**Unit Two**

**Understanding & managing individuals in the Organization**

**2.1. Culture, Demographic Diversity and Individual differences**

These portion emphasis the individual-level variables that may affect the individuals, groups and organizations itself.

**Demographic Diversity**

**Demographic characteristics** are the background characteristics that help to shape what a person becomes and looks like. Such attributes may be thought of in both current terms—for example, an employee’s current medical status and historical terms, for instance, where and how long a person has worked at various jobs. Demographic characteristics of special interest from equal employment opportunity and workplace diversity include gender, age, race, ethnicity and able-bodied.

**Dimension of diversity**

**Primary and secondary dimensions of diversity**

**Primary** dimensions of diversity refer to human differences which affect the early socialization of individuals and have a powerful and sustained impact throughout their lives. Primary dimensions of diversity include gender, age, ethnicity, race, sexual orientation, mental and physical abilities.

**Secondary** dimensions of diversity refer to personal characteristics that include an element of personal choice. These dimensions are less visible to others, and their power to influence individuals’ lives is less constant and more individualized. Secondary dimensions of diversity include education, language, religion, income, experience, geographic location, organizational role and communication style.

There is also a **difference** between valuing diversity and managing diversity. **Valuing diversity** refers to the awareness, recognition, understanding and appreciation of human differences (Thomas, 1996). It takes place through training and development of workers to improve interpersonal relationships among diverse groups (Nemetz and Christensen, 1996). In contrast, **managing diversity** entails enabling people to perform to their maximum potential by changing an organization’s culture and infrastructure to allow people to be productive.

Managing diversity is different from **affirmative action**. Managing diversity focuses on maximizing the ability of all employees to contribute to organizational goals. Affirmative action focuses on speciﬁc groups because of historical discrimination, such as people of color and women. Affirmative action is an **artificial** intervention which aims at giving organizations a chance to correct injustices, imbalances and mistakes of the past. Affirmative action emphasizes legal necessity and social responsibility; managing diversity emphasizes business necessity. While managing diversity is also concerned with under-representation of women and people of color in the workforce, it is more inclusive and acknowledges that diversity must work for everyone.

**2.1.1. Aptitude and Ability are other differences among employees**

**Aptitude**

**Aptitude** represents a person’s capability of learning something, whereas **ability** reflects a person’s existing capacity to perform the various tasks needed for a given job and includes both relevant knowledge and skills. In other words, aptitudes are potential abilities, whereas abilities are the knowledge and skills that an individual currently possesses. Aptitudes and abilities are important considerations for a manager when initially hiring or selecting candidates for a job. We are all acquainted with various tests used to measure mental aptitudes and abilities. Some of these provide an overall intelligent quotient (IQ) score (e.g., the Stanford-Binet IQ Test). Others provide measures of more specific competencies that are required of people entering various academic programs or career fields.

**Ability**

An **ability** is a broad and stable characteristic which is responsible for a person’s maximum rather than typical performance on mental and physical tasks. Ability is the capacity to perform physical or mental functions.

**Intelligence and cognitive abilities**

**Intelligence** is regarded as a cognitive ability. Wechsler (1944) defined intelligence as ‘the aggregate or global capacity of the individual to act purposefully, to think rationally and to deal effectively with his social environment’. It is described as the general ability to perform cognitive tasks. Sternberg (1994) defined intelligence as the cognitive ability of an individual to learn from experience, to reason well, to remember important information and to cope with the demands of daily living. Intelligence is affected by the environment and more specifically schooling, socio-economic status, healthy nutrition and the technologically complex society (Azar, 1996). According to Sternberg (1994), intelligence comprises three interrelated abilities, namely **analytical ability**, **creative ability** and **practical ability**. The analytical ability solves familiar problems by using strategies that manipulate the elements of a problem or the relationship among the elements (e.g. comparing, and analyzing). The creative ability solves new kinds of problems that require thinking about the problem and its elements in a new way (e.g. inventing and designing). The practical ability solves problems that apply what individuals know to everyday contexts (e.g. applying, and using).

**Intelligence** is considered as a set of skills which consists of behaviours that are modiﬁable. Three abilities are distinguished, namely a **practical problem-solving ability**, a **verbal ability** and **social competence**. Practical problem-solving ability includes behaviours such as good and logical reasoning, identifying connections among ideas, seeing all aspects of a problem, keeping an open mind and responding thoughtfully to others’ ideas, and sizing up situations well.

**Verbal ability** includes behaviors such as speaking clearly and articulating well, studying hard, reading widely with high comprehension, writing without difficulty, setting aside time for reading and displaying good vocabulary. Social competence includes behaviours such as accepting others for what they are, admitting mistakes, displaying interest in the world at large, being on time for appointments, thinking before speaking and doing, making fair judgements and assessing well the relevance of information to a problem at hand. Dunette (1976) distinguished **seven mental abilities** that underlie performance of employees, namely verbal comprehension (i.e. the ability to understand the meaning of words and to comprehend verbal material), word fluency (i.e. the ability to produce speciﬁc words that fulﬁl certain requirements), numerical ability (i.e. the ability to make quick and accurate arithmetic computations), spatial ability (i.e. the ability to visualize how geometric shapes would look if transformed), memory (having a good memory for symbols, and words), perceptual speed (i.e. the ability to perceive similarities and differences) and inductive reasoning (i.e. the ability to reason from specific to general conclusions).

**Abilities and performance**

**Ability tests** are valid predictors of job performance and can be used for employee selection (Schmidt and Hunter, 1981). In a later study it was found that general mental ability is one of the best predictors of job performance (Schmidt and Hunter, 1998).

**2.1.2. Attitudes, Values and Personality**

**Attitudes**

An attitude represents a predisposition to respond in a favorable or unfavorable way to persons or objects in one’s environment (Fishbein and Ajzen, 1975: 6; Steers and Porter, 1991).

When we say we ‘like’ something or‘dislike’ something, we are in effect expressing an attitude toward the person or an object. Fishbein (1967) defines an attitude as follows: ‘an attitude is characterized as a learned implicit response that varies in intensity and tends to guide (mediate) an individual’s overt responses to an object/person’. In Fishbein’s conceptualization, attitude refers only to the evaluation of a concept and there is a mediating evaluative response to every stimulus. Consequently, people have attitudes towards all objects which may be positive, negative, or neutral. Research has shown that job attitudes of employees were very stable over a ﬁve- year period (Staw and Ross, 1985). Employees with negative job attitudes tended to remain negative, even those who changed jobs or occupations. In contrast, employees with positive job attitudes remained positive after ﬁve years.

Attitudes should not be confused with values. Values represent global beliefs that influence behavior across situations, while attitudes relate only to behavior directed towards specific objects, persons or situations. Values and attitudes are generally, but not always in harmony. Three important assumptions underlie the concept of attitudes, namely: **a)** an attitude is a hypothetical construct. We cannot actually see attitudes, although we can often see their consequences. Therefore, the existence of attitudes must be inferred from people’s statements and behaviours. **b)** An attitude is one-dimensional construct. It can be measured along a continuum which ranges from very positive to very negative. **c)** Attitudes are believed to be somewhat related to subsequent behavior.

**Attitudes and behavioral intentions**

An attitude is deﬁned as an evaluation of a psychological object (Ajzen, 2001). The work of Ajzen and Fishbein (1977, 1980) is frequently cited as a theoretical framework concerned with attitude formation, behavioral intentions, and the prediction of overt behaviors.

According to this work, beliefs about aspects of a job (e.g. ‘I do not have sufficient advancement opportunities in my job’) lead to an attitude (e.g. ‘I am dissatisfied with my job’), which in turn results in behavioral intentions (e.g. ‘I’m intending to quit my job’). Behavioural intentions are then often translated into actual behaviour, such as leaving the organization, assuming that the person is able to carry out the intention.

**Personality**

Personality has been defined in many different ways (Pervin and Cooper, 1999). In the broadest sense, the term refers to the enduring, inner characteristics of individuals that organize their behavior (Derlega et al, 2005). Most uses of the term can be summarized in terms of two major themes. The ﬁrst meaning of the term originates from the perspective of an observer and involves an individual’s public presence and social reputation. The second meaning refers to the inner self or being of an individual: one’s private, vital and essential nature. With time, personality in this sense has come to mean the deep and enduring structures of an individual that form the central core of the self (Derlega et al, 2005). The measurement of personality becomes complicated by the fact that these two perspectives are not easily integrated, and require quite different measurement strategies, since one emphasizes the outer visible aspects, while the other focuses on the inner, dynamic whole for the outer perspective on personality.

**Conceptualization of personality**

**The Big Five personality model**

Since the mid 1980s research has focused on the use of the ﬁve-factor model (FFM) or some variant to classify personality (Barrick et al, 2001). The FFM of personality represents a structure of traits, developed and elaborated over the last ﬁve decades (McCrae and Costa, 1997). The FFM originated in the works by Fiske (1949) and Norman (1963), who reproduced a highly stable structure with ﬁve, factors (John, 1990). Researchers agree that almost all personality measures could be categorized according to the FFM of personality (also referred to as the‘Big Five’ personality dimensions) (Goldberg, 1990). Research also showed that the ﬁve personality factors have a genetic basis (Digman, 1989) & that they are probably inherited (Jang et al, 1996).

According to the FFM, ﬁve basic personality dimensions underlie all others.

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| **The Big Five personality dimensions**  ■ **Extraversion**: a personality dimension describing someone who is sociable, talkative and  assertive.  ■ **Agreeableness**: a personality dimension describing someone who is good-natured, cooperative  and trusting.  ■ **Conscientiousness**: a personality dimension describing someone who  is responsible, dependable, persistent and achievement oriented.  ■ **Emotional stability**: a personality dimension which characterizes someone who is calm,  enthusiastic, secure to tense, nervous, depressed and insecure (negative).  ■ **Openness to experience**: a personality characteristic which characterizes someone who is  imaginative, sensitive and intellectual. | |

Theory and research show that Big Five factors impact on motivation, which in turn affects performance. Personality is something that is expressed in attitudes and behaviors. A conscientious person does not perform high because of the property of conscientiousness. Usually it is assumed that personality is a ‘**distal**’ predictor of performance, operating through the more ‘**proximal**’ processes of motivation. **Self-efficacy** (Bandura, 1977) and goals (Locke and Latham, 2002) are important motivational constructs in organizational and work psychology. Self-efficacy impacts both on goals and performance. Research shows the effects of both conscientiousness and emotional stability on self- efficacy and goals (Judge and Ilies, 2002).

**Values**

Values are among the most stable and enduring characteristics of individuals. They are the basis upon which attitudes and personal preferences are formed. An organization, too, has a value system, usually called its organizational culture. Values are types of **beliefs,** centrally located within one’s total belief system, about how one ought or ought not to behave, or about some end state of existence worth attaining (Rokeach, 1973). Values are general beliefs about desirable or undesirable ways of behaving and about desirable or undesirable goals or end states (Lonner and Malpass, 1994). Schwartz (1994a) deﬁned values as constructs that determine what people will strive for in their lives and what they are prepared to sacriﬁce. Values are trans-situational criteria or goals ordered by importance as guiding principles in life.

**2.1.3. Perception and Attribution**

**perception**, the process by whichpeople select, organize, interpret, retrieve, and respond to information from theworld around them. This information is gathered from the five senses of sight,hearing, touch, taste, and smell. As Montana, White, and Stauback can attest,perception and reality are not necessarily the same thing. The perceptions or responsesof any two people are also not necessarily identical, even when they aredescribing the same event.Through perception, people process information inputs into responses involvingfeelings and action. Perception is a way of forming impressions aboutoneself, other people, and daily life experiences. It also serves as a screen or filterthrough which information passes before it has an effect on people. Thequality or accuracy of a person’s perceptions, therefore, has a major impact on his or her responses to a given situation.

**Common Perceptual Distortions**

**Stereotype:** *Person schemas* refer to the way individuals sort others into categories, suchas types or groups, in terms of similar perceived features. The term *prototype*, or*stereotype*, is often used to represent these categories; it is an abstract set of featurescommonly associated with members of that category. Once the prototypeis formed, it is stored in long-term memory; it is retrieved when it is needed for acomparison of how well a person matches the prototype’s features. For instance,you may have a “good worker” prototype in mind, which includes hard work,intelligence, punctuality, articulateness, and decisiveness; that prototype is usedas a measure against which to compare a given worker. Stereotypes may be regardedas prototypes based on such demographic characteristics as gender, age,able-bodiedness, and racial and ethnic groups.

**Halo effect:** Occurs whenone attribute of a person orsituation is used to developan overall impression of theperson or situation.

**Selective perception:** isthe tendency to single outfor attention those aspects ofa situation or person that reinforceor emerge and areconsistent with existing beliefs,values, and needs.

**Contrast effects:** occurwhen an individual’s characteristicsare contrasted withthose of others recently encounteredwho rank higheror lower on the same characteristics.

**Self-fulfilling prophecy:** is the tendency to create orfind in another situation orindividual that which one has expected to find.

**Projection:** is the assignmentof personal attributesto other individuals.

**Attribution theory**

Aids in this interpretationby focusing on how people attempt to (1) understandthe causes of a certain event, (2) assess responsibilityfor the outcomes of the event, and (3) evaluatethe personal qualities of the people involved in theevent. In applying attribution theory, we are especiallyconcerned with whether one’s behavior has beeninternally or externally caused. Internal causes are believedto be under an individual’s control you believeJake’s performance is poor because he is lazy. Externalcauses are seen as outside a person you believe Kellie’sperformance is poor because her machine is old.According to attribution theory, three factors influencethis internal or external determination: distinctiveness,consensus, and consistency. In addition to these three influences, two errors have an impact on internal versusexternal determination—the *fundamental attribution error* and the *self-serving**bias*.

**2.1.4. Motivation and Emotion**

Usually one or more of the following words are included in the definition: ‘desires’, ‘wants’, ‘wishes’, ‘aims’, ‘goals’, ‘needs’, ‘drives’, ‘motives’, and ‘incentives’. The term ‘motivation’ can be traced to the Latin word *movere*, which means ‘to move’ (Luthans, 1992). Motivation is a set of energetic forces that originate both within and outside an individual to initiate work-related behaviour and to determine the direction, intensity and duration thereof (Latham, 2005).

**Emotion**

**Do Emotions in the Workplace Matter?** The answer isdefinitely matter!

Integration of rational and emotional styles is the key to successful workers and leadership. It is clear that good decisions require emotional and logical skills. But too much of one or the other, or the incorrect application of either, can present problems in the work place. Emotions at a team level have a powerful impact in other ways as well. You might call it team spirit or morale, but all of us have experienced how the mood of a group can change. And how we feel does seem to influence our performance. Sometimes it happens slowly and subtly, but sometimes you can almost feel a chill come over the group; at other times, a sense of excitement permeates the air. The spread of emotions from person to person is a phenomenon known as *emotional contagion.*