

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### INTRODUCTION

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Communication is one of the common terms being discussed in organization behavior. It is quite implied because communication plays crucial role in influencing inter-personal behavior in the organization. This lesson is devoted to discuss the various tools and techniques of communication to be used in the organization. It will also discuss the concept, meaning, process of each technique, its uses and effects in the inter-personal relationship of managers, supervisors and employees of an organization.

These techniques are mentioned below:

- a. Johari Window.
- b. Transactional Analysis.
- c. Lateral Thinking.
- d. Brainstorming
- e. Delphi technique
- f. Power of grape wine

And other informal communication techniques.

We will discuss each technique one by one and its significance in modern environment of organization and its impact on the behavior of the people.

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### TOPICS & SUBTOPICS TO BE STUDIED:

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a. **Johari Window:**

it is a model developed by Joseph Luft and Harvy Inghlum in order analysis the causes of interpersonal conflict. Thus it suggests the need for more open communication. Since the model is developed by Joseph & Harvy, combined together it is called (Johari Window).



This can be clearly explained with following fig.

	The person knows about others	The person does not know about others
The person knows About himself or her self	1 Open self	2 Hidden self
The person does not known about himself or herself	Blind self	Under covered self

Figure : Johari window.

As it is clear from the figure that there are some parts of us which are known to ourselves and there are other parts of us that we do not know. Similarly there are some aspects about us that others know and there are other aspects others do not know about us. The same is true in the case of others.

This can be further explained as follows:

**1. Open self:** It is also called public area, and represents an ideal situation. Here, the person knows about himself and others. There is openness and transparency in the behavior of the people. Naturally there is little or no scope for any conflict.

**2. Hidden Self:** Also called the private and secret area. This category describes that the person understands about himself but does not know about other persons. This means the person remains hidden from others because of the fear of how others might react. The person may keep his feelings, attitudes, secrets and will not open up to others. Thus there may be inter-personal conflict in the quadrant.

**3. Blind Self:** It is also called as blind area. This quadrant represents the aspect of self which is not known to himself but which is fairly known to others. We do many things without being conscious of them, but others are aware of our acts. We may be unintentionally hurting others by our behaviors' others could tell us but are fearful. The old phrase, "Even our best friend will not tell you" is true in this connection.

**4. Undiscovered Self:** it is also called dark area. In this case a person does not know about himself and others. This is most explosive situation which leads to misunderstanding and create conflict.

**Importance:** The model of Johari Window helps to understand and solve conflicts among the group members in the organization. It suggests that the three quadrants i.e. hidden self, blind self, and

undiscovered self should be reduced so that interpersonal conflicts should also be reduced. This is possible only when there is better communication between the person and others.

### **Techniques of removing conflicts in Johari Window:**

**1. Feedback:** subordinates should be encouraged to provide verbal or written feedback. It is the willingness of others to be open and frank to provide fair and correct feedback. The feelings and perceptions of subordinates should be heard and accepted. This reduces doubts and misunderstandings. Feedback reduces the blind self of the manager.

**2. disclosure:** the leader should be willing to share his feelings and relevant information with others. This reduces the possibility of inter-personal conflict. However precaution should be exercised while disclose the formation as all disclosers are not useful.

Thus above Techniques will reduce inter-personal conflicts and create a healthy atmosphere in the organization.

Johari window helps to analyse possible inter-personal conflict situation. A person may reduce conflicts by being trustful of the other and by revealing information about himself. Through self discloser one may increase the "open self" and decrease the "hidden self".

### **b. Transactional Analysis:**

It is an analysis of social transactions. T.A. was developed by Eric Berne in 1950 and was published in a book as "games people Play" in 1964. T.A. provide a better understanding for the interaction between members of the organization.

When a conversation takes place between 2 individuals it shows how they behave with each other. An individual says something to other, other person responds which stimulates another person to react again such transaction provides clue to understand the behavior of individuals as well as groups.

Transactional analysis is a technique to explain why individuals behave in a specific manner through out their life.

Concept: According to Eric Berne there are three psychological positions of every individual called Ego estates. These are:

- a. Parent ego
- b. Adult ego
- c. Child ego

**Parent ego:**

Parent ego state is a way of thinking, acting, feeling, and believing similar to that of our parents. The parent responds immediately and automatically to child like behavior and to various situations requiring a take change response.

One can expect the parent when he hears a commanding tone of voice such as “you should ”, “you must”. I’m telling you, come sit on my lap.

**Adult ego:**

Adult ego reflects “thought” concept of life. This state reflects maturity, objectivity, logic and rational problem solving tendencies. The adult does two things. First adult act as a responsible person to most of the works like driving car, solving problem. Second the adult checks both the Parent and child state whenever any thing goes wrong.

**Child ego:**

Child ego state contains a persons basic desires needs and feelings he has as a child. Child ego state has two parts:

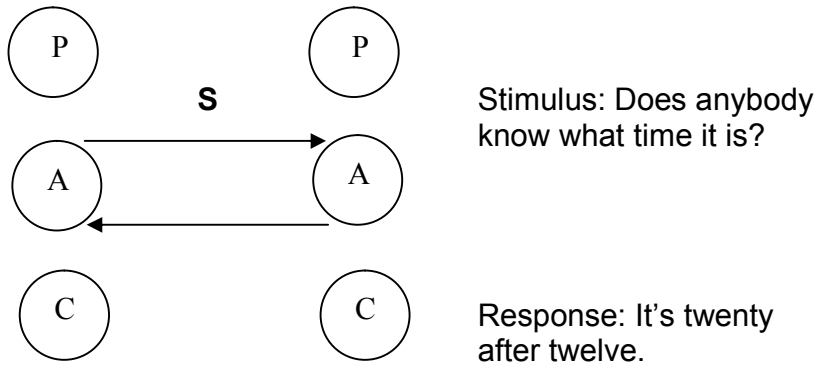
1. Natural Child: this shows more positive feelings like joy, sympathy, love, hope, kindness.
2. Adopted Child: this shows less positive feelings like shame, sorrow, guilt, fear and anger.

**TRANSACTIONS**

A transaction is a unit of social interaction comprised of an initiating message called the stimulus and a reply called the response. The stimulus and response might be verbal or nonverbal, but they must be received and acted upon by both parties. In other words a transaction is some relationship between two people in which one says or does something and the other reacts. A transaction may involve any combination of ego states.

Transaction match or replay forms of interaction that develops early in life, such as, Parent-Child, Child-Child, or Adult-adult. For instance, young children, when ordered about, become frightened or grumpy. Many years later, as grown-ups, they may get in a rut and reply the same transaction.

Transactions are diagrammed to show from which ego states the stimulus and the response originate. For example:



An arrow is drawn from the ego state from which the stimulus originates to the ego state toward which the message is directed. An arrow in the other direction shows the response.

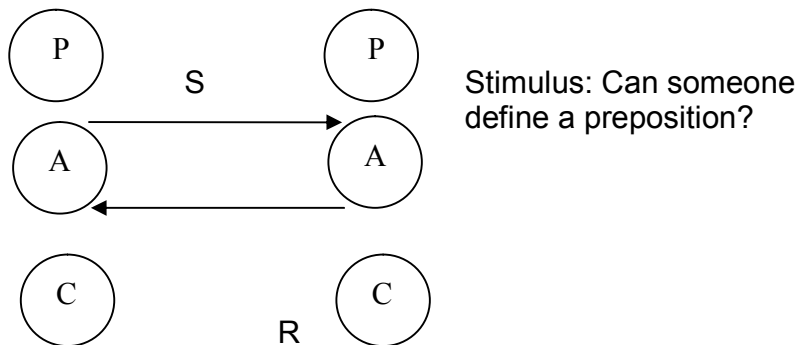
There are three basic kinds of transactions: complementary, crossed, and ulterior transactions.

**COMPLEMENTARY TRANSACTIONS.**

A transaction is complementary when someone aims a phrase, gesture or action at another persons and that person replies in the same ego state, as parent, Adult or Child. This means that someone trained in Transactional Analysis can predict responses in a series of complementary transactions. The following examples show different kinds of complementary transactions.

**Adult-to-Adult transactions**

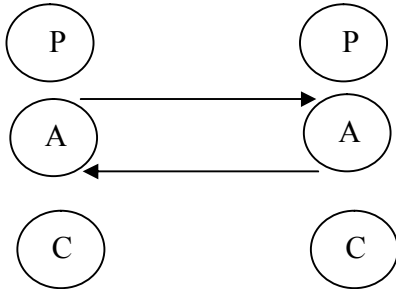
In the Adult-to-adult transactions information is exchanged, problems are analyzed or decisions are made. Adult-to-Adult complementary transactions make up a large part of any activity. The key toward recognizing the Adult-to-adult transaction is the rather unemotional exchange between the individuals.



Response: a preposition shows a relationship

between its object and some other word in the sentence.

Parent-to-Parent transaction are quite commonplace.



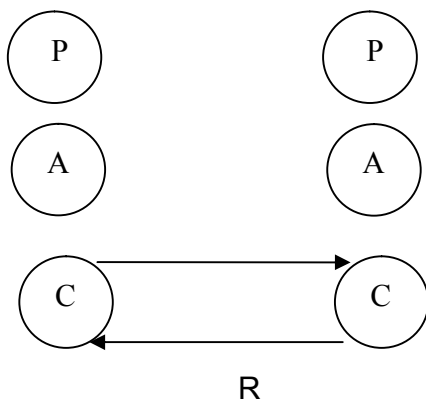
Stimulus: Those students sure look terrible with  
S their long hair and old patched jeans

Response: They sure do. And they don't  
respect anything anymore.

In Parent-to-Parent complementary transactions, a judgment is often made about someone not present (in this case the students), with both individuals in agreement. Judgments' made in general statements and slogans are the key to identifying the Parent-to-Parent transaction. The judgment is sometimes positive and sometimes negative and strings of these transactions can last for hours in a pastime.

**Child-to-Child transactions are popular**

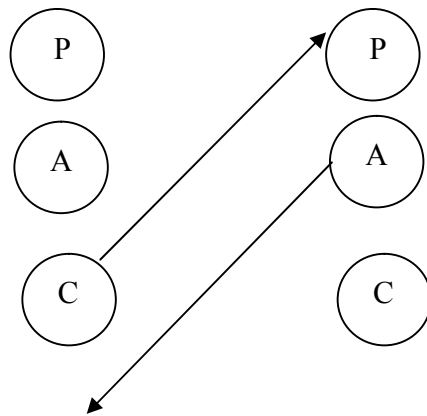
In this Child-to-Child transaction, both persons were in the natural child. The stimulus and response spontaneously expressed the joy, the openness of the Natural Child. While the Child-to-Child transaction might involve the Adapted Child-to-Child developed in response to "parenting" it is unlikely. The adapted Child will tend to how itself in response to questions, orders, and nurturing from someone's Parent.



Stimulus: Hey! I really like you! You're neat

Response: and I think you're absolutely super.

The Child-to-Parent transaction is common.

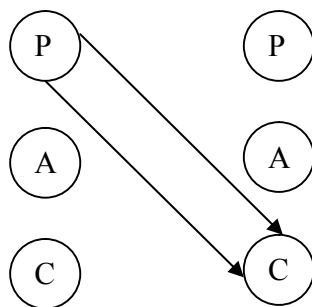


Stimulus: May I have some money for a candy bar?

Response: Sure, here it is.

The Child asked the Parent for something, which was given. Even if the Parent had said, "No." the transaction would have been complementary.

The Parent-to-Child transaction is also very common

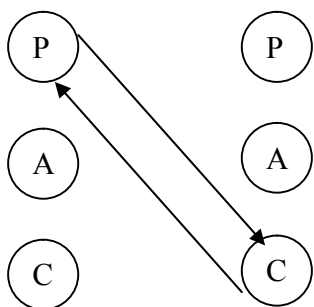


Stimulus: Go to bed! It's late.

Response: Couldn't I wait until the end of the TV program?

The parent spoke directly at the child in the other person. In most such cases, the stimulus is aimed at the child in order to gain compliance to some demand. The response came from the Adapted Child. This makes the transaction complementary by definition.

Sometimes the person in the Parent nurtures the other one:



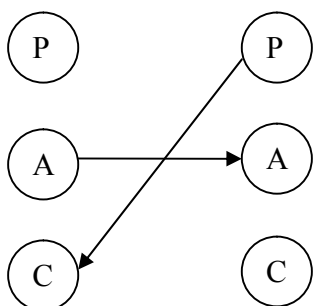
Stimulus: You are such a nice little girl.

Response: (nonverbal turn –on : smile, bright eyes)

Parent-to-child complementary transactions are common not only among parents and their children but also among grown-ups. Supervisor-trainee, husband-wife, teacher-pupil, doctor-patient, and many other grown-up relationships take this form. Sometimes the person thrust into the Child likes the role; sometimes not.

### CROSSED TRANSACTIONS

Crosses transactions are some of the most interesting transactions. When Sharma asks, "Do you know where the toothpaste is?" and gets the response, "If you would only take care of things, you wouldn't have to ask me to keep track of them," he has been "crossed". The diagram of such a transaction looks like this:



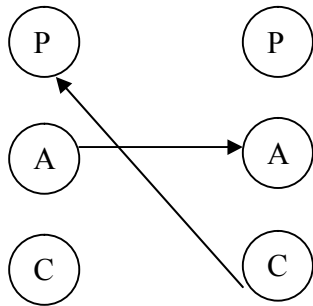
Stimulus: I need a hall pass so I can go to the restroom.

Response: Sharma, you have five minutes between classes. You should have used the restroom then.

a crossed transaction occurs when the respondent reacts from a different ego state than the initiator aimed at. If the stimulus and

response lines in a diagram are not parallel, the transaction is a crossed transaction.

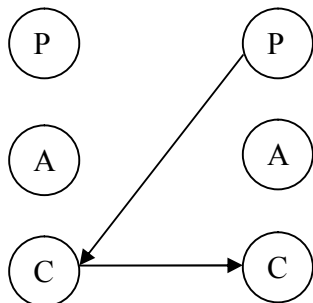
An Adult stimulus started this transaction in away similar to the first example. The response came from the parent and was aimed at the Child. The transaction is crossed because the response did not come from the Adult.



Stimulus: How is that job progressing?

Response: Just get off my back, Man! I'll get it in on time!

The stimulus sought to get a reply from the Adult, but instead received a Child-to- Parent response. The crossed transactions is interesting and often leaves the initiator with his mouth hanging open in astonishment,anger,or pain.

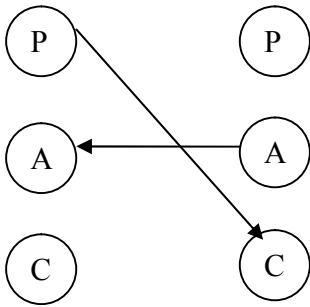


Stimulus: Let's ditched last hour and go school pool.

Response: You should know better than to do that.

The Child stimulus aimed at getting a Child response, such as "Okay, let's go," but instead got a Parent response that made the transaction crossed.





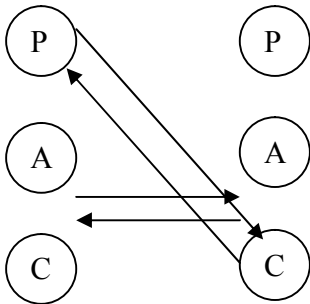
Stimulus: John, pick that paper up from underneath your desk

Response: It was placed there by someone from second hour, but I'll help out and pick it up.

The Parent-to-child stimulus aimed at and expected a Child response, but received an Adult response. Another crossed transaction.

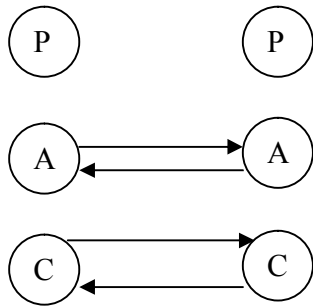
### ULTERIOR TRANSACTION

Ulterior transaction occurs when one or both parties are functioning in two ego states at the same time. The words send one message while the voice inflection and gesturing send a different one. Often a statement is made in order to ask a question or a question is asked in order to make a statement.



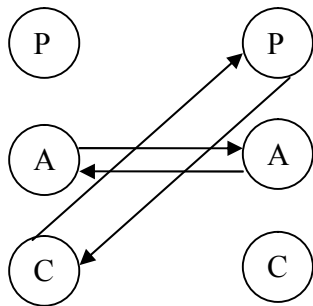
**Stimulus:** What time is it Kaul? The question was asked of a tardy student and sent the Parent message. "You shouldn't be late."

**Response:** Oh, about 10:06 , give or take a few seconds. The answer sent the Child to Parent ulterior message, "Buzz off it's not that big a deal."



Stimulus: (with a grone)Hey. Sharma, what time is it anyway? The question sent the Child to Child ulterior message, “Sure wish this class was over.”

Response: It’s only 10:06. The response sent the Child to Child ulterior message.”Me, too!”



Stimulus: (in a coaxing tone) Mr. Ram is taking his classes outside today. The statement was made to the teacher and sent the Child to Parent message, “May we go outside, too?”

Response: Some teachers will do almost anything to win favor with their students. The response sent the Parent to Child ulterior message.”No, we can’t go outside.”

### LIFE POSITION

Thomas Harris in his book “ I’m OK – You’re OK” has developed the concept of life position. This has popularized Transactional Analysis.

According to Harris every person shows any one of four life position. This life position influences our behaviour when we

interact with others. The positions are acquired by at very early age i.e. childhood and stay through out life.

Life positions develop the perception of an individual which may be positive or negative. In this way four life positions may be developed:

This can be explained in a figure:

1. I am OK – You are OK
2. I am OK -- You Are not OK
3. I am not OK -- You are OK
4. I am not OK -- You Are not OK

Out of these above mentioned positions the ideal one is “ I am OK – You are Ok”, This is because.

It indicates healthy acceptance of self  
It indicates respect for others.  
It is likely to result in better communication.  
It is likely to result in better performance behaviors.

The other 3 life positions are less mature and less effective.

### **Usefulness of T.A.**

T.A. plays an important role in following areas:

**1.Stroking:** Stroke means giving some kind of recognition to a personal. This may be:

- i. Physical ( a part on the bank)
- ii. Verbal (a word of praise).

Similarly stroke may be positive or negative.

Therefore by using T.A. the inter-personal communication can be improved. Employees can be trained to develop positive behaviour and effective communication.

**2.Leadership:** Leaders should adopt different ego states for effective performance, better decision making and controlling etc.

**3.Conflict Resolutions:** T.A. can also be useful in resolving conflict among the group members.

**4.performance Approval:** T.A. helps to application raise himself and others through different life positions. This will help to understand the strengths and weakness of employees.

**5. Better Communication:** By the knowledge of ego states and life positions the manager can develop better communication system in the organisation. This helps better understanding and better relations among the members of the organisation.

### **Advantages of T.A.**

However following advantages have been associated with the transactional analysis:

1. The bases of T.A. are simple to learn.
2. The validity of T.A. is demotivable.
3. It provides a means for reducing the amount of bad feelings experienced by an individual.
4. It increases efficient use of time.
5. Helps promote effective communication.
6. it is applicable at home as it is at work.
7. It reinforces and implements other management development activities, including communication, conflict resolution and the like.

### **Limitations**

T.A. has limitations which are not to be improved:

1. Few scientific studies of its outcome are available.
2. Ego states basic to understand and utilize T.A. are difficult to define (although easy to teach and demonstrate operationally).
3. If inappropriately applied, T.A. tends to encourage amateur psychologising.
4. T.A. may lead to more “cuteness” than insight into human encounter.
5. It can be used as a put down, or a discount in inter-personal relations.

### **C. Lateral Thinking**

Lateral thinking shows the result of lateral communication which is also called horizontal communication i.e. lateral flow of communication take place between peers.

#### **Meaning:**

Lateral or horizontal communication is the flow of information between persons of the same hierarchical level. It is needed to achieve cooperation among group members and between work groups. Again lateral flow provides emotional and serial support to individuals. It also contributes to the development of friendship and informal work groups.

Such type of communication may be formal or informal.

Formal horizontal communication can be made as a right at any level to consult or work with others in the same hierarchy. This helps in providing coordination of work. Some of these committees are formed for better horizontal communication in terms of control function in the organisation.

Informal horizontal communication can be established which provides emotional and social support to the individual.

**Objectives:**

**1. Task coordination:**

Heads of the different departments meet monthly to discuss how each department contributes to the company goals.

**2. Problem Solving:**

The members of the department may assemble to discuss how to handle a budget problem or any other common matters. For better and effective communications some techniques can be used to solve such problems like Delphi Techniques, Nominal Group Technique or Brain Storming technique etc.

**3. Information Sharing:**

Lateral or horizontal communication may be used for the purpose of exchanging information, views, ideas, etc. for group members of the different department may meet periodically for this purpose.

**4. Conflict Resolution:**

Members of an department may meet to discuss and solve a conflict within the department or with other departments.

**Problems in Lateral Communication**

Generally lateral communication is discouraged because it may create certain problems. These are:

**1. Weak Organisation Structure:**

Too much lateral communication may weaken organisation structure.

Because too many managers flowing in all directions would lead to mismanagement.

**2. Rivalry:**

Departments do not like to share information with other departments because of rivalry or jealousy.

**3.Isolation:**

To much of job specialization results in each department becoming an island by itself having little in common to share with other departments.

**4.lack of management Support:**

Management may not have encouraged frequent horizontal communication because of lack of transparency and open mindedness.

**Solution of Lateral communication**

Examine reliance on horizontal communication may undermine the authority structure of an organisation but too little lateral communication can result in a rigid and inefficient organisation.

Therefore the correct way is to balance between vertical and horizontal communication. This can be accomplished through flexible procedure that provide guidance about when and how employees should use horizontal communication.

How can the problem of rivalry and competition be overcome. Task forces and committees improved of employees from different departments working on common problem are often a viable solution. When employees are working toward common goals, they are more likely to be cooperative rather than competitive. Another strategy is to conduct training sessions on team work in which employees gain an application of horizontal communication.

**Brainstorming Technique**

It was developed by Alex Osborn a partner in an agency. The technique was used originally to develop an add programme, but it can be used any time an organisation wants to develop creative or free wheeling ideas. These ideas may depart drastically from generally accepted practice.

The technique involves getting 6 to 10 people together to come up with a creative solution to a problem. The idea in brain storming is to create an atmosphere of enthusiasm and non-judgment in terms of the usefulness of an idea.

Four rules typically governs the brain storming process:

**1.All criticism is ruled out:**

Judgment or evaluation of ideas must be withheld until the idea generation process has been completed.

**2. Free wheeling is welcome:**

It is better if ideas are wilder or radical.

**3. Quality is wanted:**

The greater the number of ideas, the greater will be the possibility of obtaining a superior idea.

**4. Combination and improvement are sought:**

participants should suggest how ideas of others can be turned into better ones or how 2 or more ideas can be combined into still another idea.

Brain storming accepts all the harsh and critical judgment of the people. Therefore no attempts is made to evaluate responses during the session; it is done later. Brain storming sessions that last 40 minutes to one hour have been formed to be most effective.

**Delphi Technique**

It was developed by the Rand Corporation to allow for the benefits of group decision making without members sharing to meet face to face. In fact , it allows group decision making to be accomplished over large distances and widely scattered members.

The difference between brain storming and Delphi Technique is that in brain storming the members interact face to face and in Delphi technique members are scattered interact through audio conferencing.

**Procedure:**

1. a series of questionnaires are distributed over time to a decision making panel.
2. the first questionnaires states the problem and request potential situations.
3. There solutions are numarised by the decision coordination.
4. the summary is returned to the panel in a record questionnaires.
5. panel members respond again and the process is repeated until a consumers is reached and a clear decision emerges.

**Merits:**

1. It allows the collection of expert judgment without great costs.
2. brain storming may experts together for a face to face meeting is not necessary.
3. In such circumstances where it is physically impossible to concern a meeting this technique is must suitable.

**Limitations:**

1. It is time consuming process because sending questionnaires waiting for response and coming to consumes takes long time.
2. Cost of advertising the series of questionnaires is costly and simple affair.

**Grapevine Communication**

Informal communication is popularly known as grapevine.

The word grapevine originated during the civil war in America during which period telegraph lines were strong loosely from tree to tree in vine like fashion. Messages sent over this haphazard system often become grabbed, and any false information or rumor that can along was therefore ironically said to come from the grapevine.

Thus grapevine exists outside formal communication channels in organisation and is carried out either in face to face interaction or over the phone.

**Features:**

Following are the characteristics of grapevine.

1. Grapevine is found in every organisation and they are impossible to eliminates, because it is natural for employees to discuss matters of mutual concern.
2. Introduction usually travels more rapidly through the Grapevine than through official communication channels.
3. The Grapevine is a more spontaneous form of expression and have intrinsically more gratifying and credible than formal communication.
4. in Situations where official censorship and filtering occur, Grapevine information is more information.
5. On non-controversial topics related to the organisation, most of the information communicated through the Grapevine (about 75%) is accurate. Emotionally charged information however is more likely to be distorted.
6. The number of people who serve as actual links in the Grapevine is generally small (less than 10% of the group).

**Power of Grapevine**

1. It is an effective tool for developing corporate identity, building team work and motivating people.
2. It supplements formal communication channels to make the total communication system more effective.
3. the degree of Grapevine activity is a meaner of a company is spirit and vitality.



4. a likely Grapevine reflects the deep psychological need of people to talk about their jobs and their company as a central life interest.
5. without Grapevine the company would literally be sick.

**Limitations:**

1. It may be used to spread false rumors and destructive information.
2. Speed of Grapevine is so fast that it is difficult to check false rumors.

**Rumour**

Normally 75% of Grapevine information is accurate. The remaining 25% which is inaccurate called Rumour.

So rumour is untrue information that is communicated without factual evidence to back it up.

**Merits**

1. Helps in reducing anxiety.
2. Helps to make sense of limited or fragmented information.
3. To serve as a vehicle to organize group members and possibly outsiders into coalition also.
4. To signal a sender does status or power that he is the only person possesses the information.

**Why do rumours exist?**

1. The secrecy and competition that typically prevail in the large organisation.
2. wants and expectations creating the uncertainty underlying the rumour are fulfilled or until the anxiety is reduced.
3. Rumours also arise out of wishful dreams of people and out of sheer maliciousness.

**How to eliminate rumours:**

The management must learn to live with rumours as it is difficult to eliminate. However it should try to minimize the negative consequences of rumours by limiting their range and impact.

For this purpose some suggestions are given below:

1. Announce time tables for making important decisions.
2. Explain decisions and behaviour that may appear inconsistent or secretive.
3. Get at the root of the rumour and confront it with facts.

4. Identify rumour managers and discipline them.
5. Take the assistance of the rumour union to fight rumours.

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## **SUMMARY**

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Johari Window is a model developed to analyze, the causes of inter-personal conflict. So in order to have more open communication one has to understand behaviour. This can be categorized as open self, Hidden self, Blind self, and undiscovered self.

Transactional Analysis assumes that a person has three ego states i.e. parent, adult and child. The study these ego states helps in conflict solving among the members of the group.

Lateral thinking is the result of lateral communication which is also called horizontal communication. This is needed to achieve cooperation among group members of the same hierarchy and develop emotional and social support among them.

Brain storming is a technique of group decision making to take the advantage of the group as a decision making rumours and to minimize its potential disadvantages.

Delphi Technique allows the benefits of group decision making without member being prevent and meet face to face. In fact members are at large distances and widely.

Power of grapevine and scattered other informal communication is identified as effective tool for developing corporate image and building teamwork. It also helps to put social pressure on efficient employees by efficient employees.

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**QUESTIONS**

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1. Discuss the Johari Window model for analyzing interpersonal relationship.
2. What is Transactional Analysis? How does it contribute to understanding of human behaviour?
3. Discuss the usefulness of T.A. in different areas?
4. Differentiate between Brain storming and Delphi Technique of communication?
5. Explain in brief the various tools of communication?
6. Explain the power of Grapevine communication in an organisation?
7. What is meant by lateral thinking? Discuss?



## GROUPS AND ORGANISATIONS

### Objective of the unit

After the completion of the unit the student will be able to:

1. Understand the concept of Group Dynamics operating within the social system.
2. Know the types of groups and their importance.
3. Understand the Concept of Team and Five Stages of Team Development.
4. Understand the determinants of group Behavior and interpersonal relationships.

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### INTRODUCTION :

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Group dynamics is concerned with the interactions and forces between group members in a social situation. When the concept is applied to the study of organizational behavior, the focus is on the dynamics of members of formal or informal groups in the organization, i.e. it is concerned with gaining knowledge of groups, how they develop, and their effect on individual members and the organizations in which they function.

Group Dynamics describes how a group should be organized and conducted. Another view of group dynamics is that it consists of a set of techniques. Third view of Lewin is that group dynamics is viewed from the perspective of the internal nature of groups, how they form, their structure and processes and how they function and affect individual members, other group and the organization.

Group dynamics is a social process by which people interact face-to-face in small groups. It encompasses the dynamic of interaction patterns within the group, the subtle and the non-subtle pressures exerted by group members the manner in which decisions are made in the group. How work gets and how member needs are satisfied.

The importance of group dynamics to a manager lies in the fact that many people tend to act differently as individuals than as members of a group. According to Likert, "An organization will function best when its personnel function not as individuals but as members of highly effective work groups with high performance goals", A manager is simultaneously the leader of his own group and a participating member of the group.

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### PRINCIPLES OF GROUP DYNAMICS

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A group can work effectively only if its members stick to certain desired norms, which Cartwright has termed 'principles of group dynamics'. These principles are:

i) If a group is to be used effectively as a medium of change, those who are to be changed and those who are to wield an influence for change must have a strong sense of belonging to the same group, i. e., the barriers between the leaders and the led should be broken down.

ii) The more attractive a group is to its members, the greater the influence it would exercise on its members. If attitudes, values or behavior are relevant as a basis of attraction to the group, the group will wield a tremendous influence over them. If a man joins a union mainly to keep his job and to improve his working conditions, he may be largely uninfluenced by the unions attempt to modify his attitudes towards national affairs.

iii) The greater the prestige of a group member in the eyes of other members, the greater the influences he will exercise on them.

iv) Successful efforts to change individuals or sub-parts of a group would result in making them conform to norms of the group.

v) Strong pressure for changes in a group can be established by creating a shared perception by members for the need for change, thus making the source of pressure for change, thus making the source of pressure for change lie within the group itself.

vi) Information relating to the need for change, plans for change and the consequence of change must be shared by all the members of a group.

Vii) Changes in one part of a group produce a strain in other related parts which can be reduced only by eliminating the change or by bringing about readjustment in the related parts.

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## MEANING AND DEFINITION OF GROUP

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A group may be defined as the aggregation of small number of persons who work for common goals, may develop a shared attitude, and are aware that they are part of a group and perceive themselves as such. Thus causal aggregations of people do not qualify as a group because they ordinarily are not aware of one another, or if aware, do not interact with other individual in a meaningful way.

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

2. According to **Homans**, a group is “ a number of persons who communicate with one another, often over a span of time, and who are few enough so that each person is able to communicate with all the others, not at a secondhand, through other people, but face to face”.

### Nature and Features of a Group

The following are the salient features of group:

1) **Two or More Persons** : To form a group, there should be at least two persons because a single individual cannot interact.

There can not be any specific limit on the maximum number of persons in a group but the size of the group will be determined by rules and regulation of the organization in this context. There should be meaningful interaction among the members even in the case of informal groups.

- 2) **Collective Identity** : Members of the group must be aware about their membership of the group. Each member of the group must believe that he is member of, is a participant in, some specific group. It is the case of aggregation of individual, they are ordinarily not aware of one another or, if aware, do not interact with each other in a meaningful way.
- 3) **Interaction** : Members of the group interact among themselves. Interaction means that each member shares his ideas with others through communication and this communication can take place face, Face to Face in writing, over the telephone, across a computer network, or in any other manner which allows communication among group members. However, it is not necessary for all members of the group to interact simultaneously, but each member must interact atleast occasionally with one or more members of the group
- 4) **Shared Goal Interest** : Members of the group should subscribe to the attainment of some common objectives. However, It is not necessary that each member subscribes to or agrees with the objectives of the group. If a group has a variety of objectives or interest, each member of the group must share atleast one of the group's concerns. The shared goal interest binds the group member together.

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## TYPES OF GROUPS

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Groups may be classified into different types. The basis of differentiation may be purpose, extent of structuring, process of formation, and size of the group membership.

**i) Primary and Secondary Groups** : **Primary Groups** are those characterized by intimate, face-to-face association and co-operation. For example – family and peer group.

**Secondary group** are characterised by large size and individuals identification with values and ethnic group.

**ii) Membership Groups and Reference Group** : Membership group are ones to which the individual actually belongs. For example–Co-operative societies, Workers union, etc. Reference group are the ones with which an individual identifies or to which he would like to belong.

**iii) Ingroup and Outgroup** : Ingroup represents a clustering of individuals holding prevailing values in a society or atleast having a dominant place in social functioning. For example – Members of a team, family members, etc.

Out group are the masses or conglomerate viewed as subordinate or marginal in the culture. For example – Street performers, or an office worker, a hawker or a surgeon.

**iv) Interest Vs Friendship Group :** Interest group involves people who may come together to accomplish a particular goal with which they are concerned.

Friendship group are formed by people who have one or more common features. People coming from a particular region or holding a particular viewpoint or speaking a particular language tend to form Friendship groups.

**v) Formal and Informal Groups:** Formal group is said to be any social arrangement in which the activities of some persons are planned by others to achieve a common purpose. Basically formal groups assist in

- i. The accomplishment of goals
- ii. Facilitate the co-ordination of activities or functions
- iii. Aid in establishing logical relationships among people and positions
- iv. Assist in the application of specialization and division of labour
- v. Create group cohesiveness

Formal groups are created with structural associations and are formed to accomplish specific goals and carry specific tasks.

Informal groups exist within the confines of the formal authority structure. Informal organisation consists of a group of people who relate to each other spontaneously for the purpose of mutual benefit and achievement. The interactions that occur informally are neither prescribed by the formal structure, nor can they be completely controlled by formal authority.

There are several informal groups in an organisation, namely,

- i. Interest group : They come into being for the purpose of achieving some common objective.
- ii. Friendship group : These are socially oriented groups which frequently extend outside a work place. These are based on same age, views, interests.
- iii. Membership Groups : a membership group is one to which a person consciously belong but which he has no more than a minimal relationship.
- iv. Reference Group : These are groups to which one may belong and allow oneself to be influenced by its members behavior

### **Distinguish between Formal and Informal groups**

- 1) Formal groups are deliberately designed, structured and managed in preplanned manner, while informal groups emerge spontaneously and naturally out of formal structure.
- 2) The main purpose of formal group is to seek achievement of pre-determined common goals, but informal groups are aimed at satisfying social and personal needs of members.

- 3) Leadership in a formal group is backed by formal authority and power position held by individual member, but in informal group it is based on competition, personality, abilities, and acceptance by group members.
- 4) Formal groups are invariably larger in size as against informal groups which tend to be smaller in size.
- 5) Pattern of relationship in a formal group is strictly based on rationality, legality and contract but personal, social and emotional elements govern the pattern of relationship in informal groups.
- 6) Since formal groups are created in a planned manner they last long and enjoy high degree of stability and certainty as compared to informal groups which are prone to uncertainty and instability.
- 7) Members in a formal group communicate through chain of command while an informal channel is based on personal and social relations are used by members in informal group to communicate with each other.
- 8) Formal groups tend to be well structured and meticulously planned in every respect but informal group remain loosely structured and even disappear at slightest pretext.

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## REASONS RESPONSIBLE FOR FORMATION OF GROUPS

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1. **Companionship and friendship** : A group gives a person a feeling of belonging and makes it possible for him to socialize with his friends. It enables him to give a let to his feelings, get advice and eliminate the monotony of work.
2. **Security and protection** : A group can be a source of security and protection against management, especially if a member of the group has made mistakes and needs to keep the foreman from discovering them.
3. **Advance their own interest** : A group may try to secure benefits such as better and higher piece rate, or in the case of office workers, larger desks, longer lunch hours or other symbols of status, including favourable working conditions.
4. **Need for Assistance** : A group may want assistance or advice on one's job.
5. **Group as Means of Communication** : Group serves as the means of communicating information about the company or organisation which does not come through official channels or comes faster on the grapevine.

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## TEAM DEVELOPMENT

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Team is a small group with members in regular contact. When groups do operating tasks they do as a team and try to develop a cooperative circumstance known as team work. A work team generates positive synergy through coordinated effort. Their



individual efforts results in a level of performance that is greater than the sum of those individual inputs.

**According to Katzenbach and Smith**, team is defined as, “a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable.”

### **Reasons for the Popularity of Teams**

- i) Teams typically out perform individuals when the tasks being done require multiple skills, judgment, and experience.
- ii) To compete more effectively and efficiently organizations have turned to teams as a way to better utilize employee talents.
- iii) Management has found that teams are more flexible and responsive to changing events.
- iv) Teams have the capability to quickly assemble, deploy, refocus and disband.
- v) Teams facilitate employee participation in operating decisions.
- vi) Teams are an effective means for management to democratize their organizations and increase employee motivation.

### **Five Stages of Team Development or Life Cycle of a Team**

When a number of individuals begin to work at interdependent jobs, they often pass through several stages as they learn to work together as a team. These stages are:

**1)Forming:** At the first stage of the life cycle team members get introduced to each other if they have not interacted earlier. They share personal information, start to accept others, and begin to turn their attention towards the group tasks. At this stage, interaction among team members is often cautious especially when they are new to one another.

**2)Storming:** After the forming stage which is mostly related to perceiving and assessing each other, members start interaction among themselves in the form of competing for status, joking for relative control, and arguing for appropriate strategies to be adopted for achieving team's goals. Because of individual differences, different members may experience varying degree of tension and anxiety out of this interaction pattern.

**3)Norming:** After storming stage team members start settling. The team begins to moving in a co-operative fashion, and a tentative balance among competing forces is struck. At this stage, group norms emerge to guide individual behavior which form the basis for co-operative feelings and behavior among members.

**4)Performing:** When team members interact among themselves on the basis of norms that have emerges in the team, they learn to handle complex problems that come before the team. Functional roles are performed and exchanged as needed, and tasks are accomplished efficiently.

**5)Adjourning:** Adjourning is the end phase of life cycle of a team. Sooner or later, each team has to be adjourned, even the most successful teams as they have completed their mission. The adjournment phase takes place in the case of those teams which are created for some special purposes like task force, committee, etc. Other types of team like a department is an organization run on the basis of some permanency though there may be changes in team members. After the adjournment of the team, intense social relationship among members comes to an end.

It is not necessary that all teams follow the rigid pattern prescribed here and the similar problems they face at each stage because each team is different in some respect based on the type of members, problems and functions assigned. However, concept of stages is significant in the context of the nature of problem which team members are likely to face in a team work.

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## **DETERMINANTS OF GROUP BEHAVIOR**

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Team work or group behavior is reflected when the members know their objectives, contribute responsibly towards the task allotted to them and support each other. The determinants of group behavior are :-

1. A supportive environment
2. Association of skills and role requirements
3. Application of goals
4. Application through team rewards.

There is a model of work group behavior, which contains the “why”, “How”, and “when”, questions related to the groups. The figure below shows the reasons for group formation, the types of groups, the characteristics of group membership, and the end results. It also shows the feed-back cycle. It all shows the groups that achieve or are moving towards success (goal attainment) have the greatest attraction (cohesiveness) within the group.

**Fig. 1. A Model of Work Group Behavior**

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**TYPICAL TEAMS IN ORGANIZATIONS**

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The figure below explains the determinants of group behaviour

Self- Actualisation		Esteem-Needs	Social Needs	Economic Motive	Physical Proximity	Contributing factors to Group Membership Appeal
Mutual Decision Making Control				Acceptance Motivation		Development stages of Group Growth
Command Friendship	Task				Interest	Types of Work Force Groups
Emergent Status Hierarchy Control Communication Network Cohesive Qualities				Leadership Norms		Some Characteristics of Groups
Membership Satisfaction A. Participation B. Goal Attainment C. Status Consensus						One of many end results

Each informal group characteristically establishes group behavior standards or norms, beliefs, traditions and attitudes to which it expects its members to conform. According to Luthens, “norms are the ought’s of behavior. They are prescriptions for acceptable behavior determined by a group, institution or society”. The goals of an industry may be to provide a pleasant, enjoyable work place for its members, the group may establish maximum and minimum production standards- these may take the form of units produced, sales quotas achieved, time required to do a certain job, etc. In order to remain a member in good standing every worker must adhere to the production guidelines. Groups have typical behavior but have norms for absenteeism, promptness or tardiness at work. Though distinct in qualities, teams form set of norms which are accepted by its members. This brings about cohesiveness in the group.

Three specific social processes bring about compliance with the group norms, namely, group pressure, group review and enforcement and the personalization of norms. Team building encourages team members to examine how they work together identify their weaknesses and develop more effective ways of

Co-operating. The goal of team building is to make teams more effective. An effective team accomplishes its task, solves problems and have satisfying interpersonal relationships

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## SUMMARY

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A group consists of persons being together so that they have common goal with mutual interaction and each person in the group influences and is influenced by each other person. Groups form because people have a basic need for love, affection, respect and affiliation. Also group has more power to achieve individual goals for its members than the individual by himself.

There are two types of groups. Formal groups are formed purposely via formal authority in order to accomplish an organizational objective or task. Informal groups are formed naturally in response to some common interests of organizational members. Team members establish some degree of closeness resulting into cohesiveness despite there are typical team behaviors among members.

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5. Greenberg, J and Baron R. A. Behavior in Organizations 6<sup>th</sup> Ed. Prentice-Hall International Inc, 1997.

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## QUESTIONS

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1. Define Group Dynamics and explain the Principles of Group Dynamics of Indian Organizations ? Give Examples.
2. Do you think Group dynamics work in organizations ? How are the group goals integrated with the organizational goals ?
3. What are the types of Groups? How do formal groups differ from informal groups?
4. What are the determinants of group behavior? Explain them in brief



## LEADERSHIP

### Objective of the unit

After the completion of the unit the student will be able to

1. Understand the essentials of leadership
2. Study importance and need for leadership
3. Examine the Possible differences between managers and leaders
4. Study Formal and informal leaders and their functions
5. Study Competencies of leadership
6. Understand leadership theories and approaches
7. Know transactional leadership and transformational leadership

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### INTRODUCTION

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Effective leadership is of great importance in an enterprise to enable the enterprise in achieving its objectives. Leadership is the most important means of direction. It is a process by which an executive directs his subordinates and influence the work and behaviour of others for the common benefit of the organisation as well as its members. To lead means to guide, to direct and to integrate the efforts of people of an organisation towards a common goal. An effective leader directs the activities of his followers and integrates their activities for the accomplishment of some pre-determined objectives. He motivates them to work more and better. The success of an enterprise largely depends upon the quality of its leadership.

#### Definitions :

The term 'leadership' has been defined by many authors as under :

1. **Mooney & Reiley**, "Leadership is regarded as the form which the authority assumes when it enters into process".
2. **Chester I. Koontz & O'Donnell**, "Leadership may be defined as the influence, the art or the process of influencing people so that they will strive willingly towards the achievement of group goals".
3. **R.T. Livingston**, "Leadership is the ability to awaken in others the desire to follow a goal or objective".
4. **Ordway Tead**, "Leadership is that combination of qualities by the possession of which one is able to get something done by others, chiefly because, through his influence they become willing to do so".
5. **Alford & Beatly**, "Leadership is the ability to secure desirable actions from a group of followers voluntarily, without the use of coercion".
6. **Theo Haimann**, "Leadership can be defined as a process by which an executive directs, guides and influences the work of others in choosing and attaining specified goals by mediating between the individual and the organisation in such a manner that

both will obtain maximum satisfaction”.

On the basis of analytical study of above definitions, it may be concluded that leadership is an ability to direct and motivate other persons of an organisation so that they may contribute their efforts towards the success of organisation.

#### **Characteristics of Leadership :**

**1. Followers :** The success of leadership depends upon the number of followers. Larger the number of followers, more successful will be the leadership. Leadership cannot be thought of in the absence of followers.

**2. A Personal Quality :** Leadership is a personal quality of character and behaviour, which enables him to influence his men to follow and the followers follow his order and direction.

**3. A Common Goal :** Leadership clusters around the achievement of common goals. There must be some common goals before the leader and his followers. All the activities must be oriented to achieve these goals.

**4. Active Relations :** Presence of active relations between a leader and his followers is essential for effective leadership. The leader must himself initiate the work as he want it to be done by his followers.

**5. Practical Approach :** An effective leader is one who adopts practical approach towards the problems of enterprise. He should not be rigid. He should change his behaviour according to the need of time. He should follow the democratic method of leadership through wide and flexible approach.

**6. It is a Process :** Leadership is a continuous process of directing, guiding, presenting examples and influencing the people to make their best efforts for the attainment of pre-determined objectives.

#### **Essentials of Leadership**

Leadership is a quality which enables a person to direct other persons of the organisation and by that other persons become his followers. A leader directs and guides the activities of his followers and influences them to contribute their whole hearted efforts to achieve the common objectives of the enterprise. Therefore, it becomes essential that there must be follower of a leader. He must have a complete and clear knowledge of his organisation. He must have the clear knowledge of his abilities and limitations. He must have the clear knowledge of objectives of his organisation also. Only then he may direct, guide and regulate the activities of his followers. However, it is important to note that an effective leader is not necessarily a good manager also.

#### **Leadership may be viewed variously as :**

**1. Leadership as a Status Group :** It refers to a situation where a person acquires leadership by reason of his heredity (as when he is a descendant of a royal family), or election, or appointment to a position.

**2. Leadership as a Focal Person :** According to this view, leadership vests the in people who are traditionally regarded as leaders by virtue of managerial positions held by them, such as in the case of directors, executives, administrators, managers, chiefs, etc.

**3. Leadership as a Function :** The leadership function consists in facilitating the achievement of group goals. The person who performs this function is regarded as the leader. As a result, while there are several people involved in working towards accomplishment of group goals and many complex factors, including a sheer luck, which may affect the outcome, the credit or discredit for success or failure of the collective endeavor is attributed to the leader of the group.

**4. Leadership as a Process :** According to this view, leadership is an interactive process in which leaders and followers exchange influence, i.e., the leader influence the followers by his ideas, direction and support, and the followers influence the leader by their contribution to the achievement of group goals.

### **Importance and Need for Leadership**

**1. Determination of Goals :** A leader performs the creative function of laying down goals and policies for the followers. He acts as a guide in interpreting the goals and policies.

**2. Organisation of Activities :** A good leader divides organisation activities among the employees in a systematic manner. The relationships between them are clearly laid down. This reduces the chances of conflict between them.

**3. Achieving Coordination :** A leader integrates the goals of the individuals with the organisational goals and creates a community of interests. He keeps himself informed about the working of the group. He shares information with the group for the coordination of its efforts.

**4. Representation of Workers :** A leader is a representative of his group. He takes initiative in all matters of interest to the group. He also attempts to fulfill the psychological needs of his followers.

**5. Providing Guidance :** A leader guides the subordinates towards the achievement of organisational objectives. He is available for advice whenever a subordinate faces any problem.

**6. Inspiration of Employees :** A good leader inspires the subordinates for better performance. Motivation is necessary for getting the desired work from the subordinates. The leader motivates the employees by providing them economic and non-economic rewards.

**7. Building Employees' Morale :** Good leadership is indispensable for high employee morale. The leader shapes the thinking and attitudes of the group. He develops good human relations and facilitates interactions among the members of the group. He maintains voluntary cooperation and discipline among followers.

**8. Facilitating Change** : Leadership is the mechanism to convince workers about the need for change. Dynamic leadership is the corner-stone of organisational change. An effective leader is able to overcome resistance to change on the part of workers and thus facilitates change.

Thus, leadership is a part of management, but not all of it.

This implies that a strong leader can be a weak manager because he is weak in planning or some other managerial duty.

Reverse to this, manager can be a weak leader and still be an acceptable manager, especially if he happens to be managing people who have strong inner achievement drives.

### **Functions of a Leader**

**(i) Setting Goals** : A leader provides guidance to the group by setting goals to his subordinates. He acts as a guide of his followers by setting objectives of the group.

**(ii) Representation** : A leader represents the group to his superiors. A good leader is the guardian of the interests of the subordinates. He is the personal embodiment of the impersonal organisation inside and outside the organisation.

**(iii) As a Counselor** : A leader may render advice and tries to overcome barrier, real or imaginary and instills confidence in the employees. Leadership creates a cooperative attitude among the employees.

**(iv) Develops Team Spirit** : A leader develops a sense of collectivism in the employees to work as a team. Individuals within the group may be shown varied interests and multiple goals. A leader has to reconcile their conflicting goals and restore equilibrium.

**(v) Strives for Effectiveness** : A leader provides an adequate regard structure to improve the performance of employees. He delegates authority and invites participation from the employees to achieve better results. He provides imagination, foresight and initiative to group members and forces them to have an identity of interests, outlook and action.

### **Competencies of Leadership**

**1. Diagnosing** : Understanding the situation you are trying to influence. It is understanding what the situation is now and knowing what you can reasonably expect to make it in the future. The discrepancy between the two is the problem to be solved. This discrepancy is what the other competencies are aimed at resolving. Thus, diagnosing is a cognitive - or cerebral - competency.

**2. Adapting** : Altering your behaviour and the other resources you have available to meet the contingencies of the situation. It involves adapting your behaviours and other resources in a way that helps close the gap between the current situation and what you want to achieve. Thus, adapting is a behavioural competency.



**3. Communicating** : Interacting with others in a way that people can easily understand and accept. Even if you are able to understand the situation, even if you are able to adapt behaviour and resources to meet the situation, you need to communicate effectively. If you cannot communicate in a way that people can understand and accept, you will be unlikely to meet your goal. Thus, Communicating is a process competency.

**Differences between Manager and Leadership** : Manager is not the same as leader. The main differences between manager and leader are follows :

#### **Factors Affecting Choice of Leadership**

As a manager works with his organisation, his choice of a leaders is governed by certain forces. These are :

**(1) Forces Acting on the Manager** : In any given situation, the behaviour of the manager is influenced by his own personality; that is, leadership is perceived on the basis of his background, knowledge and experience. The important forces affecting him are :

- (a) His value system; that is, the relative importance he attaches to organisational efficiency, the personal growth of his subordinates, and company profits.
- (b) His confidence in his subordinates, which is influenced by the knowledge and competence they have.
- (c) His own leadership inclination; that is, whether he can function comfortably and naturally or whether he is uncomfortable when operating in a team.
- (d) His feeling of security in an uncertain situation. In other words, his tolerance of ambiguity is taken as an important variable in his dealing with problems.

**(2) Forces Acting on the Subordinates** : The leader needs a knowledge of the factors which influence' his employees' personality. The manager may grant greater freedom to his subordinate if he is assured that :

- (a) The subordinate has a relatively high need for independence;
- (b) He is ready to assume responsibility for decisions;
- (c) He is interested in the problem which is important;
- (d) He has a relatively high tolerance of ambiguity;
- (e) He understands, and identifies himself with, the goals of the organisation;
- (f) He has the necessary knowledge and experience to deal with problems; and
- (g) He has learnt to expect that he would share in the decision-making process.

#### **Leadership Theories and Approaches of Leadership**

Various leadership models have been presented by different authors, but important among them are trait, behaviour,

contingency and neocharismatic models. These models are also known as theories. Effective leadership is a function of the characteristics of the leader, the style of leadership, the characteristics of a followers and the situation surrounding the organisation. It clearly indicates that the leadership models can be respectively a trait model (theory), behavioural model, contingency model and neocharismatic models. None of them can be a supreme model. A combination of all these models makes an appropriate leadership model.

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## TRAIT THEORY OF LEADERSHIP

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Trait is defined as relatively enduring quality of an individual. According to this theory, it was felt that leaders are born and not made. Trait approach leadership studies were quite popular between 1930 and 1950. The trait theory is basically concerned with identifying personality traits of the leaders. It was the hypothesis that the persons having certain traits could become successful leaders.

Some of the important Traits of an Effective Leader are discussed below :

**(a) Intelligence** : This trait seems to hold up better than any other. Leaders generally have somewhat higher level of intelligence than the average of their followers. They possess the ability of think scientifically, analyse accurately and interpret clearly and precisely the problems before them in terms of different aspects and perspectives.

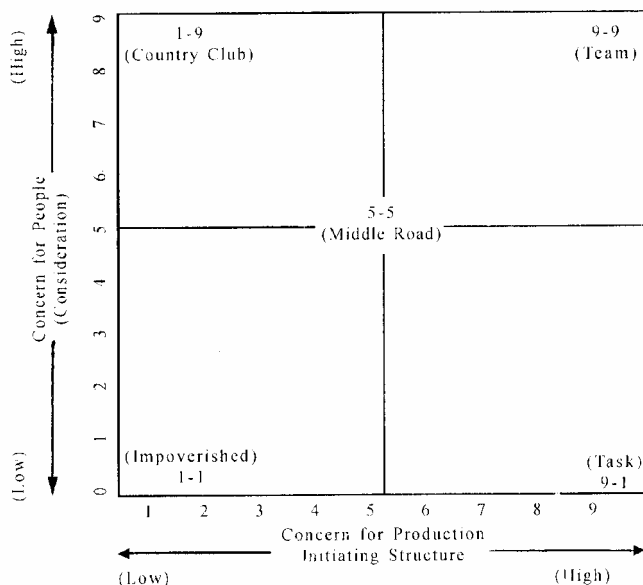
**(b) Physical Features** : Physical characteristics and level of maturity determine personality of an individual which is an important factor in determining success of leadership. Height, weight, physique, health and appearance of an individual are important for leadership to some extent.

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## MANAGERIAL GRID

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The concept of managerial grid was created by Robert R. Blake and Janes S. Mouton of U.S.A. This theory by Blake and Mouton (1978) has a popular application of both tasks and person orientation. According to this theory leaders are most effective when they achieve a high and balanced concern for people and for tasks. Each leader can be rated somewhere along each of axes from 1 to 9 depending on his orientations as shown in figure.



**Fig. 2 : The Managerial Grid Leadership Styles**

The graphic representation in grid form displays concern for production along the X-axis on a scale from 1 through 9. The ordinate or Y-axis expresses concern for people and is also on a scale of 1 through 9. A management theory that exhibits a maximum concern for production and a minimum interest in people (9.1) is characterised by a high-pressure authoritarian style.

The converse of 9.1 management is 1.9 which shows a low concern for production and a high concern for people. Leadership that evidences a high concern for both people and production is labelled 9.9.

**Contents of Organization Development Programme :** A typical programme will begin with a day or two of discussions, preferably away from the plant, between the senior executives and an outside adviser who has experience in this field. A plan will be devised to clarify the objectives to be achieved and to carry out any necessary analyses of the situation. The importance of this “Diagnostic” stage cannot be over-emphasised. You cannot cure a patient if you cannot diagnose the disease.

A typical organization development (O.D.) programme may include the following phases :

**Phase 1** consists of studying the managerial grid as a theoretical framework for understanding human behaviour in the organization. The participants are pointed toward a full comprehension of 9.9 management as a basis of Organizational excellence.

**Phase 2** of the programme is concerned with team development using the grid as a framework for discussion. Focus is upon a single team and the manager to whom it directly reports. A plant manager and his immediate subordinate could constitute one seminar team. Each member's perception of the team's culture of the actual problems faced on the job.

**Phase 3** is concerned with intergroup development to reduce conflict among groups. This phase tries to improve ways of resolving differences. In this phase, departments or groups that normally interrelate on the job are brought together, two at a time to identify features of an idealised relationship. The participants then recommend measures for improving the interworkings of their departments.

**Phase 4** involves the creation of an ideal strategic model for the organization. The participants are primarily the chief executive and his immediate subordinates. They formulate an idealised corporate strategy.

**Phase 5** seeks to apply strategies developed by the management in the previous phase.

**Phase 6** provides evaluation of the programme. This provides a systematic critique of progress achieved using as a guide generalized criteria that Blake and Mouton have devised.

The technique of Grid training is used for improving managerial effectiveness. It suggests that the leaders in the organization must be high on both concern for people and concern for production. Recent studies support the success of grid training, specially in developing effective managers, or effective leadership style. Thus grid training is one of the effective technique of improving quality of leadership within the organization and increasing efficiency of the organization.

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## **HURSEY BLANCLCARD'S SITUATIONAL MODEL**

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Hursey Blanclcard's situational Model is different from Fiedler's Model. According to them Leadership style should be in accordance with needs of maturity of subordinates which moves in stage.

Other name of this theory is "**Life Cycle Theory of Leadership**".

**Leadership Styles** : Based on two consideration and thus classified into 4 groups.

**(i) Rational Behaviour** : Has socio-emotional support provided by Leader.

**(ii) Task Behaviour** : Seen in terms of amount of guidance and direction provided by leader.

### **Subordinate's Maturity**

Maturity has been used in the form of ability and willingness of the people for directing their own behaviour and is not strictly in accordance with the immaturity - maturity theory of Argysis. Job Maturity is that ability which refers to the knowledge and skills of an individual to do the job. Willingness refers to the psychological maturity and how much to do with the confidence and commitment of the individual. These variables of maturity should be considered only in relation to a specific job to be performed when both components of maturity ability and willingness are combined we can get 4 combinations.

1. Low Ability and Low Willingness	Low Maturity
2. Low Ability and High Willingness	Low to Moderate Maturity
3. High Ability and Low Willingness	Moderate to High Maturity
4. High Ability and High Willingness	High Maturity

#### Combining Leadership Styles and Maturity

The Leadership style is appropriate at a given level of maturity. If we combine Leadership style 4 maturity we may arrive at the relationship between there two :

#### **Hursey-Blanchard's Model of Situational Leadership Styles**

There are four Leadership styles, each being appropriate to a specific Level of Maturity the four leadership styles are :

**1. Telling** : Those subordinates who have low maturity, i.e., neither they have ability nor they are willing to do, they require telling leadership style. It involves high task behaviour and low relationship behaviour.

**2. Selling** : Those subordinates who have high willingness but lack ability, selling leadership style is appropriate.

The subordinates require both supportive and directing behaviour which is marked by high task and high relationship behaviour.

**3. Participating** : Subordinate with moderate to high maturity who have ability to do but lack willingness require high external motivating force. In such case we require participating leadership style with low task behaviour and high relationship behaviour.

**4. Delegating** : In this stage, subordinate with high maturity have both ability and willingness to work hardly require any leadership support. The most appropriate leadership style is delegating which involves low task behaviour and low relationship behaviour in this situation.

#### **Implication of the Model :**

This model suggests that the maturity level of the subordinates and the group has an important bearing for leadership behaviour. Means when the maturity level changes, there must be corresponding change in leadership behaviour.

This model has provided training ground for developing people in the organisation.

There are some shortcomings also in this model. There has not been much research evidence to support or reject the applicability of model as it could not are use enough interest in researchers. That's why it has not become much popular.

#### **Leadership Style :**

The term 'leadership style' refers to the pattern of behaviour which a leader adopts in directing the behaviour of the followers towards the attainment of organisational goals. The nature and form of leadership style is affected by the following factors : existing circumstances, time-period, personality of the leader, his experience, attitude and orientation, nature of followers, external environment and so on. Most of the managers use several styles at one or the other point of time, but in which category a manager falls, is decided by the style that is mostly used by him.

**There are three important leadership styles as follows :**

**1. Autocratic or Authoritarian Styles :** This is a traditional method of leadership. An autocratic leader centralise power and decision making in himself and exercises complete control over the subordinates. He dominates and drives his group through coercion and command. He uses both positive and negative motivations, for example, reward, praise, fear of criticism or punishment. When he used positive motivations, that is called 'benevolent autocratic style' and when he uses negative motivations, that is known as 'dictatorial or oppressive autocratic style'. The autocratic leader likes Theory X-undemocratic thinking.

The autocratic leader himself decides all policies. He gives orders to the subordinates and expects them to follow such orders completely without any grudge or question. Under this style, subordinates are thought to be inexperienced and wisdomless and therefore they are given no freedom and the course of action are decided by the autocratic leader. Hence the future action is not known to any one except the leader.

Autocratic style permits quick decision making; provides strong motivation and satisfaction to the leader centralise power and dictates terms; yields positive results when great speed is required; and need less competent subordinates at lower levels. Its major disadvantages are : It leads to frustration, low morale and conflict among subordinates. Subordinates are induced to avoid responsibility, initiative and innovative behaviour. Full potential of subordinates and their creative ideas are not utilised.

**2. Democratic or Participative Style :** The democratic leader decentralises power. He involves subordinates in the decision making. Decisions are made in consultation and participation with the subordinates. This style emphasises group-discussion and group decision making. The democratic leader likes Theory Y-fairness, equity and human relation. He emphasises both work and worker. The subordinates are encouraged to utilise their full latent potential and capacities, and assume greater responsibilities. The democratic leader shares power with subordinates, delegate adequate authority to them, keep them well informed about matters of their interest and concern, and allow adequate freedom for thinking, discussing, expressing and making suggestions.

The major advantage of this style is to improves job satisfaction and morale; develops positive attitudes; reduces resistance to change; generates self-motivation due to participative decision making and freedom of thought and impression; increases productivity; and develops better subordinates.

The major disadvantages of this style is time-consuming and causes delays in decision making may fail when the communication pattern and skill are not strong enough; is not workable where subordinates do not want to take extra responsibility of sharing in decision making and becoming part of every decision; decreases

productivity in some cases especially when decisions are diluted to appease or please everybody.

**3. Free-rein or Laissez-faire or Permissive Style :** There are several forms of this style. For example, in some cases the subordinates are given a goal to achieve in their own way, whereas in some other cases, they themselves decide their group goals. In fact, there is almost complete delegation of authority; and the path leading to the goals is decided by the subordinates themselves. The leader behaves primarily as a member of the group and play the role of a member only. He gives his opinion or suggestion only when it is demanded from him. Under this style, the group members are educated and motivated by themselves; the leader is not required to educate but he acts, as a link primarily for arranging adequate resources needed for attaining the goals, for establishing contact between employees and the outside world, for collecting necessary information from external sources, and for establishing coordination.

The major advantages of this style is to increases subordinates freedom, develops their expression, compels them to work as group members, increases job satisfaction and morale, utilises subordinates potential to the maximum possible extent, and promotes creativity or innovation.

#### **Choosing a Leadership Style :**

Which leadership style is best or which to choose ? Different scholars make different suggestions in this regard. The choice of a style will depend upon several factors, such as suggested by Tannenbaum and Schmidt :

**1. Forces in the Manager :** Manager's value system, confidence in subordinates, own leadership inclinations and feeling of security in an uncertain situation.

**2. Forces in the Subordinates :** Their need for independence, readiness to assume responsibility for decision making, tolerance for ambiguity (or strangeness), interest in problem at hand, understanding and identification with the goals of the organisation, knowledge and experience to deal with the problem, and learned expectation of sharing in decision making process.

**3. Forces in Situation :** The type of organisation, group effectiveness, the complexity of the problem itself, pressure of time on the situation etc.

Effective manager should be expert enough to adapt or modify their leadership style as per the need of the moment. Sticking to on "best" considered style at all times in all situations with all people may not work well to be a good leader. Most suitable leadership style is that which "fits" with the situation, the followers and the leader.

#### **Transactional Leadership :**

A transactional leader is one who guides and motivates his follows

in the direction of established goals by clarifying role and task requirements. Transactional leadership involves exchange relationship between the leader and the followers. Traditional theory of leadership, Ohio State Studies, Fielder's model, and Path-Goal theory are all transactional in nature. On the basis of his research findings, Bass concluded that in many instances (such as relying on passive management by exception), transactional leadership is a prescription for mediocrity and that transformational leadership leads to superior performance in organisations facing demands for renewal and change. He suggested that fostering transformational leadership through policies of recruitment, selection, promotion, training and development will pay off in the health, well-being and effective performance of today's organisation.

Managers of the future will continue to face the challenge of a changing their organisations, primarily because of the accelerating trend to position organisations to be more competitive in a global business environment. Therefore, transformational leadership will probably get increasing attention in the leadership research by the behavioural scientists.

### **Characteristics of Transactional and Transformational Leaders**

**(i) Contingent Reward** : Contracts exchange of rewards for effort, promises rewards for good performance, recognises accomplishments.

**(ii) Management by Exception (Active)** : Watches and searches for deviations from rules and standards, takes corrective action.

**(iii) Management by Exception (Passive)** : Intervenes only if standards are not met.

**(iv) Laissez Faire** : Abdicates responsibilities, avoids making decisions.

### **Transformational Leadership :**

Leader who inspires followers to transcend their own self interests for the good of the organisation, and who is capable of having a profound and extraordinary, effect on his or her followers is known as transformational leader.

For example, Leslie Wexner of the Limited Retail Chain and Jack Welch at General Electric pay attention to the concerns and developmental needs of individual followers; they change followers' awareness of issues by helping them to look at old problems in new ways; and they are able to excite, arouse and inspire followers to put out extra effort to achieve group goals. Thus, transformational leaders are the leaders who provide individualised consideration and intellectual stimulation, and who possess charisma.

### **Characteristics of Transformational Leaders :**

**(i) Charisma** : Provides vision and sense of mission, instills provide, gains respect and trust.

**(ii) Inspiration** : Communicates high expectations, uses symbols to focus efforts, and expresses important purposes in simple ways.



**(iii) Intellectual Stimulation** : Promotes intelligence, rationality, and careful problem solving.

**(iv) Individualised Consideration** : Give personal attention, treats each employee. Individually, coaches, advices.

Transformational leadership is built on top of transactional leadership (leaders who guide or motivate their followers in the direction of established goals by clarifying role and task requirements). It produces levels of subordinate effort and performance that go beyond what would occur with a transactional approach alone. Moreover, transformational leadership is more than charisma. “The purely charismatic (Leader) may want followers to adopt the charismatic’s world view and go no further, the transformational leader who attempt to instill in followers the ability to question not only established views but eventually those established by the leader”.

The evidence supporting the superiority of transformational leadership over the transactional variety is overwhelmingly impressive. For instance, a number of studies with U.S. Canadian, and German military officers found at every level, that transformational leaders were evaluated as more effective than their transactional counter parts.

In summary, the overall evidence indicates that transformational leadership is more strongly correlated than transactional leadership with low turnover rates, higher productivity and higher employee satisfaction.

**Guidelines for Transformation Leadership** : There are some tentative guidelines for leaders who seek to inspire and motivate followers :

**1. Articulate a Clear and Appealing Vision** : Transformational leaders strengthen the existing vision or build commitment to a new vision. A clear vision of what the organisation could accomplish or become helps people understanding the purpose, objectives and priorities of the organisation. It gives the work meaning, serves as a source of self-esteem, and fosters a sense of common purpose. Finally, the vision helps guide the actions and decisions of each member of the organisation, which is especially important when individuals or groups are allowed considerable autonomy and discretion in their work decision.

**2. Explain How the Vision can be Attained** : It is not enough to articulate an appealing vision; the leader must also convince followers that the vision is feasible. It is important to make a clear link between the vision and a credible strategy for attaining it. This link is easier to establish if the strategy has a few clear themes that are relevant to shared values of organisation members. Themes provide labels to help people understand issues and problems. The number of themes should be large enough to focus attention on key issues, but not so large as to cause confusion and dissipate energy. It is seldom necessary to present an elaborate plan with detailed action steps.

**3. Act Confidently and Optimistically :** Followers are not going to have faith in a vision unless the leader demonstrates self-confidence and conviction. It is important to remain optimistic about the likely success of the group in attaining its vision, especially in the face of temporary roadblocks and setbacks. A manager's confidence and optimism can be highly contagious. It is best to emphasise what has been accomplished so far rather than how much more is yet to be done. It is best to emphasise the positive aspects of the vision rather than the obstacles and dangers that lie ahead. Confidence is expressed in both words and actions. Lack of self-confidence is reflected in tentative, faltering language (for example, "I guess, may be, hopefully") and some nonverbal cues (for example, frowns, lack of eye contact, nervous gestures, weak posture).

**4. Express Confidence in Followers :** The motivating effect of a vision also depends on the extent to which subordinates are confident about their ability to achieve it. People perform better when a leader has high expectations for them and shows confidence in them. There is more need to foster confidence and optimism when the task is very difficult or dangerous or when team members lack confidence in themselves. If appropriate, the leader should remind followers how they overcame obstacle to achieve an earlier triumph. If they have never been successful, the leader may be able to make an analogy between the present situation and success by a similar team or organisational unit. Review the specific strengths, assets and resources that they can draw on to carry out the strategy. List the advantages they have relative to opponents or competitors. Tell them that they are as good as or better than an earlier team that was successful in performing the same type of activity.

**5. Use Dramatic, Symbolic Actions to Emphasise Key Values :** Concern for a value or objective is demonstrated by the way a manager spends time, by resource allocation decisions made when there are trade-offs between objectives, by the questions the manager asks, and by what actions the manager rewards. Dramatic, highly visible actions are an effective way to emphasise key values.

Symbolic actions to achieve an important objective or defend an important value are likely to be more influential when the manager risks substantial personal loss, makes a self-sacrifice, or does things that are unconventional. The effect of symbolic actions is increased when they become the subject of stories and myths that circulate among members of the organisation and are retold time and again over the years to new employees.

**6. Lead by Example :** According to an old saying, actions speak louder than words. One way a leader can influence subordinate commitment is by setting an example of exemplary behaviour in day-to-day interactions with subordinates. Leading by example is sometimes called "role modeling". It is especially important for

actions that are unpleasant, dangerous, unconventional, or controversial. A manager who asks subordinates to observe a particular standard should also observe the same standard. A manager who asks subordinates to make special sacrifices should set an example by doing the same.

**7. Empower People to Achieve the Vision :** Empowerment means delegating authority for decisions about how to do the work to individuals and teams. It means asking people to determine for themselves the best way is to implement strategies or attain objectives, rather than telling them in detail what to do. It means encouraging subordinates to suggest solutions to problems if they come to you for help, and it means supporting subordinates who assume responsibility for resolving problems on their own, even though they do not do it the same way you would. Empowering also means reducing bureaucratic constraints on how the work is done so that people have more discretion. Finally, empowering means providing adequate resources for subordinates to carry out a task for which they are being held accountable.

#### **Leadership in Decision Making Process :**

It would be wise to say that leadership is important to an organisation's success. Leadership refers to the quality of behaviour of the individual whereby they guide people on their activities in organised effort.

Successful leaders anticipate change, vigorously exploit opportunities, motivate their followers to higher levels of productivity, correct poor performance and lead the organisation toward its objectives. Leadership contributes towards integrating various job activities, coordinating communication between organisational submits, monitoring activities and controlling deviations from standard. No amount of rules and regulations can replace the experienced leader who can make rapid and decisive decisions. Thus, successful leader represents the organisation initiates the action necessary to keep the organisation dynamic and progressive administers the organisation and arranges for planning, organising, directing and coordinating and interprets the organisational philosophy to internal and external groups in satisfying manner.

#### **Leadership plays a vital role in decision-making process.**

**1. Specific Objectives :** The need for decision-making arises in order to achieve certain specific objective. Every action of human being is goal directed. This is true for decision-making also which is an action. Leadership here plays a key role as leadership is the ability of influencing people to strive willingly for mutual objectives. In other words, leadership helps in setting objectives and goals which has to be achieved by the collective efforts of the subordinates by giving up their maximum potentialities. However, since the objective setting is an outcome of earlier decision, this

may not be considered truly as the first step of decision process but provides framework for the decision.

**2. Problem Identification** : Here, leadership helps in identifying the real problem. A problem is a felt need, a question thrown forward for solution. It is the gap between present and desired state of affairs on the subject - matter of decision. A problem can be identified much clearly, if leaders go through diagnosis and analysis of the problem.

**(i) Diagnosis** : Diagnosing the real problem implies knowing the gap between what is and what ought to be, identifying the reasons for the gap, and understanding the problem in relation to higher objectives of the organisation. So, here a good leader diagnoses the real problem.

**(ii) Analysis** : The analysis of the problem requires to find out who would make decision, what information would be needed, and from where the information is available.

Thus, diagnosis and analysis of problem done by a leader requiring decision will clarify what is needed and where the alternatives for doing the things can be sought.

## QUESTIONS :

1. What do you understand by Leadership ? Discuss its Nature and explain its Importance in Business Administration ?
2. "The success of an Industrial Enterprise depends upon the Quality of its Leadership". Explain this statement by specifying the Type of Leadership commonly used in an Industry.
3. Briefly discuss various Leadership Styles and also refer to their disadvantages and conditions of use which is the best style in your opinion.
4. Explain in brief the Adam's Equity Theory of Motivation.
5. Hursey Blanclcard's Situational Model is based on Limited Number of variables but these variables are quite significant comment.
6. In your own words, briefly describe Alderfes's ERG Model.



# FOUNDATIONS OF INDIVIDUAL BEHAVIOUR

## Objective of the units

After the completion of the unit the student will be able to

1. Understand individual differences and determinants of individual behaviour
2. Understand personality traits
3. Determinants of personality
4. Factors influencing individual behaviour
5. Assessment of personality
6. Approaches to study individual's personality
7. Various theories of Personality

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## INTRODUCTION

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Each of us has a good deal of knowledge about human behaviour acquired through personal experiences. Since our childhood, we have observed the actions of others and have attempted to interpret what we see. This fact might have not come to our conscious mind of most of us. But the universal truth is that every human being watches and behaves accordingly. This helps us in understanding and even predicting the behaviour of others. Sometimes, we even generalise certain patterns of behaviour such as “Everyone is motivated by money”, “Every student attempts to maximise his knowledge”. All these views are based on our limited experience or intuition.

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## INDIVIDUAL DIFFERENCES

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Each person in the world is individually different. The idea of individual difference comes originally from psychology. From the day of birth, each person is unique : and experiences after birth tend to make him even more different. The law of individual differences states that management can motivate employees by treating them individually. There can be no standard technique a dealing with the individuals because of differences between them.

Every individual may behave differently to the same stimulus under the given environment. And a person may respond differently to a given stimulus under different environment. This is because of the differences among individuals. People differ in age, sex, attitudes, background, education, perception, intelligence, values system, physical features, etc. There may be many possible combinations of these characteristics. That is why, placed in similar situations, all

people do not act alike. For instance, in case of a road accident, the doctor will like to provide first aid to the victims immediately and hospitalise them, if necessary; the traffic controller will engage himself in analysing the violation of traffic rules and an anti-social element will try to remove the belongings of the persons involved in the accident. Therefore, it is essential to recognise individual differences while dealing with any human relation problem. The value of any generation about human behaviour will always be subject to individual differences.

### **Determinants of Individual Behaviour :**

#### **I. Biographical Characteristics :**

**(i) Age :** The employee turnover among the older employees is very low as compared to the employees in their twenties and thirties. Absenteeism among the middle aged employees is less as compared to the young and old employees.

**(ii) Sex :** It is generally believed that physical differences between males and females will affect their job performance where they are required to put hard physical labour. But as for a problem-solving ability, analytical skills, motivation, leadership, sociability, etc. are concerned, there appears to be no difference among the males and females. However, at the lower levels in the organisation, women are more willing to conform to authority, whereas men are more aggressive.

**(iii) Marital Status :** Married employees show higher consistency in their behaviour. Rates of absenteeism and labour turnover are lower among them. They are also found to be more satisfied with their jobs.

**(iv) Number of Dependents :** The employees having more number of dependents have less labour turnover, but high absenteeism.

**(v) Ability :** It refers to an individual's capacity to perform his job. An individual's abilities are of two kinds, namely, intellectual and physical.

**Intellectual Abilities :** The abilities required to perform mental work are known as mental abilities. They include number aptitude, verbal comprehension, perceptual speed and inductive reasoning. The degree of intellectual abilities required will normally depend upon the level in the organisation where the individual is working.

**Physical Abilities :** These include stamina, strength and similar skills. Physical abilities are more important for doing less skilled and more standardised jobs in the lower levels of the organisation.

**II. Personality** : Personality denotes the psychological characteristics of a person that influence his behaviour towards goal achievement. It is the sum total of ways in which an individual interacts with others. Personality has key influence on work performance. In jobs where human relations are very important, personality of the incumbent determines his effectiveness.

The following factors give shape to the personality of an individual as under :

**1. Heredity** : It means the transmission of the qualities from ancestor to descendant through a mechanism laying primarily in the chromosomes of the germ cells. Physical stature, facial attractiveness, sex temperament, muscle composition, reflexes, etc. are inherited from one's parents. However, the importance of heredity varies from one personality trait to another.

**2. Physical Features** : An individual's external appearance may have a tremendous effect on his personality. Some people give relatively higher weight age to the physical features of an individual while defining his personality. Good physical appearance is an asset for the job of a sales person and public relations.

**3. Family and Social Factors** : The development of individual's personality is also influenced by his family and other social groups. The infant acquires those behaviour patterns that are customary and acceptable to the standards of the family and the community where the family lives.

**4. Situation** : An individual's personality may change in different situations. The demands of different situations may call for different aspects of one's personality. Therefore, we should not look at personality factor in isolation. Although certain generalisations can be made about personality, there are significant individual differences which are further influenced by situational factors.

The relationship of the above factors affects the formation and development of personality. Physiological inheritance is entirely an internal contribution. Group and the culture are the early environmental factors that influence later behaviour. Family and the social setting during early stages of education are the important factors which influence the initial formation of personality. Whatever the child learns lasts for life time. Later in life, it is the peer groups of primary affiliations at work, social activities, etc. which shape the personality.

**Personality Traits :**

Cattell identified 15 source primary traits. These were found to be generally steady and constant sources of behaviour. But there was found to be no scientific relevance. The traits are listed below :

1. Reserved-Outgoing
2. Less intelligent-More intelligent
3. Affected by feelings-Emotionally stable
4. Submissive-Dominant
5. Serious-Happy go guy
6. Expedient-Conscientious
7. Timid-Venturesome
8. Tough minded-Sensitive
9. Trusting-Suspicious
10. Practical-Imaginative
11. Forthright-Shrewd
12. Conservative-Experimenting
13. Group-dependent-Self-sufficient
14. Uncontrolled-controlled
15. Relaxed-Tense

In the trait approach, several behaviours are seen as cluster characterising individuals with high degree of stability.

**Locus of Control :** People are assumed to be of two types : 'Internals' and 'Externals'. Internals are people who believe that much of what happens to them is controlled by their destiny. Externals believe that much of what happens to them is controlled by outside forces.

**Machiavellianism :** High Machs tend to take control, especially in loosely structured situations; Low Machs respond well to structured situations. High Machs tend to be more logical, rational and pragmatic. They are more skilled in influencing and coalition building.

**Characteristics of Type A and Type B individuals :****Type A :**

- (i) More aggressive, competitive, hardworking, busy, impatient and restless.
- (ii) Seek challenges, workaholic and are successful.
- (iii) Set very high goals for themselves and compete with themselves to maintain those high goals.
- (iv) Make excessive demands on themselves and others.
- (v) Get excited very quickly even with the slightest stimulation.
- (vi) Work for long hours and under constant time pressure.
- (vii) Unable to relax and enjoy free time, become restless if they have nothing to do.



- (viii) Suffer from coronary heart diseases, high blood pressure, ulcer etc.
- (ix) As they are perfectionist, they achieve the target but become hostile and frequently get angry with others.
- (x) Other employees do not prefer to work with them.

**Type B :**

- (i) React with more effective behaviour strategies.
- (ii) Accept the situation and work on it.
- (iii) Relaxed, easy going and enjoy leisure.
- (iv) Set those goals to attain about which they are confident and complete them without any time pressure.
- (v) Have knowledge of their limitations and work accordingly.
- (vi) Does not get excited quickly.
- (vii) Does not prove to serious health problems.
- (viii) Other employees prefer to work with them.

**Personality :**

The term 'personality' has been derived from the Latin term *persona* which means to 'speak through'. The Latin term denotes the masks worn by actors in ancient Greece and Rome. Common usage of the word 'personality' signifies the role which the person (actor) displays to the public. Personality of an individual is unique, personal and a major determinant of his behaviour. Because of differences in personality, individuals differ in their manner of responding to different situations. Some personality theorists emphasize the need to recognise the person-situation interaction, i.e., the social learning aspects of personality. Such an interpretation is highly meaningful to the study of human behaviour. In psychology, the term 'personality' is interpreted in different ways by different theorists. For example, Carl Rogers views personality in terms of self, an organised, permanent, subjectively perceived entity which is at the very heart of all our experiences. Gordon Allport defines personality as what an individual really is, as an internal 'something' that guides and directs all human activities. Still another conception is that of Freud, who describes the structure of personality as composed of three elements-the id, ego, and super ego.

According to Gordon Allport, "Personality is the dynamic organisation within the individual of those psychological systems that determine his unique adjustment to his environment." In the words of Floyd L. Ruch, "Personality includes external appearance and behaviour, inner awareness of self as a permanent organising force and the particular pattern or organisation of measurable traits, both inner and outer."

A comprehensive definition of personality is given by Fred Luthans.

In his words, personality means how a person affects others and how he understands and views himself as well as the pattern of inner and outer measurable traits, and the person-situation interaction. How a person affects others depends upon his physical appearance (such as height, weight, facial features, colour, etc.) and behaviour (such as courteous, friendly, expressive, cooperative, etc.). Thus personality represents the 'whole person' concept. It includes perception, learning, motivation and more.

### **Determinants of Personality**

**1. Situational Factors :** An individual's personality may change in different situations. The demands of different situations may call for different aspects of one's personality. Therefore, we should not look at the personality factor in isolation. Although certain generalisations can be made about personality, there exist significant individual differences which are further influenced by situational factors.

The relationship of the above factors affects the formation and development of personality. Physiological inheritance is entirely an internal contribution. Group and the culture are the early environmental factors that influence later behaviour. Family and the social setting during early stages of education are the important factors which influence the initial formation of personality. Whatever the child learns lasts for life time. Later in life, it is the peer groups of primary affiliations at work, social activities, etc. which shape the personality of an individual.

**2. Family and Social Factors :** The development of individual's personality is also influenced by his family and other social groups. The infant acquires those behaviour patterns that are customary and acceptable to the standards of the family and the community where the family lives. The status of the family in the society influences individual's perception about self, others, work, money, etc.

Family and social factors shape a person's personality through the processes of socialisation and identification. Socialisation is a process by which an infant acquires, from the enormously wide range of behavioural potentialities that are open to him at birth, those behaviour patterns that are customary and acceptable to the family and social groups. Socialisation process starts with initial contact between mother and her new infant. Later on, other members of the family and social groups influence the socialisation process.

The identification process occurs when a person tries to identify himself with some person whom he feels ideal in family. Generally

a child in the family tries to behave like his father or mother. The identification process can be examined from three different perspectives. First, identification can be viewed as the similarity of behaviour (including feeling and attitudes) between the child and the model. Second, identification can be looked as the child's motives or desires to be like the model. Third, it can be viewed as the process through which the child actually takes on the attributes of the model.

### **3. Biological Factors :**

**(i) Heredity :** It means the transmission of the qualities from ancestor to descendant through a mechanism lying primarily in the chromosomes of the germ cells. Physical stature, facial attractiveness, sex, temperament, muscle composition, reflexes, etc. are inherited from one's parents. 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 values and ideals.

**(ii) Brain :** There is a general feeling that brain plays an important role in the development of one's personality. However, no conclusive proof is available so far about the nature of relationship between the brain and personality.

**(iii) Physical Features :** An individual's external appearance may have a tremendous effect on his personality. Some people give relatively higher weightage to the physical features of an individual while defining his personality. Such factors include height, weight, colour, facial features, etc. of the individual. Good physical appearance is an asset for the job of a sales person and public relations.

### **Factors Influencing Individual Behaviour**

The important factors which influence the behaviour of individuals are explained below :

**1. Personality :** Personality refers to personal traits such as dominance, aggressiveness, persistence and other qualities reflected through a person's behaviour. An individual's personality determines the type of activities that he or she is suited for, and the likelihood that the person would be able to perform the task effectively. Thus, personality factors must be taken into account in determining the suitability of an individual for a position/task in an organisation.

**2. Socio-cultural Factors :** The socio environment of an individual includes relationship with family members, friends, co-workers, supervisors and subordinates. The behaviour of others (as distinct

from the individual's relationship with them) is also a part of an individual's social environment. Similarly, every individual has a cultural background which shapes his values and beliefs. The socio-cultural factors moderate the effect of other factors to determine the behaviour of an individual.

**3. Motivation :** Motivation refers to all the forces operating within a person to cause him or her to engage in certain kinds of behaviour rather than others. Even if all the factors are present to facilitate effective individual behaviour on a particular job, these factors would amount to nothing unless the person is motivated to perform well. Motivation may be internal, e.g., a person's skill, ability, and intelligence; or external e.g., incentives, training, etc. Further, a person's motivation is influenced by his or her attitudes, beliefs, values and goals.

**4. Organisational Factors :** Individual behaviour is influenced by a wide variety of organisational systems and resources. Systems such as the organisational structure and hierarchy strongly influence and constrain both what individuals do and how they do. In addition, individual behaviour is influenced by various types of resources provided by the organisation such as advice and directions from leaders, physical support in terms of facilities and technology.

**5. Ability :** Ability refers to the actual skills and capabilities that a person possesses and are required for the effective performance of activities. Railways need to ensure that its employees possess the necessary abilities to engage in the behaviour required for effective performance. This is accomplished either by careful selection of people or by a combination of selection and training.

**6. Perception :** Perception is the view point by which one interprets a situation. For instance, a railway booking clerk faculty a well-dressed person perceives him to be of a high status and talks to him nicely, whereas he may tend to ignore an ill-dressed person, or make him wait, though both the passengers want 'first class' tickets. In an organisational setting, messages that the organisation sends to its members regarding the kind of behaviour and activities expected of them are significant. The messages are communicated in a variety of ways (job descriptions, policies, procedures and discussion with supervisors, etc.). A key factor is that an individual's behaviour is influenced not by the organisation's actual expectation of him, but by how these are perceived by the person.

Personality refers to a stable set of personal characteristics and tendencies that determine the commonalities and differences in people's thoughts, feelings, and actions it is an all-encompassing

term and includes our abilities, beliefs, attitudes, motivations, perceptions and so on.

Some aspects of individual's personality are inherited but a lot many are acquired by him in the course of his growing up. Some of the important characteristics are developed during our infancy and childhood wherein we have no control over our situations.

**Determinations of Personality** : One of the key factors in the determination of our personality is our inheritance. People certainly differ in what they inherit from their parents and other previous generations. Certain aptitudes, intelligence are primarily inherited. In other words, limits are set to our personality by our inheritance. If an individual has a limited I. Q. (Intelligence Quotient) then we may not expect too much from him in terms of scholastic attainments. If an individual lacks mechanical aptitude, one cannot think in terms of developing him into a good mechanical engineer.

Another determinant of personality is family environment. This can be encouraging or discouraging. If both the mother and the father give affection, support and guidance to the child then this child can develop its inherited aptitudes. On the other hand, even if an individual has certain aptitudes, if he does not get a support and facilities and encouragement from his parents, his potentials will not be developing, poverty of the parents can be a serious obstacle in our development. In a country like ours, education cannot be equated with intelligence. Employees may be illiterate but then can be very very intelligent. So our family environment can be another determinant of our personality.

Our interactions with people also have a direct and pervasive effect on our personality. Especially when we are young and more vulnerable, one bitter experience with some persons can bring about profound changes in our outlook on people.

Cultural factors also influence our personality. These factors are operative through our parents and other elders around us. In a country like U.S.A. there can be lot of pressures on the growing child to be competitive and strive for success. In some other cultures, competition is not viewed with favour. In our country, respect for parents and anyone in authority may be encouraged and our growing children may not display any questioning mentality. Such differences are there in different cultures. Within the culture factors such as one's caste, one's religion one's language, one's physical environment can also influence an individual's personality. In fact, culture is very wide and inclusive term and there are a number of contributors to culture such as race, religion, language physical surroundings, attitudes, values and beliefs reinforced by parents and other elders etc. and these can

contribute to similarities and differences between people. Within a given culture group there would be more similarities but between cultures there could be many differences. All this information is relevant to the practicing manager because unless he is able to appreciate the influences which are operative on the individuals around him, he really cannot understand their behaviours.

The family background of an individual can play an important role in influencing the behaviour of an employee. For example, if our employee hears about the wonderful organisation wherein his father is working (from the father himself) he is likely to be favourably disposed towards the organisation even before he enters it. On the other hand if the individual only receives this message that your real enemy is your employer from his father, he is going to be anti-management. Such influences are operative on our employees even before they begin their work career with our organisation. And while dealing with employees, the manager will have to take into account these differences.

In short, personality would be the sum-total of various hereditary factors which influence an individual's aptitudes and capacities plus other social influences which are operative on him through his parents and other individuals around him.

### **Assessment of Personality**

The following methods are used in assessing personality characteristics of the individuals.

**Self-rating :** Self-rating methods are either questions or statements to which an individual is expected to respond. In fact, we expect him to say something about himself. The assumption here is that an individual is the most knowledgeable source of information about himself. And, if we are able to persuade him to tell us the truth, he can be in position to do so. So attempts are made to persuade him to give us the true information and then he is expected to respond to our statements or questions. Usually the statements and questions have graded and structured responses and the individual's job is very easy. He only has to indicate which of the various alternatives is most applicable to him or which is most descriptive of him. These responses can be given numerical values so that we can compute the 'score' of the individual and then this can be compared with the scores of other individuals.

The approach is simple enough but the major difficulty is that the individual may not give us the real information. He may give us the expected information. He may give us such information which will create a favourable impression about him in us. He may conceal undesirable information. Or he may not take the task seriously and may give us information, which is not dependable at all. This is the

serious disadvantage of these 'self-rating methods'. So now researchers have become a bit wary about this approach in rating scales, we ask some other person who may be knowledgeable about the individual in question to give information about him. The teachers who have known him, or the superiors with whom he worked can be good sources of information about the individual. Sometimes we can ask an interviewer to judge him on the basis of questions and answers. Such methods are widely used. But again there could be serious limitations. We may not know enough about the individual. We may have our likes and dislikes, or biases and prejudices and these may interfere with our judgments. Sometimes, we may have an ulterior motive in judging him more favourably or unfavourably. All these are the possible shortcomings in the rating scale methods. But we use them in interviews, performance appraisals and other such situations.

**Situation Tests :** The third approach is the approach of situation tests. Here we deliberately place an individual in a situation and then try to observe him and then discover how he reacts to such situation. These can tell us a lot about the individual. For example, we can give the individual an insoluble problem and then we can find out whether he persists in trying out different solutions or whether he gives up too quickly. We may give him an opportunity where he can cheat us and then find out whether he has a tendency to cheat. One problem with this approach is that an intelligent person can see through our game i.e. what are we trying to do and then he can put on display the expected behaviour.

There are, however, other kinds of situations which are called 'unstructured' or 'semi structured' situations. Here a situation is capable of having many possible interpretations. And we want to find out which interpretation is selected by the individual. His choice itself can tell us something important about the individual. For example, if I tell a person to construct a story out of a scene which I present to him (e.g. a picture showing an old woman and a young woman looking at each other), he can interpret it in a variety of ways. It could mean a mother and daughter or a mother-in-law and a daughter-in-law or a teacher and the student or may be perfect strangers. The ideas which a person uses in constructing a story may tell us something worthwhile about the individual. This approach is called 'projective techniques'. There are quite a few of such techniques which are available for use. The unique feature of this approach is that the individual cannot know what the real purpose of the exercise and he may not be in a position to cheat us. The dependability of our conclusions can be questioned but the method can collect a lot of supportive evidence about the individual's behaviour.

**Approaches to Study Individual's Personality :** There are various approaches to the study of individual's personality. which have their own advantages and limitations. For all practical purposes, no one is really concerned with measuring or understanding all aspects of anyone's personality. We are only concerned with understanding some aspects of personality which will have a relevance for our purpose. If one is concerned with the issue of selection, then only those aspects of personality which have relevance form the point of view of one's performance on the job would be of interest. For example, if one is concerned with the selection if a manager, then one is interested only in knowing how this individual views his work, what his views are about subordinates, what kind of work-related values he cherishes, how far he is prepared to sacrifice his other interests for the sake of organisation. These be the relevant issues. Other aspects of his personality are not of much relevance to us. A lot of personality test's have been developed and are also being used. There are reference books which give information about these tests and their uses and limitations.

### **Integrated Personality**

The term personality is concerned with the traits which an individual has the ways, in which these traits have been clustered or grouped and how these clusters of traits help an individual to adjust to his surroundings. This would involve adequate understanding about one self and the understanding of social world around the individual. An individual is a member of many groups and he is also trying to satisfy his needs. Many of his needs are being satisfies through the group or groups of which one is a member. So in order to get what he wants, the individual must have an adequate understanding of norms, the beliefs, the expectations and the values of the group or groups of which he is a member. And then he will be able to strike a balance between satisfaction of his needs and expectations of the group members. If one is achieved at the expense of the other, there could be problems for the individual. So striking a balance between the needs of the individual and the expectations of the group members is one indicator of an integrated personality.

Another indicator of an integrated personality is the balance between our rationality and emotionality, an individual human being is always being torn what he would like to do and what he should be doing. He is aware of what he should be doing and he also realises that he wants to do something else. He may accept an idea at an intellectual level but when it comes down to the level of practicing it, he becomes aware of his own motivations and then he is not willing to do it. In an organisation he is aware of what is expected of him as a professional and at the same time he realises that for his survival/personality, he is required to do something else



which may be exactly the opposite of what he should be doing as a professional. There are many such situations leading to conflicts and the individual is expected to find his way out in such situations. This is the second achievement of an integrated personality.

An individual becomes aware of his potentials and will have to strive hard to realise these. Many times an individual has abilities and interests in some activity such as painting or writing poetry and so on and at the same time to earn one's living to support oneself and others who are dependent on his he has to take up to some other career. This situation again can create conflicts in the individual. So the issue is 'how will be resolve thesis conflict?'

There are some indicators of integrated personality. Such a person is satisfies with himself and her own achievements and at the same time, he is aware that he has been able to fulfill the expectations of others around him. He has been able to strike a balance between his aspirations and is not overwhelmed by social pressures operative on him. In short, he is happy and at the same time contributing to 'social good'.

### **Personality Theories**

Researchers have developed a number of personality theories. Personality theories can be grouped under various heads. These theories differ markedly in the constructs they propose as forming the structure of the personality, and also the way they relate these constructs to behaviour. They also differ in the methods they use to assess or measure an individual's personality. We now examine these theories.

**1. Intrapsychic Theory of Sigmund Freud** : Freud remains the most influential theorist in the areas of personality. According to Freud the human mind is composed of three elements : (a) the preconscious, (b) the conscious, (c) the unconscious.

The items in the mind that can be recognised only through Freud's association methods are "preconscious". The "conscious" element is concerned with thoughts, feelings, beliefs and desires that we probe during introspection. The final component "unconscious" is basically concerned with ideas and wishes that cannot be learned through introspection but can be determined by hypnotism, analysis of dreams, and Freudian therapeutic techniques.

According to Freud the "conscious" is guided by a "reasoned reality" principle and the "unconscious" is guided by the famous "hedonistic principle" of pleasure. Freud developed an organisation of personality consisting of three structures within the human mind; the id, the ego, and the superego. These parts of the mind are

primarily responsible for originating human actions and reactions and modifications.

**The Id :** It is the original and the most basic system of human personality. At the base of the Freudian theory lies that id that is primitive, instinctual and governed by the principles of greed and pleasure. Id represents a storehouse of all instincts, containing in its dark depths all wishes, and desires that unconsciously direct and determines our behaviour. Id is largely childish, irrational, never satisfied, demanding and destructive of others. But id is the foundation upon which all other parts of personality are erected. Like a newly born baby id has no perception of reality. It is primitive, immoral, insistent and rash. Id is the reservoir of the “psychic energy” which Freud calls “Libido”. According to Freud id is totally oriented towards increasing pleasure and avoiding pain, and it strives for immediate satisfaction of desires.

One notable characteristic of id is that it cannot tolerate uncomfortable levels of tension within it and seeks to release the tension as soon as it develops. The methods for dealing with tension by id are primary processes and reflex actions. The former attempts to discharge a tension by forming a mental image of desirable means of releasing the tension. But his kind of tension release is temporary and mental and would not satisfy the real need. Id basically represents an individual’s natural urges and feelings.

**Ego :** As an individual learns to separate the unreality from reality in childhood, the ego develops. The ego is reality-oriented part of thinking; it is largely practical and works in an executive capacity. Ego is rational and logical, and in essence, it is the conscious mediator between the realities of world and the id’s demands. It constantly works to keep a healthy psychological balance between id’s impulsive demands and superego’s restrictive guidance. Ego is rational master. The ego is said to be the executive part of the personality because it controls the gateway to action, selects the features of the environment to which it will respond, and decides what instincts will be satisfied.

The most important characteristic of ego is that it has the ability to distinguish between mental images and actual sources of tension release, and it responds to the real sources of tension reduction. The ego performs this task by :

1. Observing accurately what exists in the outside world (**perceiving**).
2. Recording these experiences carefully (**remembering**) and
3. Modifying the external world in such a way as to satisfy the instinctual wishes (**acting**).

**Superego** : Superego represents noblest thoughts, ideals, feelings that are acquired by a person from his parents, teachers, friends, religion, organisation and colleagues etc. As a child grows and absorbs parental and cultural attitudes and values, he develops superego. Super ego is the moralistic segment of the human personality. The primary concern of superego is to determine whether the action proposed by “ego” is right or wrong so that the individual acts in accordance with the values and standards of the society. If people violate the prohibitions of superego they may feel guilty.

The superego acts as a censor on the individual and as a censor a too strong superego is likely to be in constant and pronounced battle with the id. **Freud** says that the ego’s role is to mediate between the id and superego. A personality becomes disorderly when either the id or superego becomes dominant. At the same time, it should be noted that when too much energy is consumed by ego in mediating between the id and superego, an individual’s personal development will suffer (or adversely affected).

Psychoanalysis, while acknowledged as having a powerful influence, has been seriously questioned as a scientific theory. This theory is criticised on methodological grounds. Further, Freud’s theory is criticised because it is largely untestable since his constructs are difficult to define and are ambiguous.

**2. Trait Theories** : Trait theorists view personality from the standpoint of understanding traits. Among trait theorists are included **Allport, Cattell** and **Sheldon**.

**Allport** is of the opinion that each individual possesses a set of traits that are not shared by any other individuals. He emphasises the uniqueness of personality. **Cattell** has extensively worked on traits in various work settings employing a number of psychological measures. On the basis of factor analysis he developed factor concepts such as tender-mindedness, somatic anxiety, dominance etc. **Sheldon** extended physical structuring by asserting that physique consists of three components endomorphs (soft and spherical structure), mesomorphy (tough and muscular body) and ectomorphy (linear and fragile). The relative existence of these three physical elements indicates specific personality patterns. Corresponding to these physical aspects, he assumed three aspects of temperament; viscerotonia (love of comfort and affection), somatotonia (physical adventure and risk taking) and cerebrotonia (restraint and inhibition). Although he assumed a close relationship between respective aspects of structure and personality, there is no evidence to support this view.

**Evaluation of Trait Theories :** When compared to type theories, trait theories have some sense. Instead of making unrealistic attempt to place personalities into discrete, discontinuous categories, trait theories give recognition to continuity of personalities. But the trait theories suffer from the following limitations :

- (a) Trait may be too abstract. For example, the scale of 'measuring' 'anxiety' may be abstract.
- (b) Trait approach focuses on isolated traits without specifying how these traits are organised within the personality. Without knowing which traits are more important and how they are related to other traits of an individual, it is not possible to make adequate description of an individual's personality.
- (c) Another fundamental problem (or drawback) of trait theories is that they are essentially descriptive rather than analytical.

**3. Self Theory :** The intrapsychic, physiognomy and trait theories, represent the traditional approaches to understanding the complex human personality. Self-theory rejects both psychoanalytic and behaviouristic conception of human nature as too mechanistic portraying people as creatures helplessly tossed about by internal instincts or external stimuli. **Carl Rogers** and his associates have developed the self-theory that places emphasis on the individual as an initiating, creating, influential determinant of behaviour within the environmental framework.

To understand the Roger's theory we have to understand; (i) the self-concept; (ii) the organism and (iii) the development of self.

**(a) Self-Concept :** The most important concept in Roger's theory is the self. The self consists of all the perceptions, ideas, values and characteristics that characterise 'I or Me'. It includes 'What I am' and 'What I can do'. Rogers defines the self-concept as "an organised, consistent, conceptual gestalt composed of perceptions of the characteristics of the I or me and the perceptions of the relationships of I or me to these perceptions". Here 'I refers to the personal self, and 'me' refers to the social self.

Personal self-consists of a person's psychological processes such as perception, motivation and attitudes etc. that result in a composed whole. On the other hand the social self is the way an individual appears to others and the manner this person thinks he appears to others. The perceived self influences the person's perception of the world and his behaviour. An individual with a strong, positive self-concept is quite likely to view world quite differently from one whose self-concept is weak. One important thing to remember here is that self-concept does not necessarily mean or reflect reality. The essence of this theory is that individuals

normally are active creators and initiators rather than passive reactors to the pressures of the environment.

**(b) The Organism** : The organism is essentially the locus of all experience. The totality of experience is the field known to the person himself and is frequently referred to as frame of reference : Behaviour of an individual is largely determined by this field and not by the stimulating conditions of events in the external field or environment.

The individual evaluates every experience in relation to his self-concept. The experiences may be symbolised or unsymbolised. When they are symbolised they become part of individual's consciousness. Conversely, when they are unsymbolised they remain outside the confines of the awareness of consciousness of an individual. The important thing here is that distorted symbolisation gives rise to inappropriate behaviour.

**(c) The Development of Self-Personality** : Rogers feels that the fundamental force motivating the human organism is self-actualisation i.e., "a tendency toward fulfillment, toward the maintenance and enhancement of the organism". The tendency of self-actualisation of both the organism and the self is subject to the profound influence of the social environment. In the childhood itself, when the child's behaviour is evaluated continuously by his parents, he will be in a position to discriminate between thoughts and actions that are considered 'worthy' and 'unworthy'. He will be able to exclude the unworthy experiences from his self-concept.

Rogers maintains that the innate tendency toward self-actualisation often : runs counter to two needs - the need for their regard, and - the need for positive reward. It is true that the latter need is universal whereas the former one is the internalisation of those actions and values that others approve. The regard may be conditioned and unconditional. Ideally, the more completely the individual is given positive regard acceptance that is not conditional to specific behaviours - the more congruence there will be between his self-concept and his actual experience, as well as between his self-concept and ideal self.

**Evaluation of the Self-Theory** : Self-concept is the result of one's perceptual process. It is a cognitive factor and maintained through thinking-related activities. The self-theory is appreciated on the ground that it is organised around the concept of self. It is the one which says that personality and behaviour are largely determined by the individual whereas, in other theories, the individual is the medium through which behaviour is elicited after having been acted upon by elements over which he has no control.

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## SUMMARY

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The behaviour of an individual is determined by his personal characteristics and the environment setting in which he operates. For instance, the performance of a nurse in a hospital is affected by both personal and environmental characteristics. Personal or individual characteristics of a nurse include education, skills, experience, health, age, background, aptitude, value system, perception etc. Environmental factors under which a nurse functions include patients, other nurses, doctors and hospital staff, physical facilities etc. The personal characteristics of an individual and his environment variables have effect upon each other. They determine his behaviour collectively. The behaviour of two individuals may be totally different because of individual differences or change in the situational setting.

The term personality has been derived from Latin word 'personare' which means to speak through. According to Stephens P. Robbins, the sum total of ways in which an individual reacts and interacts with other.

Personality includes all the unique traits and patterns of adjustment of the individual in his relationship with other and his environment. According to Allport, "Personality is the dynamic organisation within the individual of those psychological systems that determine his unique adjustments to his environment." According to Hilgard, "Personality may be understood as the characteristic patterns of behaviour and modes of thinking that determine a person's adjustment to the environment."

According to G.W. Allport, "Personality is the dynamic organisation within the individual of those psychological system that determine to his environment."

### **Various Theories of Personality :**

#### **1. Intrapsychic or Psycho-analytical Theory of Sigmund Freud**

: Freud developed an organisation of personality consisting of three structures within the mind, the id, the ego and the super ego. These part of the mind are primarily responsible for originating human reactions and actions and modifications.

**Id** : Id is the original the most basic system of human personality. It is the reservoir of the psychic energy. It seeks immediate gratification for biological or instinctual needs.

**Ego** : The ego is reality oriented part of thinking; it is largely practical and works in an executive capacity. It is rational and

logical and in essence, it is the conscious mediator between the realities of the world and the id's demands.

**Superego** : Superego represents robbest thoughts, ideas, feelings that are acquired by a person from his parents, teachers, friends, religion.

**2. Trait Theory** : The 141 traits identified by Catell, was reduced to 16 traits, which he termed as source or primary traits. These 16 traits are found to be generally steady and constant sources of behaviour, allowing prediction of an individuals behaviour in specific situations.

**3. Type Theory** : People who are exclusively competitive and always seen to be experiencing a chronic sense of urgency are those with the Type A Personality.

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## QUESTIONS

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1. What is individual difference? Discuss the causes of individual difference.
2. Define the individual differences and determinants of individual behaviour?
3. Explain concept of personality. How does it determine the behaviour of an individual?
4. Discuss factors influencing individual behaviour.
5. What are the various theories about the Formation of Personality ?
6. Define the term personality and discuss the various determinants of personality.
7. "Personality is an organised whole without which an individual would have no meaning"? Comment.
8. Discuss the various theories of personality.
9. "People are similar yet they are different." Comment.



## MOTIVATION

### Objective of the unit

After the completion of the unit the student will be able to

1. Understand the concept of motivation
2. Understand aims or objectives of motivation and factors affecting motivation
3. Understand theories of motivation
4. Motivation techniques

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### INTRODUCTION

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Motivation is the willingness to exert efforts in order to achieve a desired outcome or goal which will satisfy someone's needs.

#### Motivation Theories

The term motivation has been defined by many authors.

**1. According to Stanley Vence**, motivation implies "any emotion or desire which so conditions one's will that the individual is propelled into action".

**2. Robert Dubin** defines it as "the complex of forces starting and keeping a person at work in an organisations". According to this definition, motivation is a force which compels the person to join organisation and keep on working therein.

**3. Carroll Shartle**, "Motivation is a reported urge or intention to move in a given direction or to achieve a certain goal".

**4. E.F.L. Brech**, "Motivation is a general inspiration process which gets the members of the team to pull their weight effectively to give their loyalty to the group, to carry out properly the tasks that they have accepted and generally to play an effective part in the job that the group has undertaken".

**5. Edwin B. Flippo**, "Motivation is a process of attempting to influence others to do their work through the possibility of getting reward".

On the basis of analytical study of above definitions it may be concluded that motivation is a process which inspires the human efforts of an organisation to perform their duties in the best possible manner so that the pre-determined objectives of the enterprise may be achieved. Motivation is the emotion or desire of an employee that inspires him to act or not to act in certain ways.



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## CHARACTERISTICS OF MOTIVATION

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**1. Incentive :** Motivation is the incentive of employees. It is a personal and natural feeling of the mind of the employees. This feeling arise in the mind of an individual. In fact an individual is inspired to make his efforts to satisfy the needs of his life.

**2. Unending Process :** Motivation is an unending process. Human needs are unlimited and a person always feel a need. To satisfy these needs, the person must always be inspired with the incentives for work. Satisfaction of one need leads to the feeling of another one and this process never ends.

**3. Psychological Concept :** Motivation is a psychological concept. It develops the mental and motivation power of an individual and motivates him to do more and better.

**4. Power to Act :** Motivation is a power to act. It inspires an individual to work. Feeling of a need creates tension and a person wants to work to satisfy his need. When the need is satisfied, the persons feel motivated to work for the achievement of common goals.

**5. Increase in Efficiency :** Motivation increase the efficiency of an individual. He uses his ability and efficiency to the best possible extent which increase his efficiency. Motivation increases the quantity and quality of production.

**6. Increase in Morale :** Morale is a group felling. Motivation motivates the employees to work with the co-operation of others. Thus, motivation is helpful in increasing the morale of the employees.

### **Aims or Objectives of Motivation**

The aims and objectives of motivation may be described as under :

1. To motivate the employees to do more work.
2. To satisfy the economic, social and psychological needs of the employees.
3. To develop human relations in the enterprise.
4. To increase the morale of employees.
5. To increase the efficiency of employees.
6. To get the co-operation of employees.
7. To establish sweet relations between labour and capital.
8. To get the maximum exploitation of human resources.
9. To achieve the objectives of enterprise.

### **Factors Affecting Motivation**

Factors affecting motivation may be divided into following parts :

**1. Monetary Incentives :** Monetary incentives are direct incentives provided to the employees of an enterprise. It includes the following incentives : (1) Proper wage or salary, (2) Bonus, (3) Overtime, (4) Monetary rewards and (5) Interests on investments. Monetary incentives satisfy the basic needs of employees.

**2. Non-Monetary Incentives :** Monetary incentives are not sufficient to ensure more and better work by employees. Non-Monetary incentives are also provided to them to motivate them in the right direction. Such incentives motivate them to do more and more work. Following factors are included under this category : (1) Safety of work, (2) Appraisal of work, (3) Honour of Employees, (4) Behaviour with employees, (5) Opportunities of promotion, (6) Delegation of authorities, (7) To increase the feelings and suggestions of employees, (8) To launch welfare schemes for the employees like housing facilities, medical facilities, recreation facilities, education facilities, insurance etc. (9) Co-partnership in management.

### Theories of Motivation

Theories of motivation can broadly be divided into two categories :

1. Content Theories,
2. Process Theories.

### Content Theories

Content theories address the question of what motivates people. These theories seek to identify the needs which cause individuals to perform in certain ways. Content Theories are :

- |                         |                                  |
|-------------------------|----------------------------------|
| (a) Maslow's Theory     | (c) McGregor's Theory            |
| (b) McClelland's Theory | (d) Herzberg's Two Factor Theory |

### (a) Maslow's Theory

Maslow's need priority model is one of the most widely referred to theories of motivation. **Abraham Maslow**, a clinical psychologist, thought (1943) that a person's motivational needs could be arranged in a hierarchical manner, starting in an ascending order from the lowest to the highest needs, and concluded that once a given level of needs (set of needs) was satisfied, it ceased to be a motivator. The next higher level of need to be activated in order to motivate the individual. Although the hierarchical aspects of Maslow's theory are subject to question and often not accepted, his identification of basic needs has been fairly popular.

Maslow identified five levels in his need hierarchy in an ascending order of importance. The five categories of needs may be described as follows :

**1. Physiological Needs :** These are the basic needs for sustaining human life itself : needs for food, drink, shelter, clothing, sleep, sex,

etc. But once these basic needs are satisfied, they no longer motivate.

**2. Safety Needs** : Safety or securing needs are concerned with freedom from physical or psychological (mental) harm, danger, deprivation, or threat, such as loss of job, property, food, clothing or shelter.

**3. Social or Affiliation or Acceptance Needs** : These are belongingness needs emanating from human instinct of affiliation or association with others. These include owners, love and affection, needs of mutual relations, identification with some group, etc. These are the needs more of mind and spirit than of physique.

**4. Esteem Needs** : This set of needs represents higher level needs. These needs represent needs for self-respect, respect of others, a general feeling of being worthwhile, competence, achievement, knowledge, independence, reputation, status and recognition.

**5. Self-actualisation Needs** : This set of higher order needs concerns with reaching one's potential as a total human being. It is the desire to become what one is capable of becoming i.e., to maximum one's capacity and abilities in order to accomplish something appreciable and self fulfilling. It is a need for being creative or innovative, for transforming self into reality.

**Characteristics or Salient Features of Maslow's Needs Model :**

1. The urge to fulfill needs is a prime factor in motivation of people at work. Human needs are multiple, complex and interrelated.
2. Human needs form a particular hierarchy or priority structure in order of importance.
3. Lower-level needs must be at least partially satisfied before higher-level needs emerge. In other words, a higher-level need does not become an active motivating force until the preceding lower-order needs are satisfied.
4. As soon as one need is satisfied, the individual discovers another need which is still unfulfilled.
5. A satisfied need ceases to be a motivator, i.e., does not influence human behaviour. Unsatisfied needs are motivators, i.e., they influence human behaviour.
6. Various need levels are independent and overlapping. Each higher-level need emerges before the lower-level need is completely satisfied.

7. All people, to a greater or lesser extent, have the identified needs.

**Criticisms or Maslow's Model** : Maslow's theory has been criticised on several grounds :

1. Human needs cannot be classified into clear and only specifies categories, i.e., their hierarchy cannot be definitely specified. The determination of higher and lower levels is dependent on people's cultural values, personalities and desires.
2. It is not necessary that at a time only one need is satisfied. In other words, needs of more than one levels may be fulfilled jointly, for example, physical and esteem needs. Maslow's model does not explain this multi-motivation fact.
3. Some of the assumptions of Maslow's theory are not always found in practice.
4. It has been found by some scholars like **Lawler and Suttle** that physical and safety needs may be probably satisfied, but high-level needs do not appear to be rather satisfiable.

#### **(b) McClelland's Theory**

**McClelland** (1961) studied using **personality tests**, the characteristics of people whom he identified as being achievement oriented. According to him high need achievers were always exhibiting behaviour designed to better themselves, working harder in order to accomplish their goals. They shared a number of common characteristics :

1. **Preference for performing tasks** over which they had sole responsibility, to enable them to identify closely with the successful outcomes of their actions.
2. They were moderate risk takers, and to maximise their chances of success they set themselves moderate goals. This does not mean to say that they avoided challenging situations, but simply that their goals were within an attainable range.
3. They needed continual feedback, since it is only from the knowledge of success that satisfaction can be derived.

McClelland tried to identify why some people were **low achievers** and concluded that the major reasons for this lie in parental influences, education, cultural background and the value systems dominant in society. According to him, organisations therefore may be concerned with selecting high achievers as managers. However, low achievers can be trained to develop a greater urge to achieve.

**(c) McGregor's Theory X and Y**

We know that there are two types of motivation viz., internal motivation and external motivation. Internal motivation is made up of the forces which exist within an individual, i.e., his needs, wants and desires. External motivation includes the forces which exist inside the individuals as well as the factors controlled by the manager, including job context items, such as salaries, working conditions, company policy and job content items, such as recognition, advancement and responsibility.

**Douglas McGregor's** theory incorporates both internal and external motivation. McGregor sets forth two alternative views (at opposite extremes) of human nature - the first view is called 'Theory X' and the second view is called 'Theory Y'.

**Theory X :** According to Theory X there are following assumptions about the human nature, on which the manager has to base his motivation efforts :

1. Average human being has an inherent dislike of work and will avoid it if he can.
  2. Because of this human characteristic of dislike of work, most people must be coerced, controlled, directed and threatened with punishment to get them to put forth adequate effort toward the achievement of organisational objectives.
  3. Average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, wants security above all.
- McGregor felt that Theory X assumptions were used in most industrial organisation of his time, but they were generally incorrect. Thus, the management approaches that develop from these assumptions will be inadequate for the full utilisation of each worker's potential because they will often fail to motivate people to work for the realisation of organisational objectives. Hence he felt the need to revise and correct these assumptions to conform to the present day organisation set up and ever-developing personality of the employee.

**Theory Y :** Theory Y is McGregor's modern view of the nature of man. It contains assumptions which he believed could lead to greater motivation and better fulfillment of both individual needs and organisational goals. The Theory Y assumptions are :

1. The expenditure of physical and mental effort in work is as natural as play or rest.
2. External control and the threat of punishment are not the only means for bringing about effort towards organisational objectives.
3. Commitment to objectives is a function of the reward associated with their achievement.

4. The average human being learns, under proper conditions, not only to accept but to seek responsibility.

5. The capacity to exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organisational problems is widely, not narrowly, distributed in the population.

6. Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilised. It may be noted that the main foundation of Theory Y is 'integration', i.e., the establishment of an environment in which employees can best achieve their own goals by committing themselves to the organisation's objectives. In doing so, employees are expected to exercise a large degree of internal motivation.

### **Theories of Motivation**

Advocates of need theories strongly believe that it is only the need which influences human behaviour, and therefore, adequate provisions to satisfy these needs will motivate employees to behave or act in a particular manner. The process approach to motivation implies that need is just one element in the process and the behaviour of an individual is influenced more by his abilities, role, perception and his understanding what kind of behaviour he needs to display to achieve high performance and his expectations regarding the results of specific behaviour.

### **Vroom's Expectancy Theory**

It is also considered as expectancy/valence approach attempting at overcoming criticism of other motivational approaches. Expectancy approach aims at differentiating among individuals and situation. It deviates from the assumption that all employees are alike or all situations are alike and therefore there is only one way of motivating them. Expectancy approach advocates that the behaviour of individual is influenced by their expectations, perceptions and calculations regarding the relationship between performance and rewards. It specifies that the efforts to achieve high performance is a function of perceived likelihood that high performance can be achieved and will be rewarded if achieved and that the reward will be worth efforts made. This approach has three basic elements.

**1. Performance Outcome Expectancy** : In individuals expecting some consequences of their behaviour which in turn affects their decision to behave in a particular manner. For example, the sales executive who is thinking about exceeding his sales target may expect a praise, a bonus or no reaction.

**2. Valence** : Outcome of a particular behaviour has a specific valence that is power to motivate which varies from individual to

individual. For example, promotion to higher position may have somewhat different valence for the manager who gives too much importance to money as compared to the other manager who attaches more significance to status, development and growth.

**3. Efforts Performance Expectancy :** Expectation of individual that how difficult it will be to perform successfully will affect their decision about behaviour. For example, if choices are given, individual will select the level of performance which have the highest possibility of achieving outcome which they value.

Although this approach has been developed by Victor Vroom, it was further refined by Lyman Porter and Edward Lawler who made it more useful and practical. They base expectancy model of motivation on the following assumptions : (a) behaviour of an individual is determined by a combination of factors such as characteristics of individuals and characteristics of work environment; (b) individuals make decisions consciously and deliberately regarding their behaviour in organisation; (c) individuals have different needs, goals, devices to fulfill and (d) individuals decide from alternative behaviour on the basis of their expectations that a given behaviour will lead to the desired outcome.

This model has highlighted that the people can differ greatly in how they size up their chances for success in different jobs. Therefore, to motivate people it is just not enough to offer them some rewards. They must also feel convinced that they have ability to get the reward.

### **Adman's Equity Theory**

This theory has been developed by JS Adam's. The essence of this theory is that employees generally make comparison of their efforts and rewards with those of others in similar position and similar work situation. This approach is based on the basic assumption that employees working in the organisation should be treated equally in terms of justice, balance and fairness and when they join organisation they carry some qualification, skill and knowledge with them for performing assigned job. To perform the job which involves use of these abilities and qualities which are known as 'inputs'. And in return of these inputs whatever they get from the organisation such as compensation, recognition position and status, etc. known as outcome.

Equity approach of motivation seems to be useful for the manager in determining appropriate level of reward the employees. Because it emphasises the role played by an individual's belief in the equity and fairness of reward and punishment in determining his performance and satisfaction.

The Adam's Equity theory of work motivation is based on the social exchange process. Adam's has crystallised it in a more formal way. Basically, the theory points out that people are motivated to maintain fair relationship between their performance and reward in comparison to others. There are two assumption on which the theory works.

1. Individual make contribution (inputs) for which they expect certain rewards (outcomes).
2. Individual decide whether or not a particular exchange is satisfactory, by comparing their input and outcomes with those of others, and try to rectify an inequality.

### Various Types of Inputs and Outcomes

<b>Inputs</b>	<b>Outcome</b>
Efforts	Pay
Times	Promotion
Education	Recognition
Experience	Security
Training	Personal Development
Ideas	Benefits
Ability	Friendship Opportunity

Exchange relationship between a person's inputs/outcomes in relation to those of other persons may be of three types :

1. Overpaid inequity
2. Underpaid inequity
3. Equity

**1. Overpaid Inequity :** In this case, the person perceives that his outcomes are more as compared to his inputs in relation to others. This relationship can be expressed by

$$\frac{\text{Person's Outcomes}}{\text{Person's Inputs}} > \frac{\text{Other's Outcomes}}{\text{Other's Inputs}}$$

In this case, the person experiences guilt feeling.

**2. Underpaid Inequity :** In this case, the person perceives that his outcomes are lower as compared to his inputs in relation to others. This relationship can be expressed as

$$\frac{\text{Person's Outcomes}}{\text{Person's Inputs}} < \frac{\text{Other's Outcomes}}{\text{Other's Inputs}}$$

In such relationship, the person experience dissonance.

**3. Equity :** In this case, the person perceives that his outcomes in relation to his inputs are equal to those of others. This relationship can be expressed by :

$$\frac{\text{Person's Outcomes}}{\text{Person's Inputs}} = \frac{\text{Other's Outcomes}}{\text{Other's Inputs}}$$



In this case, the person experiences satisfaction. The impact of inequity on the person is as follows:

1. Perceived inequity creates tension in the person.
2. The amount of tension is proportional to the magnitude of inequity.
3. The tension created in the person will motivate him to reduce it.
4. The strength of the motivation to reduce inequity is proportional to the perceived inequity.

#### **ERG Model :**

Glendon A. Alderfer worked in the field of motivation and designed need category model that was more in line with the existing empirical evidence.

There are basically three groups of core needs namely **Existence, Relatedness and Growth (ERG) which Alderfer identified.**

1. **Existence Needs** : Deals with survival (physiological well being).
2. **Relatedness Needs** : Deals with importance of interpersonal, social relationship.
3. **Growth Needs** : Deals with individual internal desire for personal development.

Alderfer basically stresses more on continuum of needs, than hierarchical levels or two factors of prepotency needs.

According to ERG theory the person's cultural environment or background may dictate that the relatedness needs will take precedence over unfulfilled existence needs and that, the more the growth needs are satisfied, the more will be the increase in intensity.

Maslow's hierarchy deals with satisfaction progression in which when the lower need is fulfilled then the person moves into the next need to fulfill. Whereas in ERG theory, it is frustration regression process, in this when the higher order growth needs are not satisfied, due to lack of ability or some other factor, then the person is included to regress back to lower order needs and feels those needs more strongly.

Although not much research is done ERG theory, there is some proof to counter the theory's predictive value, most contemporary analysis of work motivation tend to support ERG theory over Maslow's and Herzberg's theory, but it can be said that ERG theory contains some strong points of earlier content theories but is less restrictive and limiting.

Thus, finally all content theories direct managers to share responsibility and empower employees in addition to recognising their achievements. Beyond having a place in content models they provide effective insights of motivation in management of today's human resources.

### **Motivational Techniques**

**Role of Job Design in Motivation :** Every individual who joins the organisation he is given some job to perform. The nature of job its contents and its design have great impact on the working behaviour and level of performance of the individual. It has been a practice in the past that jobs to be performed at the lower level are usually designed in such a way so that the employee can perform it easily. These jobs are marked by the fact that (a) employees require little training to perform them, (b) supervision and control become easier, and (c) they work with higher efficiency. But such design of job may create some problems for the employees in long run as with the passage of time such a job becomes routine and repetitive in nature thereby creating monotony or boredom for the individual performing them. In such case the employees start losing their interest on the job and jobs also lose their meaning and significance to the employee. Therefore, such jobs are to be restructured and redesigned as to make them more meaningful, interesting, thrilling and motivating. Jobs are set of tasks which provide various stimuli to job holders. By redesigning them more stimuli can be offered to job holder to motivate him. Jobs can be redesigned in the following two manners.

1. Job Enlargement
2. Job Enrichment

**1. Job Enlargement :** If the jobs become too specialised it is bound to create monotony and boredom for the job holders. Job holders feel alienated and it results in high level of absenteeism, turnover and tardiness. Under such situations, jobs are got to be enlarged. An enlarged job would offer greater variety of operations to job holders. As a result of job enlargement they get the following opportunities.

1. Use a variety of skills for performing variety of operations.
2. Exercise control over how and when the work is to be completed.
3. Be responsible for entire piece of work, and
4. Get feedback of information.

As a result of job enlargement, job cycle becomes lengthier and frequency of repetition of jobs is reduced. In simple term, job enlargement implies adding more variety of operation to the existing job and enabling job holders to utilise range of abilities on his part. Though by enlarging job number of operations performed by job holder increases but he gets more satisfaction out of it and

his motivational level goes up. In fact job enlargement is a procedure of redesigning jobs or modifying work so that employees can feel more involved and responsible for what they do. Though there is always scope for enlarging various types of jobs such as clerical, administrative and technical jobs, the need of job enlargement becomes more pressing, specially for the jobs which are very simple, routine type and too much specialised such as assembly line jobs. For example, a typist in the office may be given some other operations such as drafting letter, putting them into notice board, filing them and forwarding them to his superior. It will reduce repetitiveness and too much specialisation of typing job which must have been creating monotony.

**2. Job Enrichment :** It is a process of designing job to increase its motivation potentials. It is done by building several inducements and attractions in the job as to make it more meaningful and interesting. In job enrichment the job holder is allowed to exercise more influence over the several aspects of his job. Regarding job-related problems he is granted enough operational autonomy so that he can solve the problems when they arise. Job enrichment makes a job more meaningful and complex by introducing planning and decision-making responsibilities in it. Some jobs are enriched in a manner so that the job holders get opportunity to use and develop his skills in more meaningful and satisfying manner and also develops initiative and innovativeness for his career development. Successfully enriched job would satisfy need of achievement, and self-fulfillment and offers an opportunity of self-direction and control. Herzberg described job enrichment as job context or motivator which may give workers more of a challenge, more of a complete task, more responsibility, more opportunity for growth.

Jobs can be enriched by upgrading the following aspect of it.

**1. Skill Variety :** This provides opportunity to job holders to perform a variety of operations and use a variety of equipment and procedures.

**2. Task Identity :** This allows job holders to perform entire or whole piece of work so that he can identify results of their efforts clearly.

**3. Task Significance :** This makes job holders to feel that jobs performed by them has a substantial impact on the lives of other people both inside and outside the organisation.

**4. Autonomy :** This provides substantial freedom independence and discretion to the job holders for scheduling their work, and selecting equipment and procedure to be used for performing work.

**5. Feedback :** The job holders must receive useful and reliable

information regarding job performance. Feedback of such information may come from job itself, or from the supervisor or other persons.

**How to Enrich Jobs ?** Job enrichment in organisation is to be undertaken by the managers with the help of some management consultants and behavioural scientists. Generally, it is done by analysing the existing contents of the jobs. Further, jobs are redesigned and restructured in such a way as to reduce monotony and boredom and make them more interesting, meaningful and paying. Although there is no one way of enriching a job the following techniques may be used for it.

1. Rotation of task, giving more responsibility and reducing supervision and broadening qualifications and skills of the job holders.
2. Giving job holders more scope to change the method, sequence and pace of their work.
3. Allowing more say and influence of job holders in setting standards of performance.
4. Adding new and more difficult tasks not handled by the job holders earlier.
5. Supplying necessary information to the job holders which they need to monitor their performance.
6. Assigning job holders or groups more specific projects which give them more responsibility and help them to increase their expertise.

For example, the job of conductors (crewmen) in DTC can be enriched by giving them more operational freedom as to decide work schedule for a day as a whole, to handle daily cash, to check passenger without tickets, to attend the complaint of commuters on that route. By doing this supervision is reduced, the conductors determine standard of performance at their own get more responsibility and more opportunities are provided to them for increasing their expertise.

**Merits of Job Enrichment :** Job enrichment offer the following advantages.

1. Job becomes more interesting, meaningful and paying for the job holders.
2. They get motivated to work more efficiency because boredom and monotony have been reduced by redesigning the jobs.

3. Job holders can get opportunity to develop and increase their expertise which may further help them in getting promotion to higher position.
4. Operational cost of job performance is reduced because cost involved in supervision and control is saved.
5. Job redesign also helps in satisfying various higher order needs such as ego needs and need of self-actualisation.
6. It increases commitment, contribution and motivation of the job holders.

**Limitations job enrichment has the following limitations.**

1. Job redesign has limited application because usually only those jobs are redesigned which have become too specialised too simple and too boring for the job holders.
2. In order to redesign job, many administrative and organisational changes are to be made such as relation of superior and subordinate is to be redefined, degree of centralisation and decentralisation of authority is to be changed. Jobs are redefined and many other changes are to be made. These changes may further limit the usefulness of job redesign.

**Questions :**

1. Examine the Maslow's Needs Hierarchy Theory of Motivation. How does this theory help Managers in Motivating Employees ?
2. How does McGregor's Theory X and Y of Human Behaviour help Motivation of Employees ? Do you think an Integral Approach an Amalgam of these two Theories may be more effective in our Country ? Comment.
3. Hursey Blanclcard's situational Model is based on limited number of variables but these variables are quite significant. Comment.



## WORK RELATED ATTITUDES, VALUES AND PERCEPTION

### Objectives Of The Unit

1. To study the sources of an individuals value system
2. To summarize the relation between attitudes and behavior
3. To perceive the role consistency played by individuals in applying attitude
4. To understand perceptual techniques of perception and OB

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### INTRODUCTION

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Work related attitudes, values and perception differ according to the work related mentality, expectations, ambitions and desires, benefits desired by the employees. People at work have opinions and one does not have to apply a formal survey to understand the attitude of workers. Work related attitudes, values and perceptions are often related to human behavior.

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### MEANING AND DEFINITIONS

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**Values** are important to the study of organizational behavior because they lay the foundation for the understanding of attitudes and motivation and because they influence our perceptions. Individuals enter an organization with preconceived notions of what “ought” and what “ought not” be. Of course, these notions are not value-free. On the contrary, they contain interpretations of right and wrong. Values generally influence attitudes and behavior.

When we were children, why did many mothers tell us “ you should always clean your dinner plate”? The answer is that in our culture, certain values have developed over time and are continuously reinforced. Achievement, peace, cooperation, equity and democracy are societal values that are considered desirable. The values we hold are essentially established in our early years from parents, teachers, friends and others. Your early ideas of what is right and wrong were probably formulated from the views expressed by our parents. As one grows up, one is exposed to other value systems, and one alters number of values.

**Attitudes** are evaluative statements either favourable or unfavorable concerning objects, people or events. They reflect how one feels about some thing. When one says I like my job, one is expressing his attitude about work. Attitudes are not the same as

values, but the two are interrelated. There are three components of attitude namely, cognition, affect and behavior.

Attitudes like values are acquired from parents, teachers, peer group members. People imitate the attitudes of popular individuals or those they admire and respect.

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

**Perception** refers to interpretation of sensory data. In other words, sensation involves detecting the presence of a stimulus whereas perception involves understanding what the stimulus means.

**Perception** is primarily an individual process so that different people may perceive an identical situation differently. People perceive and behave on the basis of what they perceive reality to be and not necessarily as what reality is. “ All glitters is not gold” and “ things are not what they seem”, are all reflections of various perceptions about the same situation.

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## **FACTORS INFLUENCING PERCEPTION**

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There are three influences on the concept of perception. These are

### **1. The characteristics of the perceiver**

This includes factors like needs, values, experience and attitudes, habits, ethics and personality. Our cultural upbringing also play important role in our perception about others. It is difficult to judge a person and to perceive the personality of a person raised in another culture because our judgement is based on our own values.

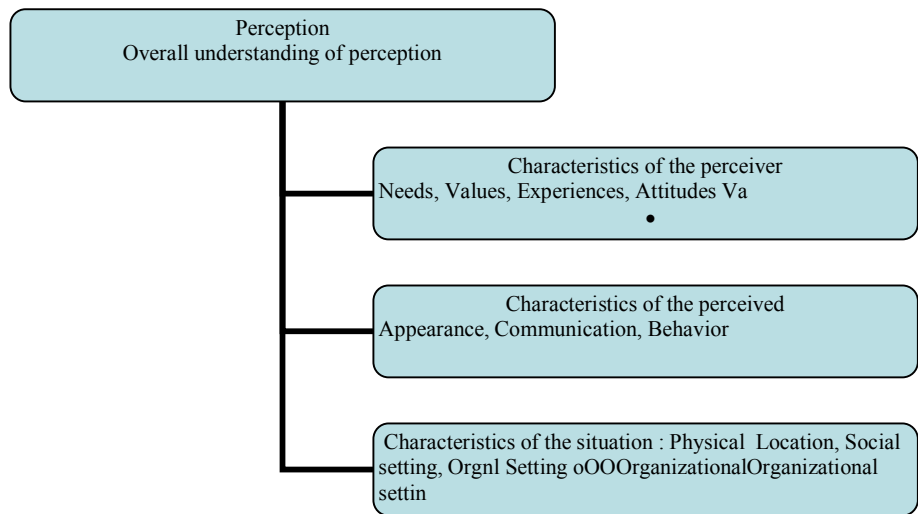
### **2. The characteristics of the perceived**

This includes appearance, communication and personal behavior, facial expressions, age, gender, personality traits and other forms of behavior. People dressed in business suits are generally thought to be professionals while people dressed in ordinary work clothes are assumed to be lower level employees.

### **3. The characteristics of the situation**

This includes physical location, social setting and organizational setting. In an organizational setting where people are given an opportunity to interact in a friendly and sociable work situation, they become more trustworthy and less defensive.

## Major Influences on Perception Process




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## SOCIAL AND PERSON PERCEPTION

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Our perceptions of people differ from our perceptions of inanimate objects like desks, machines, or buildings because we make inferences about the actions of people that we don't make about inanimate objects. Nonliving objects are subject to the laws of nature, but they have no beliefs, motives or intentions. People do. The result is that when we observe people, we attempt to develop explanations of why they behave in certain ways. Our perception and judgement of a person's actions, therefore, will be significantly influenced by the assumptions we make about the person's internal state.

It is easy to judge people if we assume they are similar to us. For instance if we want , if you want challenge and responsibility in your job, you assume that others want the same. This tendency to attribute one's own characteristics to other people which is called **projection** can distort perceptions made about others.

Our perceptual processes are very selective in nature and usually select those stimuli from the environment that are familiar or fit in a known pattern. Either highly familiar or unique stimuli get our attention. Some of the attention getters are size of the object or message, how often the message is repeated, whether the object is moving in stationary surroundings, whether the object is totally novel or highly familiar and so on.

Since perception can be considered as a process through which we interpret the stimuli around us, learning plays a very important part in this process. Learning induces cognitive awareness about a stimuli, thus recognizing such stimuli and preparing an appropriate response.



Our perception is also attributable to the knowledge of certain causes that may facilitate a certain type of behavior. Knowing the cause of a behavior contributes to the accuracy of our perception about such a behavior. For example, if a supervisor believes that poor productivity is attributed to the performance of subordinates, he will have a different behavior towards them than if he believes the cause of poor performance to be beyond their control.

In our social interactions, we sometimes change our impressions about our long term friends on the basis of a single act. Many marriages have ended in a divorce on the basis of a single unlikable trait of the partner.

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## **WHEN PERCEPTION FAILS**

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Human beings as complex as they are, cannot be absolutely objective about their judgements regarding their environment. There are a number of factors that taint our judgements about other people and situations. Since the success of our efforts and decisions is contingent upon the accuracy of the information, as well as the accuracy of impressions, it is necessary to know what the barriers to perceptual accuracy are, so that these can be considered in our judgements or can be eliminated. Some of these barriers are :

### **1. Stereotype**

It is perhaps one of the most common barriers in accurately perceiving others. In order to simplify matters, we often tend to classify people and events into already known or perceived general categories. For Example, You get into an executives office and notice a man and a woman talking to each other besides a secretaries desk. Our first reaction would generally be to assume that the woman is the secretary and the man is executive. This reaction is based on stereotyped impressions that the secretaries tend to be women and executives tend to men. In our minds we have developed certain categories with certain characteristics or attributes.

### **2. Halo Effect**

The halo effect refers to the tendency of judging a person entirely on the basis of a single trait that may be favourable or unfavourable. Sometimes we judge a person by our first impression about him or her. A charming smile will create a favourable impression about the person. Similarly if we are conscious about dress than a poorly dressed person will create a negative

impression on us and a well dressed person would impress us positively.

### **3. Expectancy**

It is a tendency to perceive people, objects or events on the basis of what we expected them to be in the first place. Through expectancy, you can create certain things in the work situation that you expected to find to start with.

### **4. Perceptual Defence**

It is the mental process by which we tend to protect ourselves from such objects, situations or stimuli that are emotionally disturbing or perceptually threatening. We tend to ignore such disturbing part of our environment that does not require confrontation.

### **5. Projection**

It refers to the tendency of people to see their own traits in other people, meaning that when they make judgements about others, they project their own characteristics into others.. In the case of undesirable or threatening situation, projection can serve as a perceptual defense.

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## **PERCEPTION AND OB**

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Perception and OB refers to Perception and Attribution, in which people interpret the reasons or causes for their behavior. The knowledge about the causes of behavior brings order and predictability in certain actions and events and assists us in knowing how to respond. We observe the behavior of others and then attribute causes to it. For example if the supervisor believes that poor productivity is attributed to the subordinates, he will have a different behavior towards them, than if he believes the cause to be beyond their control. Similarly if a person perceives that his promotion was due to his own efforts and ability, it will reinforce his efforts to continue working towards improved efficiency and quality performance, than if he believes that the promotion was just by chance or by political motivation. We have a tendency to judge the behavior of other people with different standards than our own behavior. We tend to attribute causes of behavior of other people to their internal characteristics.

Perception has many implications in organizational situations, in the sense that biased assessments of ourselves and others can occur in many ways. There are several areas of performance appraisal where perceptual distortions can occur.

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## SUMMARY

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Perception can be defined as a process whereby the outside environmental information as input is selected, received, recognized and interpreted so that this information becomes meaningful and based upon this perception, rational and intelligent decisions can be made. The closer our perception is to reality, the more accurate our decisions would be. Thus perception plays a very important role in our lives.

We must ascertain whether the behavior of other people is due to some of their inherent characteristics or whether such behavior is in response to certain situational characteristics. This would affect our perception about other people. Perception is important in the study of organizational behavior. Simply because peoples behavior is based on their perception of what reality is, not on reality itself. The world as it is perceived is the world that is behaviorally important.

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## ADDITIONAL READINGS

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2. Luthans, F, Organisational Behavior, 10<sup>th</sup> Revised Edition, McGraw Hill, 2005.
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## QUESTIONS

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1. Perception refers to interpretation of sensory data. Explain in detail as to what we mean by sensory data and how this data is interpreted.
2. What are the various characteristics of the perceiver, of the perceived and of the situation that affect the perceptual process? Explain how each of these characteristics affects or contributes towards the formation of perception.
3. Explain how the principle of perceptual grouping applies to our tendency to observe and perceive objects or people around us. Give examples.
4. Does learning, Knowledge and experience play a significant role in developing our perceptual processes? If so, give examples to justify your answer.



## POWER AND POLITICS

### Objective of the units

After the completion of the unit the student will be able to

1. Understand different views of power and influences
2. Understand types of power or sources of power
3. Know tactics used to gain political power
4. Understand various approaches to power

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### INTRODUCTION

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The term power may be used as the capacity to exert influence over others. Power is a relational phenomenon and may be defined in a dynamic sense. From organisational point of view, it may be defined as the degree of influence an individual or group has in decision making without being authorised by the organisation to do so. "Power is the ability to get things done the way one wants them to be done." P.M. Blau observes that "Power is an exchange process—a person who commands services needed by others exchanges them for compliance with his or her request." R.M. Emerson states that "Power is a function of ties of mutual dependence in social relationships." From the organisational point of view, power is the ability of one person (or department) to influence the behaviour of others in the organisation to bring about desired outcomes for power holders.

From the above discussions, the following points emerge:

- (a) Power is based on two-tier concept of influencing others and being influenced.
- (b) Power may be potential or enacted.
- (c) Power represents the capacity, ability, etc. to influence the behaviour of other people.

### Characteristics of Power

The following are the characteristics of power :

**1. Specific :** Power is specific in the sense that it may be exercised by some people in some circumstances. Power may not be exercised by all people in all circumstances.

**2. Dependency :** The main feature of power is dependency. The greater the dependence of one person on you, the greater is the amount of power you can exert on him.

**3. Expand or Contract :** Power is elastic. People who are habituated to exercise power, may try to acquire more power and expand it. In some organisations, due to change in position of a manager in the organisation, that is, shift from one department to the other may cause contraction in power.

**4. Reciprocal Relationship :** Power relationships in an organisation are reciprocal in nature. Power exists due to relationship between two or more persons. It is based on two-way concept of influencing others and being influenced.

**Views of Power and Influence:** There are different views of power which a manager takes to increase the power of both managers and their employees.

**1. Autocratic View of Power :** In autocratic view, the power flows downward, it basically comes from the authoritative structure from the management. In autocratic view, someone loses and someone gains, as it has fixed amount.

**2. Participative View of Power :** In participative view, the power varies i.e. Power has variable amount. It flows in all directions. The power comes from both official and unofficial channels and applied by activities in a group.

### **Types of Power or Sources of Power**

John French and Bertram Raven have identified the following five sources or types of power which may occur at all levels of the organisation :

1. Legitimate Power
2. Reward Power
3. Coercive Power
4. Expert Power
5. Referent Power

**1. Legitimate Power :** Legitimate power comes to the leader when the organisation's authority is accepted. It comes from the rules of the organisation. For example, managers, teachers, police, parents etc. have legitimate power only when their authority is accepted in the positions they hold.

**2. Reward Power :** Reward power is the present or potential ability to reward for worthy behaviour. This source of power depends on the persons have the ability and resources to reward others. Managers have reward powers like pay increases, promotions, favourable work assignments, more responsibility, praise, recognition.

**3. Coercive Power :** This source of power depends on fear. The person with coercive power has the ability to inflict punishment. The subordinates may do what their superiors desire because they fear that the superior will punish them if they do not follow the superiors instructions. Coercive power is exercised by the manager against unproductive or disturbing elements and to restore discipline in the task environment. Coercive power is associated with the ability to assign distasteful tasks, without promotions, discriminating subordinates by not rewarding them suitably. Managers threaten the employees, when exercising this kind of coercive power, with the job-related punishments such as dismissal, demotion, reprimand, transfer, and discourage low performance etc.

In an organization, managers have coercive power. The employees have an element of fear of punishment if they do not follow the rules, directives, or policies of the organization. It is probably this fear that gets most people to come to work on time and look busy when the boss walks through the area. In other words, much of organizational behaviour may be explained in terms of coercive power rather than reward power.

**4. Expert Power :** Another source of power identified by French and Ravea is based on the extent to which others attribute knowledge and expertise on the power seeker. Experts are perceived to have knowledge and understanding only in certain well defined areas. The person must really know what he is talking about and be able to show tangible evidence of this knowledge. It is highly selective and has reputation for being honest and straightforward.

**5. Referent Power :** This type of power comes from the desire on the part of the other persons to identify with the agent wielding power. They want to identify with the powerful person regardless of the outcomes e.g. Managers with referent power must be attractive to subordinates so that subordinates will want to identify with them, regardless of whether the managers later have the ability to rewarding or punish or whether they are legitieriacy. Managers who depends on referent power must be personally attractive to subordinates.

Politics is an integral an unavoidable part of organization. In order to protect self-interest and attain promotion, managers need to adopt a number of tactics to gain political power. The frequently used technique of organizational politics are social exchange, selective service, control of information, identification with higher authority, etc. Managers without basic political skill, will find it difficult to protect self-interest and rise to the top.

**Power vs. Authority :**

Power may be described as the ability of imposing one's will on the behaviour of others. According to Baron, "powers refers to the ability to change or control others behaviour even against their will and in the face of resistance from them." Authority is different from power. Authority is delegated by the higher management to make decision where as power is gained by leader on the basis of his personality, activities.

**Tactics Used to Gain Political Power :** Leaders adopt different tactics to influence others and use power to meet personal gains over and above organizational goals. The frequently used tactics of organizational politics are :

**1. Social Exchanges :** It is based on norms of reciprocity. It means placing people under one's obligation and is expected to return the favour in due course. It can be done by inviting people to parties, doing favours to others, providing financial assistance, helping in times of crisis etc.

**2. Identification of Authority :** Constantly being used political technique is to attach oneself with some powerful and successful person in the organization. Thus, establishing close links with a powerful boss is an effective method of gaining political power..

**3. Selective Tactics :** Selective tactic is an ad-hoc strategy where the employee extends cooperation selectively to his supporters.

**4. Control of Information :** It is an important technique to yield power. The functioning of an organization depends upon availability of relevant information. This information can be withheld, falsified, distorted and so on.

**5. Co-operation :** It refers to seeking co-operation from those people who are currently belonging to opposition group.

**6. Power and Status Symbols :** The employee tries to impress others by attaching symbols which implies power and status.

Power is the ability to get an individual or group to do something - to get the person or group to change in some way. The person who possess power has the ability to manipulate or change others.

Political behaviour is outside one's specific job requirements. The behaviour requires some attempt to use one's power bases. Additionally our definition encompasses efforts to influence the goals, criteria or processes used for decision making when we state

that politics is concerned with “the distribution of advantages and disadvantages within the organization.”

### **Political behaviour may take Legitimate – illegitimate dimensions**

**Legitimate-political behaviour** refers to normal everyday politics. On the other hand illegitimate-political behaviour violate the implied rules of the game. Those who pursue such extreme activities are often described as individuals who “play hardball”. illegitimate activities include sabotage, whistle blowing and symbolic protests such as wearing unorthodox dress or protest buttons and groups or employers simultaneously calling in sick.

### **Factor influencing political behaviour**

**Individual Factors** : Researchers have identified personality traits, needs and other factors that are likely to be related to political behaviour.

In terms of traits, we find that employees who are high self-monitors possess an internal locus of control and need for high power, and more likely to engage in political behaviour.

The high self-monitor is more sensitive to cues, exhibit higher levels of social conformity, and is more likely to be skilled in political behaviour than in social conformity.

**Organisational Factors** : Political activity is probably more a function of the organisation’s characteristics than of individual difference variables, why? Because many organisations have a large number of employees with individual characteristics listed, yet the extent of political behaviour varies widely. Although, we acknowledge the role that individual differences can ply in fostering politicking, evidence more strongly supports that certain situations and cultures promote politics.

Promotion decisions have consistently been found to be one of the most political organisations. The less trust there is the organization, the higher, the level of political behaviour and the more likely that the political behaviour will be of the illegitimate kind.

Role ambiguity means that the prescribed behaviours of the employee are not clear.

### **Contingency Approaches to Power**

Pfeffer says that power comes from being in the ‘right’ place. He describes the right place or position in the organisation as on where the manager has :



1. Control over resources such as budgets, physical facilities and positions that can be used to cultivate allies and supporters.
2. Control over or extensive access to information about the organisations activity about the preferences and judgement of others about what is going on and who is doing it.
3. Formal authority.

There are three ethical decision criteria-utilitarianism, rights and justice. The first question you need to answer addresses self-interest versus organisational goals. Ethical actions are consistent with the organisation's goals. Spreading untrue rumours about the safety of a new product introduced by your company, in order to make that product's design team look bad, is unethical. However, there may be nothing unethical if a department head exchanges favours with her decision's purchasing manager in order to get in critical contract processed quickly.

The second question concerns the rights of other parties. If the department head described in the previous paragraph went down to the main room during her lunch hour and read through the mail directed to the purchasing manager—with the intent of “getting something on him”. So he'll expedite the contract—she would be acting unethically. She would have violated the purchasing manager's right to privacy.

The final question that needs to be addressed relates to whether or not the political activity conforms to standards of equity and justice. The department head that inflates the performance evaluation of a favoured employee—then uses these evaluations to justify giving the former a big raise and nothing to the latter—has treated the disfavoured employee unfairly.

Unfortunately, the answer to the question are often argued in ways to make unethical practices seem ethical.

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## **SUMMARY**

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Power refers to a capacity that A has to influence the behaviour of B, so that B acts in accordance with A's wishes. This definition implies a potential that need not be actualised to be effective and a dependency relationship.

Politics is an integral an unavoidable part of organization. In order to protect self-interest and attain promotion, managers need to adopt a number of tactics to gain political power. The frequently used technique of organizational politics are social exchange, selective service, control of information, identification with higher

authority, etc. Managers without basic political skill, will find it difficult to protect self-interest and rise to the top.

Power may be described as the ability of imposing one's will on the behaviour of others. According to Baron, "power refers to the ability to change or control others behaviour even against their will and in the face of resistance from them." Authority is different from power. Authority is delegated by the higher management to make decision where as power is gained by leader on the basis of his personality, activities.

Probably, the most important aspect of power is that it is a function of dependency. The greater B's dependence on A, the greater is A's power in the relationship. Dependence, in turn is based on alternatives that B perceives and the importance that B places on the alternatives that A controls. A person can have power on you only if he or she controls something you desire.

All types or the sources of power are interrelated and interdependent rather than independent. With the increase in legitimate power, reward power, coercive power, referent power also increases. Expert power may give rise to legitimate power. With the change in positions through promotion, legitimate power creeps in.

**Questions :**

1. What are the ethics of behaving politically?
2. What do you understand by Power? What are the types of Power? Explain.
3. What is politics? What are the factors that influence political behaviour?



## CONFLICTS AND NEGOTIATIONS

### Objective of the units

After the completion of the unit the student will be able to

1. Understand conflicts and its causes
2. Learn different approaches of conflict
3. Understand the various levels of conflict
4. Conflict resolution
5. Prejudice and its dimensions

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### INTRODUCTION

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The concept of conflict is supposed to be an outcome of behaviours and is an integral part of human life. The place where people interact there is every chance of conflict. Conflict can be defined or explain in many ways as an expression of hostility, negative attitudes, antagonism, aggression rivalry and misunderstanding. This also involves situation that involve contradiction between two opposing groups. In other words, conflicts is basically a disagreement between two or more individuals or groups, with each individual or group trying to gain acceptance of its own view on others.

Sometimes intense conception among the groups leads to conflicts. But both competition and conflict should not be confused. Competition is directed towards obtaining a goal while conflict is directed against another group and action to frustrate other group members towards goal achievement.

Conflict can mean many different things to many different people and can range in intensity from a minor difference of opinion to war between nations. Argyrols holds that given the mature, adult human being and the nature of the formal organisation, conflict is inevitable.

Within every individual there are usually (1) a number of competing needs and roles, (2) a variety of different ways that drives and roles can be expressed, (3) many types of barriers which can occur between the drive and goal and (4) both positive and negative aspects attached to the desired goals. These complicate the human adaptation process and often result in conflict.

### Definitions

According to **S.P. Robbins**, "Conflict is a process in which an effort is purposefully made by one person or unit to block another that

results in frustrating the attainment of the other's goals or the furthering of his or her interests."

**Mary Parker Follet** defines conflict as, "The appearance of difference, difference of opinions, of interests."

**Louis R. Pondy** defines, "Conflict may be viewed as a breakdown in the standard mechanism of decision making."

On the basis of the above descriptions it may be said that conflict is not confined at the individual level alone but is manifesting itself more and more in organisations. Employees have become vociferous in their demands for a better deal. Various departments in an organisation face a situation full of conflicts on account of a number of reasons like goal diversity, task interdependence etc.

#### **Causes of Conflict :**

We can categorise the causes of conflict into one of the following three categories.

**1. Communicational Aspect of Conflict :** Poor communication can also have a powerful effect in causing conflict. Any misunderstanding or partial information during the communication process is another factor supporting it. Due to the improper sending and receiving of the information conflicts situation. The filtering of information is also said to be playing its role at various levels of the organisation structure. Amount of information is functional upto a point, beyond which it becomes a source of conflict. Semantic difficulties arise due to differences in background, training, selective perception and incomplete or inadequate information regarding others. In respect of completion of any job in absence of the senior or supervisor it is essential that proper information in a correct and understandable form must be disseminated.

**2. Behavioural Aspect of Conflict :** These types of conflicts arise because of human thoughts, feelings, attitudes, emotions, values, perceptions and reflects basic traits of a personality. So perceptions of certain people any arise conflicts among others. On the other hand individuals who are of low self-esteem may feel threatened by others in simple matters and over-react causing a conflict.

Conflict in the modern society are mostly behavior oriented. They induce unrealised expectations and complexity of social and organisation system. Conflict may also arise due to differing views regarding any issue or cause which is requiring participation. Under privileged and the one having unrealised expectations also cause conflicting situation. From organisational behaviour point of view, there is a conflict between the goals of the formal organisation and psychological growth of the individual.

**3. Structural Aspects of Conflict :** These conflicts arise due to issues related to the structural design of the organisation as a whole as well as its sub-units. Some of the structurally related factors are :

**(i) Size of Organisation :** The larger the size of the organisation, the more is the basis for existence of conflict. In a big organisation there is less goal clarity, more supervisory levels and supervision and greater chances of information being diluted or distorted as it is passed along.

**(ii) Participation :** It is seen that if subordinates are not allowed to participate in the decision-making process they show resentment which gives rise to conflict. On the other side, if more participation of the subordinates are allowed then also chances of conflict increase as they become more aware of the things in detailed manner.

**(iii) Role Ambiguity :** Role is a certain set of activities associated with a certain position in the organisation. When the work is ill-defined the person at that position fails to perform well. This creates conflict with that person and the others who are dependent on that particular individual. Such conflicts can be reduced by redefining and classifying roles and their inter-dependencies.

**(iv) Scarcity of Resources :** The resources are made available to the working employees, but when there is an uneven distribution it gives rise to dissatisfaction and resentment. Specially in declining organisation cut back is made on personnel and services so that the concerned unit shrinking pool of resources and this breeds conflict. The chances of conflict rise high when resources such as capital facilities, staff assistance and many other factors start decreasing or are in inadequate forms.

**Different Approaches of Conflict:** There are several Approaches to the Study of organizational conflict.

According to one school of thought, the human relations view argues that conflict is a natural and inevitable outcome in any group and that it need not be evil, but has the potential of being a positive force in determining the group performance.

But in recent time, the belief is that conflict is absolutely necessary for a group to perform effectively.

#### **Traditional View**

Earlier it was considered that all type of conflict is bad and harmful for any organisation. It was also considered to be destructive force. This view is consistent with the attitude that prevailed about group behaviour and interaction during 1930's and 1940's.

Existence of conflict gave a sign that something is wrong or unfavourable in the existing system. The view held that conflict must be avoided at any cost. It was even believed that existence of conflict in an organisation projected the poor management and the deliberate efforts of the trouble makers.

On the other hand another school of thought expressed that conflict can be eliminated by creating an environment of goodwill and trust within the organisation.

Conflict was viewed as a dysfunctional outcome resulting from poor communication. Lack of openness and trust between people and the failure of managers to be responsive to the needs and aspirations of their employees.

### **The Human Relations View**

The human relations position argued that conflict was a natural occurrence in all groups and organisation. As conflict is unavoidable, so human behaviour must start accepting conflicts. They believed that conflict cannot be estimated and sometimes come out to be advantageous or fruitful.

The human relations view dominated conflict theory from late 1940's through the mid-1970s.

### **Interactionist View**

As the earlier view i.e., the human relationship view accepted the need of conflict, this interactions view encouraged conflict. According to them any group where there is no conflict at all it tends to become static, apathetic, and non-responsive to needs for change or innovation.

Their main emphasis was on encouraging a mild and average conflict regularly in the groups on team member. This view keep the group viable, self-critical and creative. Whether any conflict is good or bad or it is advantageous to an organisation depends upon the nature of the conflict.

### **Types of Conflicts :**

**(a) Goal Conflict :** Goal conflict arises when two or more motives block one another. There are three types of goal conflict.

**1. Approach-Approach-Conflict :** Where the individual is motivated to approach two or more positive but mutually exclusive goals. For example, a young person faced with two excellent job opportunities, or an executive who has choice between two very attractive office to work.

**2. Approach-Avoidance-Conflict** : Where the individual is motivated to approach a goal and at the same time, is motivated to avoid it. The single goal contains both positive and negative characteristics for the individual. For example, Managers engaged in Long-range planning are very confident of a goal they have developed for the future. Yet, as the time gets near to commit resources and implement the plan, the negative consequences seem to appear much greater than they did in the developing stage. The Managers may reach a point where approach equals avoidance. The result is a great deal of internal conflict which may cause indecision, ulcers or even neurosis.

**3. Avoidance-Avoidance-Conflict** : Where the individual is motivated to avoid two or more negative but mutually exclusive goals. For example, the worker who detests his supervisor and has too much pride to accept unemployment compensation,. This worker cannot easily resolve his avoidance-avoidance-conflict in a time when jobs are very scarce.

**(b) Role Conflict** : A role consists of a pattern of norms and is directly related to the theatrical use of them. A role is the position that has expectations evolving from established norms. As a pattern of prescribed behaviour, a role is a bundle of norms. As a pattern of actual behaviour, a role is one side of a set of social relationships. An individual can have many roles simultaneously. Since the individual has many roles to play in an organisation, role conflict is bound to exist. The classic example of role conflict is of a first-line supervisor. The best approach to resolve this conflict would be to recognise the existence of role conflict, attempt to understand its causes and ramifications and then try to manage it as effectively as possible.

**(c) Inter-Personal Conflict** : Conflict situations inevitably are made of at least two individuals who hold polarised points of view, who are somewhat indolent or ambiguous and who are quick to jump to conclusions. Our popular framework for analysing dynamics of interaction between self and others is **JOHARI WINDOW**. This model has been developed by Joseph Luft and Harry Ingham (this the name JOHARI).

**Levels of Conflict** : Newstrom and Davis refer to conflict as “any situation in which two or more parties feel themselves in opposition. Conflict is an interpersonal process that arises from disagreements over the goals to attain or the methods to be used to accomplish these goals”.

## **Conflict can occur in three levels :**

### **1. Inter-Personal Conflict**

If it were true that the sole motive of all activity is the desire to avoid pain and to secure pleasure, conflict could hardly arise. But neither it is true nor possible as there are always incompatible motives which impel us to incompatible goals as individual human being and also as members of social groups and organisations.

And this is what gives birth to a conflict. When this happens within an individual, we call it "MENTAL CONFLICT" and when it happens between two individuals or amongst many members of a group or groups, it is known as "INTER PERSONAL CONFLICT".

Conflict is a painful manifestation of energy and by consuming within the organisation the energy that should be sustaining fruitful work of mind and body, may reduce and weaken the organism and prepare the way for disorder.

When applied to the groups or group members, this wasteful use of energy in "inter-personal conflict" results in simple disagreement to serious fights.

In an industry, it leads to indiscipline, poor morale, infights, industrial strife, etc. By the same token, conflict releases energy at every level of human affairs - energy then can produce positive and constructive results.

It is clear from the above that conflict is natural and inevitable. It is therefore, in the interest of all of us to understand its genesis and the methods of resolution so that conflict could be channeled to useful purposes rather than providing devastating results.

**2. Organisational Conflict :** Individuals in the organisation have many conflicting experiences in organisational settings as for example (a) The boss wants more production, the subordinates want more consideration. (b) Customers demand faster deliveries, peers request schedule days. (c) Consultants suggest changes, subordinates resist change and (d) The rule book prescribes a formula, but the staff says it will not work. These are four types of organisational conflict.

**(a) Hierarchical Conflict :** There may be conflict between the various levels of the organisation. The board of directors may be in conflict with the top management, middle management may be in conflict with supervisory personnel, or there may be general conflict between management and the workers.

**(b) Functional Conflict :** There may be conflict between various functional departments of the organisation. Conflict between the



production and marketing departments in an industrial organisation is a classic example.

**(c) Line-Staff Conflict :** There may be a conflict between the line and staff. It often results from situations where staff personnel do not formally possess authority over line personnel.

**(d) Formal-Informal Conflict :** There may be conflict between the formal and informal organisations. For example, the informal organisation's norms for performance may be incompatible with the formal organisation's norms of performance.

#### **Role on Conflict in Today's Organisations :**

Today conflict has become one of the most vital aspects of national, organisational, group and individual development. As a result, new set of assumptions have been accepted about conflict. These assumptions are (a) Conflict is inevitable, (b) Conflict is determined by structural factors such as the design of a career structure or the nature of a class system, (c) Conflict is integral to the nature of change, (d) A minimal level of conflict is optimal.

#### **Reduce Organisational Conflict :**

Based on these assumptions, the following approaches have been developed to reduce organisational conflict (a) Buffers can be erected between conflicting parties. (b) To help the parties in the conflicting situations, develop insights into themselves and how they affect others. (c) Redesign the organisational structure in order to reduce the conflict.

It is not always necessary to reduce the conflict as conflicts to help development in many situations, Conflict can lead to innovation and change, it can energise people to activity, develop protection for something else in the organisation and be an important element in the systems analysis of the organisation. Such factors indicate that conflict can be managed to work for rather than in the modern organisation.

#### **Harmony and Conflict in Inter Group Relations**

Two or more groups, like two or ore individuals, can coordinate their activities for mutual gain. In this case they're likely to be an atmosphere of acceptance and goodwill. We can find such harmonious relations at all levels, ranging from two couples on a double date to two nations engaging in cultural exchange.

Two or more groups, like two or more individuals, can also compete for scare resources. In this case they are likely to generate an atmosphere of ill will, mistrust, and suspicion. This type of relationship can also be identified at all levels, from feuding families to nations at war.

### 3. Inter Group Conflict

Definitions of conflict usually involve an element of competition and an element of aggression (Coser, 1956; Brickman, 1974). Let's define inter group conflict as the state existing between two or more groups that are competing over scarce resources when one of the aims of the competition is to neutralise, injure or eliminate the competitor. The resources under dispute may be physical (a good home, farmland, oil fields), economic (money, good jobs, bright prospects), psychological (self-esteem, self-actualisation), social (prestige, influence) or any combination thereof. By referring to these resources as scarce, I mean that each contending group considers them inadequate to fulfill everyone's needs.

In some ways, conflict between two or more groups is analogous to conflict between two or more people. In both inter group conflict and interpersonal conflict, own-gain and relative-gain motivation overpowers joint-gain motivation, although in the case of inter group conflict we must refer to "team" rather than "individual" interests. However, inter group conflicts have at least three very special properties that distinguish them from interpersonal conflicts. First, the death of one of the participants ends an interpersonal conflict. The death of one participant does not end an inter group conflict. Because new contestants arise to take the place of the fallen, inter group conflict can persist over generations. The conflict may even gain the status of a tradition. For the person born into a long-warring group, knowledge of the conflict will become one of the earliest memories, and constrictive alternatives will be very hard to imagine.

Second, inter group conflict is not governed by the same norms that govern interpersonal conflicts. Whereas, norms may discourage all violence within a group, they may systematise and organise violence between groups. An isolated murder represents social disorganisation, or a failure of norms to regulate individual conduct. The near-annihilation of an enemy in warfare reflects social organisation, or a success of norms to regulate individual conduct. Organisation and conformity are required, for example, to quickly mobilise an army and send it dashing off across the border.

A third factor that distinguishes individual and group conflict is that inter group conflict is often accompanied by intra-group (within-group) cooperation. People will pull together to subdue the enemy. This intra-group cooperation can maintain the conflict, since it may provide some rewards that offset poor outcomes from the competition itself. For example, fighting units may develop a strong feeling of camaraderie, and warfare between societies may mend, or at least temporarily alleviate, conflicts within societies.

### **Functions of Conflict**

Most of the social-psychological literature on inter group conflict is based on the premise that conflict is harmful to all participants and must be eliminated. However, not all writers are reformers, and some have claimed that inter-group conflict serves important adaptive and maintenance functions for the group. Obviously, warfare can be instrumental if it gains for the group the strip of land, the resources, or the freedom that it seeks. (Curiously, the plum of victory has been given scant attention in social psychology). Coser (1956) has listed a number of other functions or uses of inter group conflict; here we will consider three of the major arguments.

First, conflict prevents the stagnation and decay of the social system by stimulating innovation and creativity. Conflict, my lead to new social norms and reforms. According to Hare (1969), for example, black rebellion did more to reduce social inequalities in academia than did decades of “whimpering for integration”. Conflict can also spur the economy and technology. World War II ended the Great Depression and triggered rapid developments in such different fields as pesticides, medicine, electronics, aviation, nuclear engineering, and manufacture of rayon stockings. Such expensive inventions become likely when there are serious challenges to strong vested interests.

Of course, technological advancement, esprit de corps, and the making of new friends would seem to be rather paltry gains if the ultimate result is annihilation of the society. However, Coser believes that, for three reasons, conflicts will be self-limiting. First, conflict sometimes binds the contending groups together. In the process of conflict, two previously unrelated groups form a negative relationship, out of which a positive relationship can evolve. For example, in an effort to head off war, two nations may discover a mutually advantageous course of action (such as splitting a contested weak nation down the middle).

Second, conflict at a low level of intensity may establish and maintain a balance of power. Paradoxically, conflict on a small scale may be one of the most effective deterrents to conflict on a large scale, since small-scale conflict allows each side to show strength and resolve, which deters the other side from escalating the conflict.

Finally, when a war becomes large enough so that other nations enter in, shifting coalitions and alliances may prevent the conflict from becoming an all-out war of annihilation.

### **Functions of Conflict Resolution**

Most writers who have dealt with inter group relations have emphasised the negative consequences of conflict. Whether we are

dealing with a battlefield or “merely” with the systematic blocking of alternatives (as in the case of racial discrimination), conflict involves personal suffering and social loss. This loss is measurable not only in terms of material and money but also in terms of wasted human potential.

Certainly most of the positive effects of inter group conflict can be achieved in peaceful ways as well. Negotiation and bargaining can lead to a favourable allocation of resources. Technological advancements do not depend on warfare. For example, the space program led to rapid technological developments in electronics, plastics, nutrition and computers and nobody was deliberately killed in the process. Cohesiveness and solidarity might be brought about through increased rewards within the society as well as through external threat. Thus, wars on poverty, famine, and disease, like wars on neighbours, can raise society’s cohesiveness. Finally, international alliances may be based on trade or cultural exchange rather than on a pact of “mutual defense” against some third party.

### **Win/Lose Situations**

Historically, a major source of inter-group antagonism has been employment. (Simpson & Yinger, 1958; Bonacich, 1972). Southern blacks emigrating north got a hostile reception from unskilled white laborers, who felt that, their jobs might be in jeopardy. Pressures to exclude foreigners from our shores may also have represented an attempt to protect jobs, and there is some speculation that, when Japanese Americans were stripped of their property and forced into concentration camps during World War II. This action was motivated by selfish economic considerations as well as by concern for “national security” (Simpson & Yinger, 1958). Class struggles and bloody battles between workers and management are essentially conflicts between the “haves” and the “have nots”, and, whereas, wars may be waged for “the hearts” of people, it is amazing how often rubber, oil, tin, and land are at least peripherally involved. Among the more recent prizes that contenders have seen as indivisible are Palestine, Cyprus, and the oil wells of the Middle East.

Of course, not every resource will be disputed. For example, although the Chamber of Commerce of Niagara Falls, New York, might like to have the scenic Canadian side of the falls incorporated into the United States, one hears little discussion these days about the annexation of Canada. For a win/lose situation to develop, each side must feel that it has claim on the resource in question. Furthermore, not all disputed resources will spark open conflict. The lure of specific relative-gain goals such as southern Ontario may be offset by a recognition that, for the most part, the two groups have had a cooperative relationship that has yielded a high level of mutual gains. Besides, the anticipated rewards of victory

may be offset by the anticipated costs of the conflict. In many cases, both parties recognise that negotiated solutions provide the best outcomes.

A particular kind of win/lose situation is the exploitative relationship, in which one side does all the winning and the other side does all the losing. According to Blauner's (1970) controversial theory of internal colonialism, discord between blacks and whites in the United States is caused by an exploitative relationship in which whites control all the resources. Traditionally, colonialism refers to conditions, whereby, one country exerts economic and political domination over another country, which is populated by people of a different race or culture. The colonisers exploit the land, the natural resources and above all, the people.

According to Blauner, the black ghettos in our cities are ruthlessly exploited colonies within our national boundaries. Many groups of immigrants have settled into ghettos in the United States, but three features give black ghettos colonial status. First, whereas most other ghettos were voluntarily formed, black ghettos were enforced. Second, whereas most ghettos represented for the occupants a stopping point on the way to becoming one more indistinguishable mineral in the big melting pot, black ghettos have persisted over generations and have provided dead-end streets for many black families. Third, and most important, although in most ghettos it took only a brief time for ghetto dwellers to become landlords, merchants, and entrepreneurs within the ghetto, this was not true in the case of blacks. Greek Americans, Chinese Americans, and Polish Americans came to own their own laundries, banks and restaurants, but the ghetto black has remained a captive patron of white-dominated businesses.

### **Own-Group Bias**

The attitudinal effects of win/lose competition noted in the Sherif camp studies have also been repeatedly noted in-groups of conflicting adults. Specifically, there have been numerous reports of an own-group bias such that everyone within one's own group is favourably evaluated and everyone in the other group is unfavourably evaluated. A number of recent experimental studies have been aimed at pinpointing the causes of own-group bias.

### **Super-Ordinate Goals**

A third theme in the camp studies that recurs in discussions of inter-group conflict is that, if by the imposition of super-ordinate goals a win/lose situation can be transformed into a situation in which both groups can win, conflict will be reduced or eliminated. For example, in the organisational setting, super-ordinate goals have been used to resolve internal conflicts (Blake & Mouton, 1962; Blake, Shepard & Mouton, 1964). In workshop settings, where

small groups were encouraged to come up with better solutions than those offered in competing groups, there was evidence of inter-group antagonism. When common interests were highlighted and the groups were encouraged to work together for the good of the organisation, inter-group hostilities were overcome.

Inspecting the history of international relations, one can find numerous illustrations of super-ordinate goals reducing inter-group tensions. Unfortunately, the super-ordinate goal in these cases usually involves the vanquishing of some third group. For example, during the 1930s many Americans considered both the Russian Communists and the German Nazis threatening and loathsome, but, despite the Communists' initial edge, the Nazis eventually proved the more hateful of the two. With the super-ordinate goal of defeating the Axis powers, the United States and the U.S.S.R. became allies-at least until that super-ordinate goal was reached. Although, this kind of historical event certainly conforms to Sherif's theory, it does little to help us with the problem of conflict resolution, since, as Sherif points out, such alliances usually result in a widening of the conflict.

It may still be possible to discover super-ordinate goals (other than the subjugation of some third party) that could reduce the antagonisms between traditionally conflicting social groups. This is no easy job, for glib pronouncements such as "Let's pull together for peace" will not work. According to Sherif and Sherif (1969), a super-ordinate goal must require cooperation, cannot be based on words alone, and may not be imposed by one group on another.

### **Conflicts within Society**

Let's move up scale from the small groups studied by Sherif and consider relationships among groups that constitute large identifiable segments of the U.S. population. An ethnic group is a collection of people who are considered by themselves and by others to have common racial origin (as revealed by physical factors such as skin tone and facial features). A common national origin, a common language and cultural tradition, or some combination of these factors (Harding et. al., 1969). Although reference will be made to several different ethnic groups, attention will focus on the conflict between black and white Americans, because this conflict has been one of the most serious and also one of the most carefully studied. A discussion of inter-group relations forces the use of generalities. However, this should not obscure the fact that within any given ethnic group it is possible to find represented a wide spectrum of attitudes and behaviours toward the members of other ethnic groups.

This section begins with a discussion of prejudice, that particular form of in-group bias characterised by strong negative views of the out-group. We will then consider the functions of discriminatory

activity and will see that prejudice and discrimination tend to be self-perpetuating. Finally, we will look at two views concerning the best way to ensure good outcomes for one's own ethnic group.

### **Prejudice**

Prejudicial attitudes are negative feelings that, depart from one or more of three ideal norms: the norm of rationality, the norm of justice, and the norms of human heartedness. The norm of rationality suggests that we should be accurate and factually correct, logical in our reasoning, and cautious when making judgments. A prejudiced attitude is likely to be inaccurate, incorrect and illogical. The norm of justice suggests that all people should be treated equally, except with respect to their objective abilities. A prejudiced attitude includes the belief that differential treatment should be based on group membership, rather than on individual ability. The norm of human heartedness prescribes tolerance and compassion. A prejudiced attitude often advocates kicking, rather than rooting for, the underdog. A fully prejudiced attitude, then, is one that is irrational, unjust, and cold hearted.

First, the arrival of a group of unskilled blacks raises the possibility that there will be more workers than jobs and thus can result in lowered wages and less job security for the equally unskilled white. Prejudicial activity aimed at preventing the blacks from obtaining jobs can have the utilitarian function of increasing the whites' job security. Second, the "I am better than you" attitude can serve the ego-defensive function of giving people with little going for them a sense of superiority. Third, prejudice against blacks can serve the value-expressive function for any person who has been indoctrinated in a heritage of white supremacy. Finally, the whites can make some sense out of their observation that blacks are treated shabbily if they draw the conclusion that "They must be bad to deserve this treatment". In this way prejudicial attitudes can serve the knowledge function.

### **Dimensions of Prejudice**

Campbell (1947) sought to determine whether prejudice is a general attitude or factor (such that different measures of prejudice would inter-correlate highly) or whether it is actually a number of independent attitudes that are only loosely related. In the former case we would expect that, if an individual believed that Croatians were immoral, he or she would also believe that Croatians were lazy. In the latter case it would not be possible to predict ratings of industriousness given ratings of morality.

Campbell's study involved five "subtopics" or prejudice : (1) Liking or disliking of a particular group, (2) Beliefs about the degree of blame that should be accorded the group, (3) Beliefs about the extent to which the group should be avoided, (4) Beliefs about the

intelligence of the group, and (5) Beliefs about the morality of the group. Five-item scales were prepared dealing with each of these subtopics, and subjects rated five ethnic groups on each of the five scales. College students and high school students completed the scales, and inter-correlations were computed. The average inter-scale correlation's for a given ethnic group was in the mid-50s, which suggests a certain generality of prejudice. That is, if an ethnic group was disliked, it was also likely to be seen as blame-worthy, unintelligent, and immoral, and representatives were likely to be avoided.

In a later series of three studies aimed at understanding prejudice toward blacks, Woodman-see and Cook (1967) different facets of prejudice are to some extent independent. They identified 11 dimensions of prejudice toward blacks :

1. Position on segregation and integration.
2. Acceptance of blacks in intimate relationships.
3. Belief in the inferiority of blacks.
4. Belief in the superiority of blacks.
5. Feelings of ease in interracial situations.
6. Expression of "derogatory beliefs" about blacks, such as "Blacks are educationally backward" or "Some blacks are so touchy about their rights that they are difficult to get along with".
7. Position on the role of local autonomy in desegregation and civil-right legislation.
8. Position on the role of individual choice in doing business with blacks or renting to blacks.
9. Acceptance of blacks as status superiors (such as a boss or as a teacher).
10. Sympathy for victimised blacks.
11. Position on how quickly desegregation should take place.

### **Prejudice and Discrimination as Self-Perpetuating**

Prejudicial attitudes may lead to discriminatory behaviour. Discrimination, in turn, may bring about behaviours on the part of the victim that serve to justify or support the original prejudices. That is, if we expect another person to display certain behaviour, we may act in such a way as to bring about the anticipated performance. This phenomenon is referred to as a self-fulfilling prophecy. As we smugly that the other person acted as we expected, we minimise our own role in bringing it about.

Self-fulfilling prophecies can also affect academic performance. For example, a teacher might expect a Chicano (Mexican American) child to do poorly in class. He or she then decides that helping this student would be a waste of time, whereas, helping a middle-class white student would pay rich dividends in the form of intellectual growth for the child. The teacher thus encourages the middle-class



student but discourages the Chicano. Then, when the Chicano student fails and the middle-class white student flourishes, the teacher's expectations are strengthened. This kind of thing can happen even if the two students are equal in motivation and ability. Rosenthal and Jacobsen (1968) led teachers to expect that certain students would show unusually little intellectual development, whereas, others would show unusually great improvement, in the course of an academic year. In fact, these two groups of students were of equivalent promise and ability. Yet the group that the teachers expected to improve showed a leap in performance that the other group did not match.

**Conflict Resolution Strategies** : Conflict is a rift between the worker and the management which must be managed effectively in the organization. Conflict can also result in poor working relationships. If hard feelings and resentment persist, they may spoil organisational climate. Conflict can be managed in several ways. The parties may agree about how to solve the conflict. They might take steps to prevent such conflict in the future. Conflict can also be resolved when one party defeats another. Sometimes there is suppression of the conflict. This happens when the parties avoid strong reactions or try to ignore each other when they disagree.

Conflicts can be managed successfully as follows :

**1. Avoidance** : Some people attempt to avoid certain types of conflict situations or avoid conflict situations altogether. These people tend to repress emotional reactions, look the other way, or withdraw from a situation entirely. For example, one may resign from a job, leave school, or become divorced. The person either cannot face the situation effectively or does not have the skills to resolve the conflict situation effectively.

Although avoidance strategies have survival value in those instances in which escape is possible, they usually do not provide the individual with a high level of satisfaction.

**2. Diffusion** : Diffusion strategies attempt to tone down and cool off the situation, at least temporarily, or to keep the issues so unclear that attempts at confrontation are unlikely. Resolving minor points while avoiding or delaying discussion of major issues, postponing issues underlying the conflict all are examples of diffusion tactics. As with avoidance strategies, diffusion tactics often work when delay is possible. However, such tactics typically result in feelings of dissatisfaction, anxiety about the future, concerns about oneself, and decreased self-esteem.

**3. Confrontation** : The third major conflict-resolution strategy is confrontation. Confrontation may arise due to power and

negotiation strategies. Power strategies include the use of physical force (i.e., a punch in the nose); bribery (i.e., money and favours); and punishment (i.e., withholding love, money). Power tactics often are very effective from the point of view of the “winner” or “successful” party in the conflict.

Negotiation strategies, unlike power confrontations, present opportunities for both sides to win. The objective of negotiation is to resolve the conflict with a compromise solution that is mutually satisfying to all parties involved in the conflict. Of the three conflict-resolution strategies, negotiation seems to provide the most positive and the least negative outcome.

There seems to be an endless list of proposals for eliminating inter-group conflict within our society. In one group we find people who favour conflict resolution through defeat of one side by the other. In another group we find those who advocate some kind of mixture of competitive and cooperative activities. Many “black power” writers, for example, suggest that blacks should develop, through competitive and, if necessary, aggressive activities, a position of strength, which can then be used to induce cooperation and, ultimately, full integration. In a third group we could find people who favour purely cooperative means for reducing inter-group tensions and merging the conflicting groups into a larger, cohesive entity. This third group, which operates on the assumption that it is possible to move directly from inter-group conflict to inter-group cooperation, would seem to include nine out of ten social psychologists!

**Techniques, approaches or mechanisms to deal with conflict :**  
Managers have to realise that conflict is a natural ingredient in every organisation. Practically, there are three main strategies, techniques, approaches or mechanisms to deal with conflict which can be discussed as follows :

**(I) Conflict Encouragement :** A manager may find some situations where conflict needs to be encouraged. This is so when certain types and amounts of conflict are found to stimulate satisfaction and performance of individuals or groups. The principal ways or techniques to encourage constructive conflict may be outlined as follows :

- (a) Bringing an outside expert or consultant for the purpose of shaking up people and thereby stimulating constructive conflict.
- (b) Personally encouraging creative and innovative thinking and action processes among people.

- (c) Fostering competitive situations in inter-personal and group relations.
- (d) Discouraging avoidance of conflict, compromises and compatibility on goals and performance standards and also discouraging mild acceptance of assigned roles and responsibilities.
- (e) Expressly criticising mediocrity, low levels of skills, lack of honesty and commitment, misuse of resources, blocked communication, poor performance, etc.

**(II) Conflict Reduction** : Sometimes conflicts rise to alarming levels and thereby adversely affect the work performance in the organisation. In such situations, the question of conflict encouragement does not at all arise. Hence, they need to reduce, i.e., minimise them and bring down to some tolerance level. Some techniques of conflict reduction may be summarised as follows :

(a) In complex and dynamic organisations, conflict may be reduced by enhancing coordination activities and better communication flows.

(b) If the conflict stems differences over distribution of scarce or deficient resources, the manager can reduce it by increasing the amount of available resources.

(c) In case the excessive conflict stems from differences in goals, the manager can reduce the conflict by focusing everyone's attention on a subordinate goal, such as common objective of survival, major financial crisis, or defending against an external threat.

(d) The managers can facilitate compromises to reduce especially the labour-management conflict.

**(III) Conflict Resolution** : Conflict in organisation is inevitable. Sometimes even the best managers find themselves in the middle of dysfunctional conflict, whether it is due to inattention or due to the circumstances which are beyond their control. In such situations managers have two options open to them : (a) avoidance, or (b) resolution. Avoidance means to choose to do nothing, i.e., staying neutral at all costs, downplaying disagreement, or failing to participate in the conflict situation, by pretending that there is no conflict and hoping that time will take care of all conflicts. Conflict resolution means a situation in which the underlying reasons for a given conflict are eliminated. Managers can use a number of techniques or strategies for resolving conflict as follows :

**1. Diffusion** : Diffusing strategy attempts to buy time until the

conflict between two parties becomes less emotional or less crucial. The following methods are classified as diffusion strategy :

**(a) Smoothing** : Smoothing or accommodation involves (i) playing down differences and dissensions (i.e., making them seem less important) among the conflicting parties and highlighting similarities and areas of agreement, and (ii) peaceful coexistence through a recognition of common interests in the goal, in the hope that the parties would eventually realise that they are not as far apart as they initially believed. With this approach, problems are rarely permitted to come to the surface and thus superficial harmony is maintained but the potential for conflict remains.

**(b) Compromise** : Compromise is a 'give-and-take' exchange, resulting in neither a clear winner nor loser. Compromise can be used when the object, goal or resource in conflict, can be divided up in some way between the competing parties. In other cases, one party may yield on one point if it can gain something in exchange from the other party. Compromise is the most typical way of dealing with labour-management conflict. However, compromise takes time which management may not be able to afford always. Moreover, since party gains its full desires, the antecedent conditions for future conflicts are probably established; and the conflict which appears to be settled for a while, may well reappear at some time.

**2. Power Intervention** : Power interventions is a frequently used resolution approach. It involves the use of power to end conflict. This includes the following :

**(a) Hierarchical Intervention or Forcing** : Especially when time is important, higher level management steps into a conflict and orders the conflicting parties to handle the situation in a particular manner. This is forcing.

**(b) Use of Mediation or Arbitration** : A consultant or an arbitrator may be employed to hear and settle the dispute.

**(c) Politics** : Political resolution of conflict generally involves the distribution of power between the conflicting parties. If one party can accumulate sufficient power through resources accumulation or the formation of a coalition, that party can exert considerable influence over the outcome of the decision or solution to the problem.

**3. Organisational Interactions** : When work needs to be coordinated, when resources must be shared, and when other work-flow interdependencies exist, conflict often arise. Managers have a number options available to reduce conflicts by adjusting the organisation design of such friction points as follows :

- (a) Buffering approach can be used when the inputs of one group are the outputs of another group. Under this approach, an inventory is built up between the two groups so that any output slowdown or excess is absorbed by the inventory and does not directly pressure that target group.
- (b) Illogically sequenced procedures should be changed to remove unnecessary difficulties.
- (c) Groups, especially those which are prone to conflict, may be separated by reducing contact between them.
- (d) Training programmes may be designed and implemented for improving interpersonal and group relationships, and for socialisation of new members.
- (e) Monetary and non-monetary incentives may be installed for the group as a whole, instead of on an individual basis, for higher performance and productivity.
- (f) Communication systems may be redesigned so as to resolve conflict situations.
- (g) Work-group may be established with overlapping memberships.
- (h) Better coordination may be effected through a liaison-group, which will prevent destructive clashes. Such a group may be given formal authority to resolve conflict.
- (i) Changes in the design of physical workplace may be used effectively to resolve conflict - such as office space, desks, etc.

**4. Confrontation** : Three methods or techniques may be used under confrontation strategy as follows :

**(a) Problem Solving** : It involves bringing together the conflicting parties to conduct a formal confrontation meeting, so as to have the parties present their views and opinions to each other and work through the differences in attitudes and perceptions. An atmosphere of trust and openness has to be built, where neither party feels that it has to win every battle to maintain self-respect. Instead, conflicting parties recognise that something is wrong and needs attention. When success is achieved through problem solving, it may be believed that true conflict resolution has occurred.

**(b) Mutual Personnel Exchange** : It involves increasing the communication and understanding between groups by exchanging

personnel for a period of time-it is assumed that the exchanged personnel can learn about the other group and communicate their impressions back to their original group.

**(c) Superordinate Goals :** Superordinate goals are common, more important or highly valued goals on which the conflicting parties are asked or appealed to focus their attention. Such goals are unattainable by one group or individual alone and generally supersede all other goals of each group or individual.

### **Traditional and Modern Approaches to Conflict**

Traditionally, the approach to conflict in organisations was very simple and optimistic, it was on certain assumptions, such as :

- (i) Conflict is by nature avoidable.
- (ii) Rules, policies and procedures are to be emphasised.
- (iii) Conflict is caused by trouble-makers, envious of the good and comfortable situations, and excitable self-important persons who are always changing their minds and expect everyone to do as they which.
- (iv) Scapegoats are accepted as inevitable.

The individual managers often pretended to become critical in order to avoid conflicts. They tried to ignore conflict. At other times, they tried to rationalise it away with the position that there was nothing which could be done about it.

However, in modern times, the approach towards conflict is somewhat different. Behavioural scientists believe that there is incongruence between individual and organisational goals. This has caused the overall societal concern with conflict in organisations. Some of the new assumptions about conflict may be enumerated as follows :

- (i) Conflict is inevitable.
- (ii) Conflict is integral to the nature of change - conflict goes with every change.
- (iii) Conflict is determined by structural factors, such as the physical shape of a building, the nature of a class system, and the design of a career system.
- (iv) A minimum level of conflict is optimum, desirable for growth and development.

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## **SUMMARY**

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Conflict is a dynamic concept and it is to be understood as a state of real difference between two or more persons where overt behaviour is characterised by differing perceptions towards goal that, in turn, create tension, disagreement and emotionality between/among those involved.

Conflict can be defined : as a condition of objective incompatibility

between values or goals, and/or Conflict is also define as the behaviour of deliberately interfering with another's goal achievement, and emotionally in terms of hostility.

Keeping in view that people, consider 'conflict resolution' a topic of growing importance, it is essential that the relevant management development activity should be to help people to 'Manage Conflict'. Some of the methods of inter-personal conflict resolutions are :

**1. Withdrawal** : Retreating from an actual or potential conflict situation.

**2. Smoothing** : Emphasising areas of agreement and de-emphasising areas of difference over conflicting areas.

**3. Compromises** : Searching for solutions that bring some degree of satisfaction to the conflicting parties.

**4. Forcing** : Ederting one's viewpoint at the potential expense of another-often competition and win-lose situation.

**5. Confrontation** : Addressing a disagreement directly and in a problem - solving mode - the affected parties work through their disagreements.

Conflict is inevitable. It is, therefore, essential to learn to resolve rather than running away from it. Conflict if resolved properly can lead to better understanding and harmonious relations. Understanding of one's own self and of others will help reduce conflict areas. Individuals must make efforts to cultivate/develop some attributes which make an individual successful in conflict management. It is possible to improve one's ability to handle conflict more creatively and effectively - especially if one can view "Conflict" not as a process to be feared and suppressed, but as one to be understood and managed.

#### Questions :

1. What do you mean by organisational conflict? What are different types of conflicts situations?
2. What are the various causes of conflict?
3. What are the different approaches of conflict?
4. What are the main stages to deal with Conflict ? Explain them in brief.
5. How would you manage Conflict in your Organisation ? Explain.
6. "Modern Approach to Conflict is quite different from Traditional Approach" ? Explain.



## STRESS

### Objective of the unit

After the completion of the unit the student will be able to

1. Understand causes and symptoms of stress
2. Study type A and type B individuals
3. Known approaches to stress management
4. Understand effects of stress

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### INTRODUCTION

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The term 'Stress' refers to the body's physical, mental, and chemical reactions to circumstances that confuse, endanger, frighten or irritate the individual. In fact, stress is concerned with the branch of Engineering. But this word has been used in the field of social science by Hans Selye in 1936. Many words are used to denote work pressure like stress, strain, conflict and pressure, but stress is the most common.

Stress may be defined as "a state of psychological and/or physiological imbalance resulting from the disparity between situational demand and the individual's ability and/or motivation to meet those demands".

According to Beehr and Newman job stress as a condition arising from the interaction of people and their jobs and characterised by changes within people that force them to deviate from their normal functioning.

Stress is an adaptive response to an external situation that results in physical psychological and/or behavioural deviations for organisational participants. Stress is not :

1. Stress is not simply anxiety.
2. Stress is not simply nervous tension.
3. Stress is not necessarily something damaging bad or to be avoided.

**Symptoms of Stress** : Symptoms of stress are generally classified into the following two categories:

**Physiological Symptoms** : Some of the physiological symptoms of stress are : (i) Increase in blood pressure, (ii) Increase in cholesterol, (iii) Frequent cold and fever, (iv) Increase in biochemical substances such as uric acid and catecholamine.



**Psychological Symptoms** : Psychological symptoms of stress are : (a) Anger, (b) Frustration, (c) Irritation, (d) Depression, (e) Fatigue, (f) Lower job satisfaction, (g) Loss of self-esteem.

**Causes of Stress** : The isolation and loneliness are responsible for domestic stress and mental illness. Dirt, smell, chemical pollution and cigarette smoke can be stressful. The chemicals in our foods, drinks and drugs contribute to stress. In modern times alcohol helps the body and mind relax but taken in excess it acts, damaging the liver and impairing brain.

The various causes that led to stress are as follows :

**1. Extra-organizational Stressors** : It refers to factors outside the organization which lead to stress. These factors do affect the organization and are affected by the organization as well. Some of these factors are as follows :

**(a) Social and Technological Changes** : The speed at which changes are taking place results in stressful condition. It is difficult to get adjust quickly to such rapid changes which make life disrupted.

**(b) Financial Problems** : In a city like Mumbai, where accommodation is expensive and the standard of living is high, then financial problem can be a cause of stress, wherein a person needs to earn extra money for that needs to work additional or the wife has to earn some money, which reduces domestic family life and increases the potential for stress.

**(c) Family Problems** : Family problem may be something serious such as strained relationship between the spouses or parents and the children. Another problem could be mentally retarded children, handicapped child etc.

**(d) Race, Religion and Sex of a Person** : Factors such as sex, religion can be stressors. Women have more stress then men because the world is dominated by men.

**(e) Civic Amenities** : The area where one lives, the water supply, air pollution, noise pollution, electricity supply etc. all these are extra-organizational factors which can cause stress.

**2. Organizational Stressors** : Stressors inside the organization.

**(a) Occupational Demands** : Some jobs are monotonous and complex, some are highly repetitive and require constant vigilance are more stressful. For example, job of a fire fighter, policeman, air pilot etc.

**(b) Personal v/s. Organizational Life** : When the family and personal needs interfere with organizational demands, it leads to stressful conditions. For example, a manager is promoted and given prestigious posting abroad but need to resume on duty immediately at the same time one of the family member is very sick and needs him at home.

**(c) Career Concern** : If an employee is too much concerned about his own career and feels that there are no opportunities for self-growth, he might feel stagnant and experience stress.

**(d) Role Conflict** : Different people do have different expectation which results in role conflict, i.e. a manager in the organization is a link between management and workers and often faces role conflict.

**(e) Role Ambiguity** : Employees experienced stress when they are provided with ambiguous idea or information about their work which creates confusion in minds of the workers and results in stress.

**(f) Work Overload and Under load** : Work overload refers doing too much of work in allotted time. Work overload can be of two types :

**(i) Quantitative Overload** : In which the employee is asked to do more work as compared to he can complete in a specific period of time.

**(ii) Qualitative Overload** : Wherein employee feels that he do not possess required skills or abilities to perform the job. Work under load refers to too little work to do can also result in stress.

**(g) Responsibility for Others** : It observed that people who are responsible for other people experience higher level of stress.

**(h) Organizational Process** : Office, politics, lack of information, poor communication etc. results in organizational stressors.

**(i) Organizational Policies** : Frequent transfers, inflexible rules, pay inequity, work shift, unfair performance appraisals systems can also cause stress.

**(j) Working Conditions** : Excessive heat or cold, distracting noise, poor lighting, inadequate safety measures, unpleasant smells and such conditions do affect the employees and lead to stress.

**(k) Lack of Cohesiveness and Social Support :** Lack of togetherness i.e. no unity between the members can result in stressors. Lack of social support within the members may also lead to stressors.

**Coping with Stress :** It is perhaps impossible to eliminate stress altogether, but by controlling or reducing stress on the job, an organization can become a more productive and healthy working place.

**(i) Measures at Individual Level :**

**(a) Regular Exercise :** Regular exercising such as walking, jogging etc. reduces the chances of heart disease and keep oneself physically fit.

**(b) Relaxation Training :** A type of training which makes relaxed or release from tension.

**(c) Meditation :** It is a form where an individual takes a sitting position, closes his eyes and concentrates on some mantra again and again helps to reduce stress.

**(d) Social Support :** Gaining social support from family members and co-workers often helps to reduce stress.

**(e) Behavioural Self-control :** This strategy involves the individual to control the stressful situation instead of allowing the situation to control him.

**(f) Bio-feedback :** It is a technique where a stress victim, under medical guidance, learns to influence symptoms of stress such as headache.

**(g) Personal Well-being :** Some preventive measures such as self-assessment, time management can also be taken to minimise the effects of stressors.

**(ii) Organizational Strategies to Combat Stress :**

**(a) Change in Organizational Structure :** Proper means of communication, making rules that are flexible, helps in combating stress.

**(b) Working Environment :** Appropriate working environment should be provided such as sufficient lighting, ventilation facilities, adequate safety and security measures, facilities for rest and recreation can be provided to reduce the impact of stress.

**(c) Decentralisation of Authority :** Another strategy used is decentralisation of authority i.e. increasing the active participation of subordinates in decision making and reducing the involvement of seniors.

**(d) Changing the Nature of Job :** The redesigning of the nature of some job can help to solve the problem of stress i.e.

1. Boosting employee morale and enhancing motivation of employee.
2. Minimising work overload and under load.
3. Removing unpleasant and risky elements from the organizations.
4. Increasing qualitative features of the job.
5. Encouraging the employees in active participation in decision making etc.

#### **Causes of Stress :**

**1. Extraorganisational Stressors :** There are outside forces which have tremendous impact on the job. Like societal/technological change, the family, relocation economic and financial conditions, race and class and residential or community conditions.

#### **2. Group Stressors :**

Group Stressors are divided into three areas.

(a) Lack of group cohesiveness or togetherness. If an employee is denied the opportunity for this cohesiveness because of the task design because the supervisor does things to prohibit or limit it or because the other members of the group shut the person out, the resulting lack of cohesiveness can be very stress productivity.

(b) Lack of social support.

(c) Intra individual, interpersonal and intergroup conflict.

#### **3. Individual Stressors :**

Individual Stressors may affect stress outcomes like role conflict, ambiguity, individual dispositions such as Type A personality patterns, personal control, learned helplessness, self-efficiency and psychological hardness may all affect the level of stress someone experience.

Type A employee (managers, salespersons, staff specialists, secretaries or rank and file operating employees) experience the following stress.

- (a) Work long, hard hours under constant deadline pressures and conditions for overload.
- (b) Often take work home at night or weekends and unable to relax.
- (c) Constantly competes with themselves, setting high standards of productivity that they seem driven to maintain.

(d) Tend to become frustrated by the work situation.

**Characteristics of Type A and Type B individuals :**

**Type A :**

- (i) More aggressive, competitive, hardworking, busy, impatient and restless.
- (ii) Seek challenges, workaholic and are successful.
- (iii) Set very high goals for themselves and compete with themselves to maintain those high goals.
- (iv) Make excessive demands on themselves and others.
- (v) Get excited very quickly even with the slightest stimulation.
- (vi) Work for long hours and under constant time pressure.
- (vii) Unable to relax and enjoy free time, become restless if they have nothing to do.
- (viii) Suffer from coronary heart diseases, high blood pressure, ulcer etc.
- (ix) As they are perfectionist, they achieve the target but become hostile and frequently get angry with others.
- (x) Other employees do not prefer to work with them.

**Type B :**

- (i) React with more effective behaviour strategies.
- (ii) Accept the situation and work on it.
- (iii) Relaxed, easy going and enjoy leisure.
- (iv) Set those goals to attain about which they are confident and complete them without any time pressure.
- (v) Have knowledge of their limitations and work accordingly.
- (vi) Does not get excited quickly.
- (vii) Does not prove to serious health problems.
- (viii) Other employees prefer to work with them.

**Approaches to Stress Management :** There are several ways to manage stress. It may be possible to change the objective environment to remove a stressor or to alter the psychological environment that the person experiences. Perhaps it is possible to alter the stress symptoms in some way so that they will not have adverse effects.

**Personal Approach Stress Management :** Stress can be managed in the sense that a person can avoid stressful conditions, change them, or learn to cope more effectively with them.

**Psychological Approaches to Stress Management :** Psychological approaches to managing stress attempt to do one or more of the following :

1. Change the environment in which the stressor exists.

2. Change the cognitive appraisal of the environment.
3. Change some activity or behavior to modify the environment.

Suppose you are experiencing high stress from work. One way to resolve the problem may be by changing jobs within the company or leaving the firm. Or you may change your cognitive appraisal of the situation. You may tell yourself that the situation is not as destructive as when you felt stress from it. You can also change your behavior at work, perhaps by performing your job in a different way.

Counseling and psychotherapy have long been used to solve stress-induced problems. A second party, trained in mental health intervention, works regularly with the person to determine the sources of stress, help modify his or her outlook, and develop alternative ways to cope. Often this is done by helping a person gain enough self-confidence and self-esteem to try a different way of coping with stress.

**Organisational Approaches to Stress Management :** Organizations realize that if it is possible to reduce the number and intensity of stressors or to help employees cope more effectively with them, there should be increased performance, reduced turnover and absenteeism, and substantial reductions in costs. This problem can be attacked through the implementation of employee wellness programs and by management practices which modify the work environment.

**Employee Welfare Programs :** An increasing number of organizations have instituted some type of employee welfare program. These programs, along with stress management, include health risk assessments, exercise facilities and programs, individual counseling when employees feel job or personal strain, and regular seminars and lectures.

Welfare programs are effective in reducing work stress. They are also very cost-effective when they have the support of top management and are accessible to a large number of employees.

**Effects of Stress :** Some of the important effects of stress are described below :

**1. Effect on Individual :** Stressful situations which are prolonged produce serious physical and psychological disorders.

**(i) Physical Health :** Individual experiencing prolonged stress situation suffers from heart disease. It also gives rise to high-blood

pressure, ulcers, arthritis, headache etc. It has been found that more than 50% of the physical illnesses are partly caused by stress.

**(ii) Psychological Health :** Stress has an adverse effect on employee's attitude and behaviour. It has effects such as anxiety, nervousness, anger, depression, boredom etc. The change in employee's behaviour has an adverse effect on job performance. It affects self-esteems, reduces job satisfaction.

**(iii) Alcoholism and Drug Addiction :** Many people get addicted to alcohol or drug in order to escape from the ill effects of high level stress. It may lead to negative effects on the health of that particular individual. It may also lead to increased absenteeism, loss of production, increased work accidents.

**(iv) Burnout :** A syndrome of emotional, physical and mental exhaustion resulting from prolonged exposure to intense stress. The symptoms of burnout are loss of energy, a person looks tired, experiences frequent headaches, nausea, backpain, sleeplessness, feeling of depression, holds negative attitude towards job, loss of self-confidence.

## **2. Effect of Stress on Organization Behaviours :**

- (a) It affects the performance level of an employee.
- (b) Person experiencing high level of stress result in low level of performance, loss of self-confidence.
- (c) It leads to increase in absenteeism and turnover.
- (d) It leads to alcoholism, drug abuse, smoking etc.

## **The Consequences of Stress**

The consequences of work stress are felt by individuals, their families, the organisations they work for, and the economy as a whole. Indeed, it is even possible through absenteeism and performance - related measures to calculate the effects of stress. It runs into many hundreds of billions of dollars, points and marks.

For the individual, the effects of work stress classically occur in three areas, although there may be strong individual differences.

Attempts to "manage" (control and reduce) stress essentially happen at two levels. Firstly, some organisations focus on individual employees, trying to help them learn better techniques to prevent or reduce their personal stress levels. Secondly, others focus on the job or the organisation as a whole in attempting to reduce stress.

Two approaches commonly used to cope stress are **personal** and **organisational** approaches.

## **A. Personal Approaches**

The most commonly used techniques include the following :

### **Life-Style (Diet and Exercise) Change**

A healthy mind (psyche) is supposedly found in a healthy body. Hence, organisations attempt to help people through better living. This includes a better diet (less salt, fat, sugar) and the reduction or elimination of alcohol.

### **Relaxation and Meditation**

A rather more Eastern or mental approach to stress is to teach potentially stressed workers how to meditate and relax. The former involves clearing one's head of external thoughts and concentrating on inner stillness. Relaxation techniques can be physical, involving such things as stretching, deep breathing, and even laughing. People tend to select techniques they feel most suitable to them, although indeed they may not be.

### **Cognitive Self-Therapy**

Sports psychologists as well as clinicians have shown how effective certain cognitive or thinking strategies are. Most emphasise the way we conceive a stressor can be very maladaptive but can be changed. Thus, people are often asked to describe stressors and think about them in different terms. Thus, stressful becomes challenging, impossible becomes possible. Often, emphasis is placed on making people feel that stressors are temporary and controllable, not stable and eternal. People who have tendencies to perfectionism often need this type of therapy.

### **Behaviour Therapy**

This approach attempts to overcome stress by focusing on behaviours that reduce it. Just as people who are socially phobic or have panic attacks can be taught ways to overcome that very specific type of stress, so all people can be taught "little tricks" that help them overcome the stress. Certainly, one focus is on out-of-work activities such as leisure and vacations. The impact of the personal life on the working life should not be underestimated.

## **B. Organisational Approaches**

The most commonly used strategies are as follows :

### **Changes in Organisation Structure/Function**

The way the organisation is structured may be a cause of stress, but indeed changing it can cause stress. Right-sizing, re-engineering, and reprocessing has changed many organisations for the better, because they are flatter and more decentralised. Learning new procedures and indeed worrying about security, may increase stress, but the hope for many managers is that productivity, may increase stress, but the hope for many managers



is that productivity will increase and stress will decrease as function of the changes.

### **Job Redesign**

Jobs can be enlarged, enriched, divided, shared and redefined. Some are too large for one person, others too small. As processes and technology have changed, some jobs have not, and current holders are often under various stresses. Few organisations consider carefully the issue of job redesign enough as a major stress reducer.

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## **SUMMARY**

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Stress is a state of psychological and/or physiological imbalance resulting from the disparity between situational demand and the individual's ability and/or motivation to meet those demands. However, a prolonged presence of intense stress is certainly not beneficial to individual as well as organization.

A potential for stress exists when an environmental situation is perceived as presenting a demand which threatens to exceed the person's capabilities and resources for meeting it, under conditions where she/he expects a substantial differential in the rewards and costs for meeting the demand versus not meeting it.

In many ways, this definition incorporates what most theorists see as the main ingredients in stress, namely, subjective appraisal of a demanding environment, a realisation that demands may outstrip resources, and that the consequences of not coping are important. In the absence of a universally agreed definition of stress, the widely accepted protocol of describing environmental factors as "stressors", individual responses as "strains", and the vast gamut of mediating activity in the form of cognitive processing and personality dispositions as "intervening variables" can usefully be adopted.

### **Common Symptoms of Stress**

#### **Physiological Symptoms**

1. A noticeable decline in physical appearance.
2. Chronic fatigue and tiredness.
3. Frequent infections, especially respiratory infections.
4. Health complaints, such as headaches, backaches, stomach and skin problems.
5. Signs of depression, change in weight or eating habits.

#### **Emotional Symptoms**

1. Boredom or apathy : Lack of affect and hopelessness.
2. Cynicism and resentment.

3. Depressed appearance, sad expressions, slumped posture.
4. Expressions of anxiety, frustration, tearfulness.

**Behavioural Symptoms**

1. Absenteeism, accidents.
2. Increase in alcohol or caffeine consumption; increased smoking.
3. Obsessive exercising.
4. Irrational : quick to fly off the handle.
5. Reduced productivity; inability to concentrate or complete a task.

**Questions :**

1. What are the causes and symptoms of stress ? How can stress be reduced ? Discuss.
2. What is stress? Make a list of Type A and Type B characteristics. Discuss the approaches to stress management.
3. Describe in details the effects and causes of stress.



## CASE STUDY

### Case Study : 1

Read the following Case and answer the questions given below :-

Saroj and Parag, both young bright MBAs from a reputed Management Institute were working as Junior Finance Executives in a huge organisation having 3,000 employees. In the Finance Department, there were hundred employees out of which twenty were ladies. The working hours were 10.00 a.m. to 6.00 p.m.

There was an upcoming vacancy for the post of Finance Executive and both Saroj as well as Parag were being considered for this promotion. Both of them had an equally good record of past performance.

On Thursday afternoon, Saroj went to the records room to fetch some data. When she came back, she orally reported to the officer that Parag molested her in the records room which was unmanned.

Friday morning, the lady activists in the organisation protested that the environment was no more safe for ladies to work and the management should take immediate action. However, the Personal Manager had not received any written complaint and there was neither any proof nor any witness in this particular case. Parag was denying having misbehaved in any manner with Saroj. He was insisting that probably no male employee on duty is likely to misbehave in this fashion especially when he is being considered for promotion. Saroj was emphasising that perhaps no married woman like her could make such accusations and allegations unless the matter is true. On Saturday morning, she handed over a written complaint to the Personnel Manager, Mr. Patwardhan.

During the history of past twenty years it was the first complaint of this nature received by the Personnel Manager, and Mr. Patwardhan did not have any past record for reference so as to determine under what circumstances and in which conditions the case can be considered as either genuine or malicious.

Mr. Patwardhan wanted to ensure that he took the right course of action.

### Questions :

1. What course of action should Mr. Patwardhan take ?
2. What measures should Mr. patwardhan take so as to avoid such problems in the future ?

**(Mumbai, M.Com. April 2008)**

**Case Study : 2**

Mr. Babar has been working in Cello (India) Ltd. as a finance manager for the last two years. Though he had a very long and rich experience of working in finance department of the same company and dealing with various types of financial problems faced by the company, he is facing many new problems on this new assignment. He has a heavy work load of the departmental activities and some time he has to stay in the office upto 10 pm. In addition to it, he has been unable to cope with the problem which he is facing with regard to vice-president finance, because vice president finance assumes that Mr. Babar is well versed in finance functions and therefore new kind of job through related to finance that is evaluation of finance and investment projects has been assigned to him. In view of this situation, Mr. Rama Krishnan, who is chartered accountant working at the lower level of finance department has been appointed as a staff specialist to Mr. Babar as to help, guide and advise him on specialised matters such as project evaluation, etc. since then the efficiency level of Mr. Babar has further come down and he is not feeling comfortable with Rama.

**Questions :**

1. Why is Mr. Babar not comfortable with his staff specialist Rama?
2. How can he cope with the situation of overwork load requiring variety of skill and expertise?
3. Give your suggestions for making the situation healthy and comfortable for Mr. Babar.

**Case Study : 3**

Mr. Subhash Shirodkar has been working as a senior foreman at Zeeta automobile company manufacturing two wheeler scooters. He has a long experience of assembly line operations. There are 1200 skilled and semi-skilled workers working in two shifts with assembly line. Due to increasing demand of scooters in the market, Mr. Shirodkar has been asked by production manager to increase the per day production by raising efficiency level of the workers. In this connection production manager is of an opinion that to increase the level of efficiency minor adjustments and changes should be made in the production process. But senior foreman Mr. Shirodkar is not convinced with the suggestion of production manager. Rather he firmly believes that in addition to changes to be made in production on process it is more important to develop team spirit among the workers by providing monetary incentive to them. Read the above case and answer the following questions.

**Questions :**

1. Why Shirodkar differs with the production manager? Is difference based on approach? If so, explain those approaches.

2. What considerations should be taken into account for making monetary incentive scheme more effective?

#### **Case Study : 4**

Lalwani Industries Ltd., is a Thane (Maharashtra) based company producing a variety of products such as electric goods, chemicals, footwear's and detergent powder, washing soaps, etc. These products are being produced in Thane and distributed throughout the country with the help of dealers. The company is facing many problems which are but natural in the process of growth and development. moreover, company is facing cut-throat competition from the local manufactures of these products in a different part of the country. As a result of which total sales volume has come down. In view of this, the managing director of the company feels that for making products of the company more competitive in term of price, quality and consumer's needs the manufacturing operations of the company should be decentralised to various parts of the country as to get the benefits of localised product. Study whole case carefully and answer the following questions.

#### **Questions :**

1. Is the proposal of decentralising production operations feasible? Give reasons.
2. Which form of decentralisation or combination of many forms should be adopted by the company?

#### **Case Study : 5**

Praveen Paul is a financial manager in Blue Lotus Company producing and distributing consumer goods. he has been heading finance department for the last five years. The finance department consists of more than 100 employees working therein. he has two deputy and four assistant finance managers to help him in day to day functioning of the department. Recently the company has diversified its operations into the production and distribution of consumer durables. The workload of finance department has increased tremendously in term of quality and quantity. Besides performing managerial functions with regard to finance department, the financial manager has to attend various meetings at the higher level. He is also given a responsibility of preparing project reports, conducting feasibility study of various meetings at the higher level. He is also given a responsibility of preparing project reports, conducting feasibility study of various proposals brought to him from higher level. He feels overburdened and consequently his efficiency is on the decline. he is unable to cope with increased multidimensional workload. To help him directly, a chartered accountant having an experience of 10 years has been appointed as his staff specialist. But the financial manager due to many reasons is not feeling comfortable with the specialist. Often they

have disagreement with each other. Study the case carefully and answer the following questions.

**Question :**

1. What may be the possible reasons that financial manager downs not feel comfortable with chartered accountant?
2. Why do they may disagree, explain the various causes of it?
3. How to resolve disagreement between them? Give your suggestions.

**Case Study : 6**

Subhash has been working as an operator in assembly-line of automobile company, manufacturing two-wheeler scooters and bikes for the last 10 years. he has been working very honestly and sincerely and meets standard of performance determined for him. he is of a creative mind and even at home he discusses various work related matters with his wife. He tells her that he is capable of making certain improvement in the overall functioning of motor bike. But when he takes his ideas to his superior he makes fun of it and does not give serious thought to it. Gradually the level of efficiency of Subhash came down. Though he knows it yet he is unable to cope with situation. Some time he feels frustrated inspire of getting good monetary jumps every year. But he is finding it difficult to meet standard of performance. he has already started losing his interest in the job.

You are required to study the whole case and answer the following questions.

**Questions :**

1. What are the possible cause of Subhash's changing pattern of working behaviour?
2. How is it possible for superior to make him more efficient and maintain his existing level of efficiency?
3. What exact scheme the superior should introduce in the assembly line for tapping creativity of operators.

**Case Study : 7**

A firm having a roaring business of leather goods is intended to decentralise its operations at various places. In this regard six manufacturing plants of more or less similar nature have been installed in different places within the country. But the board of directors of the company is indecisive on the matters that how much authority should be delegated to the plant managers heading the plant. More specifically the board of director seeks your advice on the question whether the power to appoint supervisory and middle level managerial staff should be at the plant level or with the head office.

You are required to study the care case answer the following questions.

**Questions :**

1. How the head office should share authority with each plant manager?
2. On which matter head office should retain the authority and which matters should be left to plant managers?
3. Give your suggestions for maintaining coordination between head office and plants located at different places.

**Case Study : 8**

Managing director of the company is very serious and worried about increasing cost of production and resultant losses. He is intended to appoint some management consultant to enquire into the matter. For this purpose he has asked his private secretary to type a letter. It was at around 5 p.m., in hurry the private secretary could not go into file and put it to managing director, rather he left it at his table itself. Next day morning, messenger from branch office came to head office for delivering some letter. He saw the letter and went through it. When he came back to branch office he narrated all contents of the letter to his superior. Soon the news spread over among middle level managerial, clerical and lower level staff that the company is likely to retrench the employees. Immediately after that union office-bearers held the meeting on the matter. By the time letter was dispatched it was known to every one in the organisation.

You are required to study this case and answer the following questions.

**Questions :**

1. What is 'grapevine' and how does it help in communication?
2. Through informal relation only half truth or rumors are spread. Do you agree with it give reasons.
3. How to make informal communication more effective? Give your suggestions.

**Case Study : 9**

A public sector consultancy organisation recruited Mr. Alok an expert in a particular field of technical specialisation with Ph.D. and other high qualifications at a senior level, one level below that of a director of the board. The company had a managing director and three functional directors on its board apart from government directors.

Mr. Alok at the time of recruitment to the company was working as No.2 in a Central Government research organisation. Since he failed to get selected to the No.1 slot in that organisation for

'political reasons', according to him. he chose to join the public sector company at one grade higher than that held by him in the government.

After joining the company, Mr. Alok represented to the Management that he should be granted at least three advance increments since in the government research organisation where he had worked, he used to get extra honorarium to the extent of Rs. 50,000 per annum for undertaking outside consultancy work. The management of the company refused to grant the advance increment to him since they felt that Mr. Alok's request cannot be dealt with in violation and it will lead to similar requests from other senior managers in the company.

After waiting for a few months, Mr. Alok submitted his resignation from the company. His superior, viz., the functional director concerned (Mr. Rajeev), advised the managing director that Mr. Alok was resigning because his request for higher salary has not been agreed to and that the matter needs review because it would be difficult to recruit another expert of the same caliber as Mr. Alok. The Managing Director however, accepted the resignation of Mr. Alok and ordered that the post be advertised for fresh recruitment.

As the recruitment process was on, Mr. Alok on his own chose to withdraw his resignation and rejoined the company apparently on a tacit undertaking given by Mr. Rajeev that his request for higher salary would be reconsidered. The managing director reconsidered the request and approved the grant of three advance increments to Mr. Alok provided he would serve the company at least till the date of his superannuating, which was two years away. The decision was communicated to Mr. Alok.

Mr. Alok once again felt insulted by being asked to agree to an unacceptable condition, viz., undertaking to continue in the company for two more years for the grant of additional increments to his salary, he thought he was fully justified in his case. He did not agree to the condition and after two months again submitted his resignation.

Mr. Rajeev discussed the matter with the managing director. The managing director stated that in return for the additional salary being granted to Mr. Alok which was not being given to any other senior manager of his status, he should display some commitment, to serve the company. Without such a commitment Mr. Alok might wait for an opportunity to look for greener pastures and leave the company after gaining a higher salary, *vis-a-vis* his other senior colleagues in the organisation. The other employees would feel that Management can be blackmailed by the so-called experts into



granting more benefits with the threat of resignation and the management would lose its credibility.

The managing director, therefore, decided to accept the resignation of Mr. Alok. But Mr. Rajeev and other functional directors of the company were not happy with the decision as they felt that competitors of the company would gain by Mr. Alok's departure and, therefore, allowing Mr. Alok to quit would jeopardize the company's business interests.

**Questions :**

1. Do you agree with the Managing Director's approach to the problem?
2. Do you think that Mr. Alok had reasons to be aggrieved or was he trying to exploit his expertise?
3. What would be your solution to this case.

**Case Study : 10**

Hi-Tech Electronic Limited was established in 1998 in Faridabad. It produces and markets all type of electronic goods. It has been one among the top five companies as for the level of technology and one among the top three companies regarding marketing of the products. The company's policies and practices concerning human resource management are top in the country. The company's salary administration policies and practices were taken as guidelines not only by the other companies but also various wage boards and pay commissions in the country. But this company has been struggling of salary and benefits. The problem is started hereunder.

The company employed nearly 400 young graduate and post-graduate engineers just three years back. These employees form the cream of the company's present human resource. Of course, the older generation of company's employees also formed the cream of company's human resource while they were young. The older employees also formed the cream of company's human resource while they were young. The older employees occupied higher positions in all the departments including Human Resource Department. The company's salary policy and benefits policy were formulated five years back mainly on the basis of the older employees desires. As such, salaries are fixed as very low level compared to other similar industries and the benefit schemes include an exhaustive list of benefits including all types of retirement benefits. The cost of retirement benefits would be nearly 25% of the cost of the present staff to the company.

The young employees demanded the management to pay immediately whatever it can pay rather than providing extensive fringe benefits. According to them, the pay pocket motivates them

much more than benefits which they get mostly in kind. But the older employees view that fringe benefits much rather than currency which taxes them heavily. The company asked the human resource manager to settle the issue.

**Questions :**

1. What is the crucial issue in this case?
2. If you are the human resource manager of the company, whom do you satisfy?

**M.Com. Examination, April 2008**

**(Revised Course)**

**(3 Hours)**

**[Total Marks : 100]**

**N.B.**

- (1) Question No. 1 is **compulsory**.
- (2) Attempt any **four** questions from the **rest**.
- (3) **Figures** to the **right** indicate **full** marks.

1. Explain in brief any **four** of the following :- **20**
  - (a) Self esteem and its effect on Employee Behaviour.
  - (b) Instrumental Values
  - (c) Transactional Leadership
  - (d) Delphi Technique
  - (e) Job-rotation as a Motivational Tool
  - (f) Expert Power and its effects.
2. (a) Define Organisation Behaviour. Explain in brief the contribution of Human Relations Movement in Organisational Behaviour. **10**
  - (b) What are the different types of Organisational Designs ? **10**
3. (a) Discuss the Positive and Negative effects of Organisational Culture. **10**
  - (b) "Knowledge of Transactional Analysis helps in improving communication". Discuss. **10**
4. (a) Describe the different stages of Group Development. **10**
  - (b) Distinguish between a Leader and a Manager. **10**
5. (a) Critically examine Vroom's Expectancy Theory. **10**
  - (b) Elaborate on the Dynamics of Power. **10**
6. (a) What is Conflict ? Elaborate on the different strategies of Conflict Resolution. **10**
  - (b) Explain in brief the different causes of Stress. **10**
7. Read the following Case and answer the questions given below :

Saroj and Parag, both young bright MBAs from a reputed Management Institute were working as Junior Finance Executives in a huge organisation having 3,000 employees. In the Finance Department, there were hundred employees out of which twenty were ladies. The working hours were 10.00 a.m. to 6.00 p.m.

There was an upcoming vacancy for the post of Finance Executive and both Saroj as well as Parag were being considered for this promotion. Both of them had an equally good record of past performance.

On Thursday afternoon, Saroj went to the records room to fetch some data. When she came back, she orally reported to the officer that Parag molested her in the records room which was unmanned.

Friday morning, the lady activists in the organisation protested that the environment was no more safe for ladies to work and the management should take immediate action. However, the Personal Manager had not received any written complaint and there was neither any proof nor any witness in this particular case. Parag was denying having misbehaved in any manner with Saroj. He was insisting that probably no male employee on duty is likely to misbehave in this fashion especially when he is being considered for promotion. Saroj was emphasising that perhaps no married woman like her could make such accusations and allegations unless the matter is true. On Saturday morning, she handed over a written complaint to the Personnel Manager, Mr. Patwardhan.

During the history of past twenty years it was the first complaint of this nature received by the Personnel Manager, and Mr. Patwardhan did not have any past record for reference so as to determine under what circumstances and in which conditions the case can be considered as either genuine or malicious.

Mr. Patwardhan wanted to ensure that he took the right course of action.

**Questions :**

1. What course of action should Mr. Patwardhan take ? **10**
2. What measures should Mr. patwardhan take so as to avoid such problems in the future ? **10**





**M.Com. (Part - II)**  
**-: Management Group :-**  
**Organizational Behaviour**  
**(Paper-III)**  
**{April – 2016}**

QP Code : 24469

( 3 Hours )

[ Total Marks : 100

- N.B.:** (a) Answer to Q. no 1 is compulsory.  
(b) Attempt **any four** questions from the remaining.  
(c) **Figures** to the **right** indicate **full** marks.

1. Explain in brief any four of the following. 20
- a) Type A and Type B personality
  - b) Transformational Leadership
  - c) Rumors
  - d) Quality of Work Life
  - e) Delphi Technique
  - f) Types of Group
2. (a) Elaborate Hawthorne studies in context of Human Relation Movement and conclusions deriving out of it. 10
- (b) Write the steps in designing an organization as well as significance of it. 10
3. (a) Explain Hershey and Blanchard's leadership model in detail. 10
- (b) How to create effective teams in an organization? Explain. 10
4. (a) "Johari Window is an useful tool for understanding self and improving communication. Explain in detail. 10
- (b) Explain how the jobs Match the individual personalities. 10
5. (a) Explain the need and importance of motivation in an organization. 10
- (b) Explain the concept of Employee Empowerment and it's advantages. 10

**[TURN OVER**

**TI-Con. 3892-16.**

6. (a) Explain the 'Personal Power' and it's role in OB 10  
(b) Explain the meaning of Stress and effects of it. 10

7. Read the Case Study and answer the following questions :

Mr. Natarajan, is working in the capacity of a Senior Manager in BNB Courier services Pvt. Ltd. for the last 20 years. His track record of performance for past 20 years is excellent. He is known as very disciplined and sincere manager. He is being termed as a role model for new appointees by the directors of the Company. Of late, he seems not very happy with the developments in his office. He keeps on grumbling about the new junior managers and their attitude towards job. He strongly opposed the 'Work from Home' policy announced by top management for junior tech savvy managers. Mr. Natarajan is very strict about work place discipline and reporting timings. This has sparked conflict between him and the new batch of junior managers. He started feeling that Top Management is very soft on new batch of junior managers and gradually his importance is waning.

He is unable to hide frustration and many a times becomes critically vociferous in meetings with top management representatives.

Now there is a question before top management how to console veteran of 20 years and keep cordial relations in an organization?

**Questions : -**

- 1) Elaborate the different types of conflicts, observed in the above Case Study and possible solutions for it. 10  
2) Consider yourself in the place of Top Management and describe the strategy to maintain cordial relationship in an organization. 10

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**[TURN OVER**

(मराठीत रूपांतर)

( 3 तास)

एकूण गुण : १००

- सूचना : (१) प्रश्न क्र. १ अनिवार्य.  
(२) उर्वरित प्रश्नांपैकी कोणतेही चार सोडवा.  
(३) उजवी कडील अंक गुण दर्शवितात.

१. खालीलपैकी चार थोडक्यात सोडवा. २०
- (अ) व्यक्तिमत्व प्रकार अ आणि ब (ब) परिवर्तनवादी नेतृत्व  
(क) अफवा (ड) कार्यकालीन गुणवत्ता  
(इ) डेल्फी तंत्र (फ) गट प्रकार
२. (अ) मानवी नातेसंबंध चळवळीच्या संदर्भाने हॅथॉर्न अभ्यास व त्याचे निष्कर्ष विशद करा. १०  
(ब) संस्था संरचनेतील टप्पे व त्याचे महत्व लिहा. १०
३. (अ) हर्से व ब्लँकार्ड नेतृत्व पद्धती समजवा. १०  
(ब) संस्थेमध्ये परिणामकारक संघ कसे बनवता येतील. १०
४. (अ) “जोहारी विंडो स्व आकलन व संवाद सुधारण्यासाठी उपयुक्त तंत्र आहे.” विशद करा. १०  
(ब) “व्यक्तिमत्वाशी मिळती जुळती कार्ये” संकल्पना विशद करा. १०
५. (अ) संस्थेत प्रेरणेची आवश्यकता व महत्व विशद करा. १०  
(ब) “कर्मचारी सक्षमीकरण” संकल्पना फायद्यांसह विशद करा. १०
६. (अ) व्यक्तिगत अधिकार (उर्जा) आणि त्याची संस्थात्मक वर्तणुकीतील भूमिका उदधृत करा. १०  
(ब) तणाव म्हणजे काय? तणावाचे परिणाम विशद करा. १०

७. खालील परिच्छेद वाचून त्यावरिल प्रश्नांची उत्तरे लिहा.

नटराजन, बि.एन. बि ह्या खाजगी कुरियर कंपनीत वरिष्ठ व्यवस्थापक ह्या हुद्यावर मागील वीस वर्षे कार्यरत आहेत. त्यांची मागील २० वर्षांची कारकीर्द उल्लेखनीय राहिली आहे. ते एक अत्यंत शिस्तप्रिय व प्रामाणिक वरिष्ठ व्यवस्थापक म्हणून ओळखले जातात. कंपनीचे संचालक त्यांचा आदर्श नव नियुक्तां समोर ठेवत असतात. हल्ली हल्ली नटराजन कार्यालयातील घडामोडींबद्दल नाखुश आहेत. नवीन कनिष्ठ व्यवस्थापकांच्या कामकाजाप्रती वृत्ती विषयी, नटराजन ह्यांची सतत तक्रार असते. नटराजन ह्यांनी, वरिष्ठ व्यवस्थापनाची तंत्र हुकमती कनिष्ठ व्यवस्थापकांसाठी जाहीर केलेल्या "घरून काम" ह्या धोरणाला प्रखर विरोध केला. श्री नटराजन, कार्यस्थळ शिस्त व वेळे वर हजेरी ह्या मुद्यांबाबत फारच आग्रही आहेत. ह्या बाबी वरून त्यांचे व नवनियुक्त कनिष्ठ व्यवस्थापक गटाचे खटकेही उडाले आहेत.

वरिष्ठ व्यवस्थापन, नवनियुक्त कनिष्ठ व्यवस्थापक गटाशी सौम्यपणे वागत असून, आपले महत्व दिवसंदिवस कमी होत चालले आहे अशी भावना नटराजन ह्यांच्या मनात निर्माण झाली आहे.

नटराजनना आपले वैफल्य लपवणे कठीण जात असून बऱ्याचदा उच्च व्यवस्थापनातील प्रतिनिधी सोबतच्या बैठकीत ते टीकेचा भडीमार करतात.

उच्च व्यवस्थापना समोर प्रश्न आहे की ह्या वीस वर्षीय अनुभवसंपन्नतेची समजुत कशी घालावी व संस्थेमध्ये सौहार्द कसे राखावे.

प्रश्न:

- (१) वरिल प्रकल्प अभ्यासामधील आढळून येणाऱ्या विविध संघर्षांचे वर्णन करून १०  
त्यावरील शक्य तोडगे सुचवा.
- (२) तुम्ही वरिष्ठ व्यवस्थापनातील प्रतिनिधी आहात असे समजून, संस्थेमध्ये सौहार्दपूर्ण १०  
वातावरण राखण्यासाठी कोणती रणनीती आखाल.

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