**CHAPTER – 1**

 **AN OVER VIEW OF ORGANIZATIONAL BEHAVIOR**

**Organizational behaviour** (often abbreviated OB) is a field of study that investigates the impact that individuals, groups, and structure have on behaviour within organizations, for the purpose of applying such knowledge toward improving an organization’s effectiveness. That’s a mouthful, so let’s break it down.

Organizational behaviour is a field of study, meaning that it is a distinct area of expertise with a common body of knowledge. What does it study? It studies three determinants of behaviour in organizations: individuals, groups, and structure.

In addition, OB applies the knowledge gained about individuals, groups, and the effect of structure on behaviour in order to make organizations work more effectively.

To sum up our definition, OB is the study of what people do in an organization

and how their behaviour affects the organization’s performance. And because OB is concerned specifically with employment-related situations, you should not be surprised that it emphasizes behaviour as related to concerns such as jobs, work, absenteeism, employment turnover, productivity, human performance, and management.

Although debate exists about the relative importance of each, OB includes the core topics of motivation, leader behaviour and power, interpersonal communication, group structure and processes, learning, attitude development and perception, change processes, conflict, work design, and work stress.

**1.1 The characteristics of OB**

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

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

**b. An Interdisciplinary Approach**

Organizational behaviour is essentially an interdisciplinary approach to study human behaviour at work. It tries to integrate the relevant knowledge drawn from related disciplines like psychology, sociology and anthropology to make them applicable for studying and analysing organizational behaviour.

**c. An Applied Science**

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

**d. A Normative Science**

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

**e. A Humanistic and Optimistic Approach**

Organizational Behaviour applies humanistic approach towards people working in the

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

**f. A Total System Approach**

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

**1.2 Management Functions**

In the early part of the twentieth century, French industrialist Henri Fayol wrote that all managers perform five management functions: planning, organizing, commanding, coordinating, and controlling. 5 Today, we have condensed these to four: planning, organizing, leading, and controlling. Because organizations exist to achieve goals, someone has to define those goals and the means for achieving them; management is that someone. The

**planning** function encompasses defining an organization’s goals, establishing an overall strategy for achieving those goals, and developing a comprehensive set of plans to integrate and coordinate activities. Evidence indicates this function increases the most as managers move from lower-level to mid-level management. Managers are also responsible for designing an organization’s structure. We call this function **organizing.** It includes determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.

Every organization contains people, and it is management’s job to direct and coordinate those people. This is the **leading** function. When managers motivate employees, direct their activities, select the most effective communication channels, or resolve conflicts among members, they’re engaging in leading.

To ensure things are going as they should, management must monitor the organization’s performance and compare it with previously set goals. If there are any significant deviations, it is management’s job to get the organization back on track. This monitoring, comparing, and potential correcting is the **controlling** function.

So, using the functional approach, the answer to the question “What do managers do?” is that they plan, organize, lead, and control.

**1.3 Management Roles**

In the late 1960s, Henry Mintzberg, then a graduate student at MIT, undertook a careful study of five executives to determine what they did on their jobs. On the basis of his observations, Mintzberg concluded that managers perform ten different, highly interrelated roles—or sets of behaviours, these roles are primarily (a) interpersonal, (b) informational, or (c) decisional.

**a. Interpersonal Roles** All managers are required to perform duties that are ceremonial and symbolic in nature. For instance, when the president of a college hands out diplomas at commencement or a factory supervisor gives a group of high school students a tour of the plant, he or she is acting in a *figurehead* role. All managers also have a *leadership* role. This role includes hiring, training, motivating, and disciplining employees. The third role within the interpersonal grouping is the *liaison* role, or contacting others who provide the manager with information. The sales manager who obtains information from the quality-control manager in his or her own company has an internal liaison relationship. When that sales manager has contacts with other sales

executives through a marketing trade association, he or she has an outside liaison relationship.

**b. Informational Roles** All managers, to some degree, collect information from outside organizations and institutions, typically by scanning the news media (including the Internet) and talking with other people to learn of changes in the public’s tastes, what competitors may be planning, and the like. Mintzberg called this the *monitor* role. Managers also act as a conduit to transmit information to organizational members. This is the *disseminator* role. In addition, managers perform a *spokesperson* role when they represent the organization to outsiders.

**c. Decisional Roles** Mintzberg identified four roles that require making choices. In the *entrepreneur* role, managers initiate and oversee new projects that will improve their organization’s performance. As *disturbance handlers,* managers take corrective action in response to unforeseen problems. As *resource allocators,* managers are responsible for allocating human, physical, and monetary resources. Finally, managers perform a *negotiator* role, in which they discuss issues and bargain with other units to gain advantages for their own unit.

**1.4 Levels of Management**

The three levels of management that are commonly found in any organisation are lower or front-line, middle and top management.



 **1.1 Levels of Management**

**a. Front-Line or Supervisory Management**

This is the lowest level in the hierarchy of management. Usually the jobs at this level are the entry level positions into management profession. Managers at this level direct the operating employees (workers). They are close to the action for their job involves supervising the activities of operatives. Front-Line managers in the production department are called foreman, supervisor, superintendent, inspector and so on. For instance, in a manufacturing concern, in marketing, finance and others departments, they are called management trainees or junior executives. Similarly, in a government office, the term superintendent or section officer is preferred.

**b. Middle level Management**

Middle management level includes in many organizations more than on level. Managers who work at levels between the lower and top levels constitute the middle management. Departmental heads, Regional managers, Zonal managers and so on fall in this category. They report to top managers. Their principal responsibilities are to direct the activities of lower level managers who implement the organizations’ policies.

**c. Top level Management**

Top management constitutes the highest level in the management hierarchy. This is the policy making level in any organization. This level consists of a small group of executives. Board of Directors, Chairman, Managing Director and the top functional heads such as COO, CIO, and such other C-suite managers, and divisional managers comprise this level. Top managers are responsible for the overall management of the organization. They decide the enterprise objectives, policies and strategies to be pursued to achieve the objectives. They provide direction to the organization by guiding its interactions with the environment.

**1.5 Management Skills**

Still another way of considering what managers do is to look at the skills or competencies they need to achieve their goals. Researchers have identified a number of skills that differentiate effective from ineffective managers.

**a. Technical Skills Technical skills** encompass the ability to apply specialized knowledge or expertise. When you think of the skills of professionals such as civil engineers or oral surgeons, you typically focus on the technical skills they have learned through extensive formal education. Of course, professionals don’t have a monopoly on technical skills, and not all technical skills have to be learned in schools or other formal training programs. All jobs require some specialized expertise, and many people develop their technical skills on the job.

**b. Human Skills** The ability to understand, communicate with, motivate, and support other people, both individually and in groups, defines **human** **skills** . Many people are technically proficient but poor listeners, unable to understand the needs of others, or weak at managing conflicts. Because managers get things done through other people, they must have good human skills.

**c. Conceptual Skills** Managers must have the mental ability to analyze and diagnose complex situations. These tasks require **conceptual skills** . Decision making, for instance, requires managers to identify problems, develop alternative solutions to correct those problems, evaluate those alternative solutions, and select the best one. After they have selected a course of action, managers must be able to organize a plan of action and then execute it. The ability to integrate new ideas with existing processes and innovate on the job are also crucial conceptual

skills for today’s managers.

**1.6 A Review of the Manager’s Job**

One common thread runs through the functions, roles, skills, activities, and approaches to management: Each recognizes the paramount importance of managing people, whether it is called “the leading function,” “interpersonal roles,” “human skills,” or “human resource management, communication, and networking activities.” It’s clear managers must develop their people skills to be effective and successful.

**1.7 Disciplines That Contribute to the OB Field**

Organizational behaviour is an applied behavioural science built on contributions from a number of behavioural disciplines, mainly psychology and social psychology, sociology, and anthropology. Psychology’s contributions have been mainly at the individual or micro level of analysis, while the other disciplines have contributed to our understanding of macro concepts such as group processes and organization. Exhibit 1-2 is an overview of the major contributions to the study of organizational behaviour.

 **1.2 Toward an OB Discipline**

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**a. Psychology**

**Psychology** seeks to measure, explain, and sometimes change the behaviour of humans and other animals. Those who have contributed and continue to add to the knowledge of OB are learning theorists, personality theorists, counselling psychologists, and, most important, industrial and organizational psychologists. Early industrial/organizational psychologists studied the problems of fatigue, boredom, and other working conditions that could impede efficient work performance. More recently, their contributions have expanded to include learning, perception, personality, emotions, training, leadership

effectiveness, needs and motivational forces, job satisfaction, decision-making processes, performance appraisals, attitude measurement, employee-selection techniques, work design, and job stress.

**b. Social Psychology**

**Social psychology** , generally considered a branch of psychology, blends concepts from both psychology and sociology to focus on peoples’ influence on one another. One major study area is *change* —how to implement it and how to reduce barriers to its acceptance. Social psychologists also contribute to measuring, understanding, and changing attitudes; identifying communication patterns; and building trust. Finally, they have made important contributions to our study of group behaviour, power, and conflict.

**c. Sociology**

While psychology focuses on the individual, **sociology** studies people in relation to their social environment or culture. Sociologists have contributed to OB through their study of group behaviour in organizations, particularly formal and complex organizations. Perhaps most important, sociologists have studied organizational culture, formal organization theory and structure, organizational technology, communications, power, and conflict.

**d. Anthropology**

**Anthropology** is the study of societies to learn about human beings and their activities. Anthropologists’ work on cultures and environments has helped us understand differences in fundamental values, attitudes, and behaviour between people in different countries and within different organizations. Much of our current understanding of organizational culture, organizational environments, and differences among national cultures is a result of the work of anthropologists or those using their methods.

**1.8 Responding to Globalization**

Organizations are no longer constrained by national borders. Burger King is owned by a British firm, and McDonald’s sells hamburgers in Moscow. ExxonMobil, a so-called U.S. company, receives almost 75 percent of its revenues from sales outside the United States. New employees at Finland-based phone maker Nokia are increasingly being recruited from India, China, and other developing countries—non-Finns now outnumber Finns at Nokia’s renowned research centre in Helsinki. And all major automobile makers now manufacture cars outside their borders; Honda builds cars in Ohio, Ford in Brazil, Volkswagen in Mexico, and both Mercedes and BMW in South Africa. The world has become a global village. In the process, the manager’s job has

changed.

**a. Increased Foreign Assignments** If you’re a manager, you are increasingly likely to find yourself in a foreign assignment—transferred to your employer’s operating division or subsidiary in another country. Once there, you’ll have to manage a workforce very different in needs, aspirations, and attitudes from those you are used to back home.

**b. Working with People from Different Cultures** Even in your own country, you’ll find yourself working with bosses, peers, and other employees born and raised in different cultures. What motivates you may not motivate them. Or your communication style may be straightforward and open, which others may find uncomfortable and threatening. To work effectively with people from different cultures, you need to understand how their culture, geography, and religion have shaped them and how to adapt your management style to their differences.

Managers at global companies such as McDonald’s, Disney, and Coca-Cola have come to realize that economic values are not universally transferable. Management practices need to be modified to reflect the values of the different countries in which an organization operates.

**c. Overseeing Movement of Jobs to Countries with Low-Cost Labor** It’s increasingly difficult for managers in advanced nations, where minimum wages are

typically $6 or more an hour, to compete against firms that rely on workers from China and other developing nations where labour is available for 30 cents an hour. It’s not by chance that many in the United States wear clothes made in China, work on computers whose microchips came from Taiwan, and watch movies filmed in Canada. In a global economy, jobs tend to flow where lower costs give businesses a comparative advantage, though labour groups, politicians, and local community leaders see the exporting of jobs as undermining the job market at home. Managers face the difficult task of balancing the interests of their organization with their responsibilities to the communities in which they

operate.

**d. Managing Workforce Diversity**

One of the most important challenges for organizations is adapting to people who are different. We describe this challenge as *workforce diversity.* Whereas globalization focuses on differences among people *from* different countries, workforce diversity addresses differences among people *within* given countries.

**e. Stimulating Innovation and Change**

Today’s successful organizations must foster innovation and master the art of change, or they’ll become candidates for extinction. Victory will go to the organizations that maintain their flexibility, continually improve their quality, and beat their competition to the marketplace with a constant stream of innovative products and services.

**f. Coping with “Temporariness”**

Globalization, expanded capacity, and advances in technology have required organizations to be fast and flexible if they are to survive. The result is that most managers and employees today work in a climate best characterized as “temporary.”

Workers must continually update their knowledge and skills to perform new job requirements. Production employees at companies such as Caterpillar, Ford, and Alcoa now need to operate computerized production equipment. That was not part of their job descriptions 20 years ago.

**g. Working in Networked Organizations**

Networked organizations allow people to communicate and work together even though they may be thousands of miles apart. Independent contractors can telecommute via computer to workplaces around the globe and change employers as the demand for their services changes.

**h. Improving Customer Service**

Service jobs include technical support representatives, fast-food counter workers, sales clerks, waiters and waitresses, nurses, automobile repair technicians, consultants, credit representatives, financial planners, and flight attendants. The common characteristic

of these jobs is substantial interaction with an organization’s customers. And because an organization can’t exist without customers—whether it is American Express, L. L. Bean, a law firm, a museum, a school, or a government agency— management needs to ensure employees do what it takes to please customers.

**CHAPTER TWO**

**FOUNDATION OF INDIVIDUAL BEHAVIOR AND LEARNING IN AN ORGANIZATION**

**2.1 Perception:** You see and experience many things in your daily life. They may be true or may not be true. All that glitters is not gold. Educated youth prefer to white collar job as it carries less work and more pay. But really it is not so. An MBA student studying through distance education may be recruited by an MNC. This is purely due to his personality. Therefore, these examples explain you that what is seen, heard or experienced, not be real. Perception is more than that.

 **Definition of perception:** Perception is what and how we understand the other. We can understand the meaning of perception from the following definitions: “a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment” – Stephen P. Robbins. “Perception is an important meditative cognitive process through which persons make interpretations of the stimuli’s or situation they are faced with” – Fred Luthans

**2.1.1 Components of perception:**

**a. Stimuli**

The receipt of information is the stimulus, which results in sensation. Knowledge and

behaviour depend on senses and their stimulation. The physical senses used by people are vision, hearing, touch, smell and taste. These senses are influenced by a larger number of stimuli, which may be action, information, consideration and feelings, etc. The stimuli may be in the form of objects or physical commodities.

**b. Attention**

Stimuli are selectively attended to by people. Some of the stimuli are reacted to while others are ignored without being paid any attention. The stimuli that are paid attention depend purely on the people’s selection capacity and the intensity of stimuli. Educated employees pay more attention to any stimuli, viz. announcement of bonus, appeal for increasing productivity, training and motivation.

**c. Recognition**

The recognition process is dependent on mental acceptance. For example, if a car driver

suddenly sees a child in front of his running car, he stops the car. He recognises the stimuli, i.e. the life of the child is in danger. His mental process recognises the danger after paying attention to the stimuli. If the does not pay attention to the stimuli, he recognises the danger. After recognising the stimuli, he translates the message into behaviour.

**d. Translation**

The stimuli are evaluated before being converted into action or behaviour. The evaluation process is translation. In the above example, the car driver after recognising the stimuli uses the clutch and brake to stop the car. He has immediately translated the stimulus into an appropriate action. The perception process is purely mental before it is converted into action.

**e. Behaviour**

Behaviour is the outcome of the cognitive process. It is a response to change in sensory

inputs, i.e. stimuli. It is an overt and covert response. Perceptual behaviour is not influenced by reality, but is a result of the perception process of the individual, his learning and personality, environmental factors and other internal and external factors at the workplace.

**f. Performance**

Proper behaviour leads to higher performance. High performers become a source of stimuli and motivation to other employees. A performance-reward relationship is established to motivate people.

**g. Satisfaction**

High performance gives more satisfaction. The level of satisfaction is calculated with the difference in performance and expectation.

**2.1.2 Factors determining perception:**

Perception is influenced by various factors. They are divided into internal and external

factors. They are explained below:

**External Attention Factors**

The external attention factors are:

a. Intensity

b. Size

c. Contrast

d. Repetition

e. Motion

f. Novelty and familiarity

**a. Intensity**

The intensity of stimulus implies that the more intense the stimulus, audio or visual, the

more is the likelihood it will be perceived. A loud noise, strong odour or bright light or bright colours will be more readily perceived than soft sound, weak odour or dim light. It is because of this advantage that advertisers employ intensity to draw the consumers’ attention.

**b. Size**

As regards the size of the stimulus, any odd size attracts attention. A Great Den dog which is tall attracts the attention. At the same time a pocket dog also attracts attention because of its size. However, generally the larger the object the more likely it will be perceived.

**c. Contrast**

The contrast principle states that external stimuli, which stand out against the background or which, are not what the people expect will receive attention. Plant safety signs, which have black lettering on a red background, gain attention.

**d. Repetition**

The factor of repetition implies that a repeated external stimulus attracts more attention than the one that occurs at one time alone. Perhaps, it is because of this that supervisors tend to repeat directions regarding job instructions several times for even simple tasks to hold the attention of their workers. Advertisers while putting T.V. or radio advertisements repeat the brand name they are advertising.

**e. Motion**

The factor of motion implies that the individual attend to changing objects in their field of vision than to static objects. It is because of this advantage that advertisers involve signs, which include moving objects in their campaigns.

**f. Novelty and familiarity**

A novel object in the familiar situation or a familiar object in a novel situation tends to

attract attention. Thus a white or a black in India catches attention faster.

**Internal set Factors**

The internal set factors are as under:

a. Habit

b. Motivation and interest

c. Learning

d. Organisational role and specialization:

**a. Habit**

A Hindu will bow and do Namaskar when he sees a temple while walking on the road,

because of his well-established habit. The motor set may cause the likelihood of inappropriate responses.

**b. Motivation and interest**

Two examples of motivational factors are hunger and thirst. Motivational factors increase the individual’s sensitivity to those stimuli, which he considers as relevant to the satisfaction of his needs in view of his past experience with them. A thirsty individual has a perceptual set to seek a water fountain or a hotel to quench his thirst, which increases for him the likelihood of perceiving restaurant signs and decreases the likelihood of visualizing other objects at that moment of time.

**2.1.3 Principles of perception:**

Perception has various principles also. They are as follows: There are several kinds of primitive perceptual organisations, which include grouping, closure, figure-ground effect and constancy phenomenon.

**a. Perceptual grouping**

The grouping principle of perceptual organisation states that there is a tendency to group several stimuli together into a recognizable pattern. The principle is very basic and seems largely inborn. In the visual fields, we find that objects that are similar in appearance tend to be grouped together. Likewise, the individual tends to create a whole even when it is not there.

**b. Closure**

The closure principle of grouping is closely related to the gestalt school of psychology. The principle is that a person will sometimes perceive a whole when one does not exist. The person’s perceptual processes will close the gaps that are unfilled from the sensory inputs.

**c. Figure-ground**

The objects are perceived with reference to their background. The figure-ground principle means simply that perceived objects stand out as separable from their general background. When the reader is reading this paragraph, in terms of light-wave stimuli, the reader perceives patches of irregularly shaped blacks and whites. Yet the reader perceives the shapes as letters and figures printed against the white background. In other words the reader perceptually organizes these stimuli into recognizable patterns i.e. the words.

**d. Perceptual constancy**

Constancy is one of the more sophisticated forms of perceptual organisation. It gives a

person a sense of stability in a changing world. This principle permits the individual to have some constancy in a tremendously variable world.

**e. Impression Management**

Whereas social perception is concerned with how one individual perceives other individuals, impression management (sometimes called “self-presentation”) is the process by which people attempt to manage or control the perceptions others form of them. There is often a tendency for people to try to present them in such a way as to impress others in a socially desirable way. Thus, impression management has considerable implications for areas such as the validity of performance appraisals (is the evaluator being manipulated into giving a positive rating?) and a pragmatic, political tool for one to climb the ladder of success in organisations.

**2.2 Attitudes:** You just ask a question anyone, “Are you satisfied with your Job”? Are you loyal to the company? You say yourself, “I like my MBA”, These are all attitudes expressed by people. Thus, attitude, is the expression of feeling about something.

**2.2.1 Definition of Attitudes:** Two important definitions on attitude are given below:

“Attitude is the persistent tendency to feel and behave in a favourable or unfavourable way towards some object, person, or ideas” – Reitz. “Attitudes are evaluation statements either favourable or unfavourable or unfavourable concerning objects, people or events. They reflect how one feels about something” – Robbins.

**2.2.2 Difference between Attitudes, and Values Belief, etc.**

**a. Attitudes and values:**

There are differences between values and attitudes. Attitudes essentially represent predisposition to respond. Values focus on the judgment of what ought to be. This judgment can represent the specific manifestation of a determining tendency below the behaviour. Attitudes represent several beliefs focused on a specific object or situation. Value , on the other hand, represents a single belief that transcendentally guides actions and judgments across objects and situations, Finally, a value stands in relation to some social or cultural standards or norms while attitudes are personal experiences.

**b. Attitudes and Opinions**

An opinion is an expression of an evaluative judgment or point of view regarding a specific topic or subject. An attitude is somewhat generalized (such as liking or not liking a person’s supervisor), whereas an opinion typically is an interpretation regarding a specific matter-(such as saying that the boss plays favourites in granting promotions).

**c. Attitude, Beliefs and Ideology**

A belief is a judgment about something. For example, a belief that the world is round is a judgement about its form. Many of our beliefs, of course, are emotionally neutral; others are definitely favourable or unfavourable towards some object. For example, a favourable attitude towards religion may involve beliefs. The religion helps to curb delinquency, and worshippers are better citizens than are non-believers. People who stay away from temples are unhappy and immoral, and so on. When beliefs become organized into systems, they are called ideologies. The capitalist ideology, for example, is a set of beliefs that a free enterprise economy is maximally productive; that competition in the long run brings down prices and raises quality; and that events in the

marketplace do and should determine what is produced.

**2.2.3 Sources of Attitudes:**

**The sources of a person’s attitude are a mixture of**

a)Personal experiences

b) Association

c) Family

d) Peer groups and society

e) Models and

f) Institutional factors.

**a. Personal Experiences:** People form attitudes by coming in direct contact with an object. By the time a person goes for work in a specified organisation, he holds many attitudes towards the

type of job of that is acceptable to him, the expected pay, working conditions and supervision.

**b. Association:** People are highly influenced by the major groups or associations to which they belong, geographic region, religion, educational background, race, sex, age and income-class-all strongly influence attitudes. The nearer the group the stronger is the group influence on the attitudes of the individual.

**c. Family:** Family is the primary group that an individual belongs to. Family exerts high influence on the initial core of attitudes held by an individual. Individuals develop certain attitudes from family members-parents, brother, sister, etc. The family characteristics influence the individual’s early attitude patterns.

**d. Peer Groups:** As people approach their adulthood, they increasingly rely on their peer groups for approval / attitude. How others judge an individual largely determine his self-image and approval-seeking behaviour.

**e. Models:** Some of the attitudes are developed through imitation of models. The process is something like this; in a particular situation, we see how another person behaves. We correctly or

incorrectly interpret his behaviour as representing certain attitudes and beliefs.

**f. Institutional Factors;** Many institutional factors function as sources and support our

attitudes and beliefs. For example, consider the description of a certain temple Aarati. When the people come into this temple, they bow to pray, sit with heads bowed. Their clothes are clean and freshly washed. When the Pujari signals and is with Aarati all start singing Bhajan and clap. The entire process is devoted to a ritual. From this we can get an idea as to the general character of the religious attitudes and beliefs.

**2.2.4 Measurement of Attitudes**

**Measurement of Attitudes**

Though attitude is a hypothetical construct, it also subject to measurement. The most common and frequently used measures of attitudes are the questionnaires which ask the respondents to evaluate and rate their attitude towards a particular object directly, and to respond favourably or unfavourably about his belief regarding the object. Generally, bipolar scales are used to assess the attitudes of individual employees in an organisation. Different types of scales are in use with respect to measurement of attitudes viz., Thurstone’s scale, Likert’s scale , Bogardus’s social distance scale etc.

**a. Thurstone’s scale:** The statements, both favourable and unfavourable, relating to the area in which attitude were to be measured are placed into eleven piles; one representing the most favourable one and one representing the unfavourable. Individuals will then be asked to check those statements with which they agreed. The average of the scale values of the items, which they accepted, will give an indication of the placement of a person along the attitude continuum.

**b. Likert’s scale**: Another scale that is relatively easy when compared to the earlier one is the one that is developed by Rensis Likert. Likert’s scale consists of five boxes ranging from ’strongly agree’’ to ‘strongly disagree’’ Under each statement of attitude the respondent will be given a chance to check one of the five boxes and finally all the ratings are summed up. The Likert’s scale is also known summed-rating measure, because several statements are collected in an attitude area such as one’s attitude about a job, and the scales are added up or summed to obtain a person’s attitude towards his job, The summed-rating scale provides a means of measuring the intensity of one’s attitude towards a particular object / event in addition to the direction.

**c. Bogardus’s social distance scale:** Perhaps the simple scale of measuring attitudes is the social distance scale developed by Bogardus in 1925. The scale is composed of a large number of statements regarding national, racial or ethnic groups.

**d. Guttman’s scale:** Guttman in 1950 developed a cumulative scaling technique to measure attitudes. In the scale of one’s attitude toward work, an employee might be presented with six statements displaying successively higher degrees of dissatisfaction. It is assumed that the employee will reach some point beyond which he can no longer agree. The main threshold is considered to be the degree of satisfaction.

**e. Measuring attitudes by means of projective tests**: Other methods are, therefore, sometimes required to obtain a truer picture of attitudes. One such method is the projective test, which requires a person to respond to an unstructured stimulus situation. The rationale behind such tests is that, when the stimulus situation is unstructured, mainly his motives, expectations, and other personal factors determine the individual’s responses. Projective tests of attitude are particularly valuable in the study of prejudice, since so many of our prejudices operate at an unconscious level or are deliberately disguised to conform to prevailing taboos-against the expression of overt prejudice.

There are good many other scales to measure attitudes. From a practical standpoint, one should either use a standard questionnaire or consultant expert to obtain a valid estimate of attitudes of the employees in an organisation.

**2.2.5 Forms of Attitudes:** The other forms of attitude and job satisfactions and are:

**a. Job satisfaction**

In organisation behaviour, perhaps the attitude of greatest interest is the general attitude of employees towards work or towards a job, often called job satisfaction. The sources of job satisfaction are of particular interest because they often suggest corrective action that can be taken.

**b. Sources of Job satisfaction**

Job satisfaction is sometimes regarded as a single concept: that is, whether a person is

satisfied or not satisfied with the job. However, it actually is a collection of specific job satisfaction the attitudes that can be related to various aspects of the job. For example a popular measure of job descriptive index (JDI) measures satisfaction in terms of five specific aspects of a person’s job: pay, promotion, supervision, the work itself, and co-workers. Obviously, an employee may be satisfied with some aspects of the job and, at the same time, be satisfied with others.

**2.2.6 Attitudes and commitment:**

Another important work attitude that has a bearing on organisation behaviour is commitment to the organisation. Organisation Commitment refers to the strength of an employee’s involvement in the organisation and identification with it. Strong organisation commitment is characterized by;

(a) a belief in and acceptance of the organisation’s goals and values

(b) a willingness to exert considerable effort on behalf of the organisation; and

(c) a desire to remain with the organisation

Organisational commitment goes beyond loyalty to include active contribution to accomplishing organisational goals. The concept of organisational commitment represents a broader work attitude than job satisfaction because it applies to the entire organisation than just a mere job. Further, it is likely to be more stable than job satisfaction because day-to-day events are not likely to affect it.

**2.3 PERSONALITY:**

In your daily life you meet different persons. Some are neatly dressed. Some are respected more due to knowledge and decisions. Some people are nice to speak while others tend on their temperament. Do you know that there are different dimensions of personality? But the concept of personality is more than that. Let us understand the original meaning and its connotation.

**2.3.1 Definition:**

Let us discuss three important definitions of personality:

“a set of characteristics and tendencies that determine those commonalities and differences in the psychological behaviour (thoughts, feelings and actions) of people that have continuity in time and that may not be easily understood as the sole result of social and biological pressures of the moment”- S.R. Maddi.

“Personality is how people affect others and how they understand and view themselves, as well as their pattern of inner and outer measurable traits and the person situation interaction.” – Fred Luthans.

“Personality is the sum total of ways in which an individual refers to and acts with others” – Robbins.

**2.3.2 Features:**

The above definitions of personality bring out the following features of personality:

**1.** It refers to a stable set of characters.

**2.** They are affected by biological and social conditions.

**3.** External physical appearance is a part of personality.

**4.** It includes inner psychological mechanism which reacts

**5.** It interacts with situation.

**2.3.3 Factors determining personality:**

**a. Brain**

It influences the personality of an individual. The psychologists are unable to prove

empirically the contribution of human brain in influencing personality. Preliminary results from the electrical stimulation of the brain (ESB) research give indication that better understanding of human

**b**. **Cultural Factors**

Culture is traditionally considered the major determinant of an individual’s personality. The culture largely determines what a person is and what a person will learn. The culture within which a person is brought up is a very important determinant of behaviour of a person. The personality of an individual, to a marked extent, is determined by the culture in which he is brought up. According to Mussen “…each culture expects, and trains, its members to behave in the ways that are acceptable to the group.” In spite of the importance of the culture on personality, researchers are unable to establish correlation between these two concepts of personality and culture.

**c. Family and Social factors**

Identification starts when a person begins to identify himself with some other members of the family. Normally a child tries to emulate certain action of his parents. Identification process can be examined from three angles: (a) it can be viewed as the similarity of behaviour between child and the model, (b) it can be looked as the child’s motives or desires to be like the model and (c) it can be viewed as the process through which the child actually takes on the attributes of the model.

**2.3.4 Theories of personality:**

**a. Psycho - analytical theory**

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.

**i. The id**

It is the original and the most basic system of human personality. At the base of the Freudian theory lies the 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 depth 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.

**ii. 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 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.

**iii. 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. Superego 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.

**b. 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 emphasizes 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;

1. Trait may be too abstract. For example, the scale of ‘measuring’ ‘anxiety’ may be abstract.

2. Trait approach focuses on isolated traits without specifying how these traits are organized 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.

3. Another fundamental problem (or drawback) of trait theories is that they are essentially descriptive rather than analytical.

**c. 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 a) the self-concept, b) the organism and c) 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 characterize ‘I or Me ‘. It includes ‘What I am’ and ‘what I can do’. Rogers defines the self-concept as ‘an organized, consistent, conceptual gestalt composed of perceptions of l or me and the perceptions of the relationships of I or me to these perceptions’’. Here ‘l’ refers to the personal self, and ‘me’ and the perceptions of the relationships of l or me to these perceptions’’. Here ‘l’ refers to the personal self, and ‘me’ refers to the social self.

**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.

**c) The development of self-personality**

Rogers feels that the fundamental force motivating the human organism is self-actualization i.e. “a tendency toward fulfilment, toward the maintenance and enhancement of the organism. The tendency of self-actualization of both the organism and the self is subject to the profound influence of the social environment. In the childhood itself, when his parents evaluate the child’s behaviour continuously, 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.

**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 organized around the concept of self. It is the one, which says that the individual largely determines personality and behaviour 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.

**2.3.5 Types of personality**

**Personality and Behaviour**

Personality and Behaviour of people in the organisation are intricately linked. For example, researchers have extensively investigated the relationships between the Big Five personality factors and job performance. Their findings indicate that the employees who are responsible, dependable, persistent and achievement oriented perform better than those who lack these traits.

**a. Self-Esteem:** It is the result of an individual’s continuing evaluation of himself herself. In other words, people develop, hold and sometimes modify opinions of their own behaviour, abilities, appearance and worth. These general assessments reflect responses to people and situations, successes and failures and the opinion of others.

**b. Locus of Control (LOC)**

It refers to the extent to which individuals believe that they can control events affecting

them. Individuals who have a high internal LOC (internals) believe that their own behaviour and actions primarily, but not necessarily totally, determine many of the events in their lives. On the other hand, individuals who have a high external LOC (externals) believe that chance, fate of other people primarily determine what happens to them. Many differences between internals and externals are significant in explaining aspects of behaviour in organisations and other social settings.

**c. Goal Orientation**

Another individual difference of importance for behaviour in work settings is goal

orientation or the preference for one type of goal versus another. Specifically, two orientations are considered important in terms of understanding some aspects of individual job performances. A learning goal orientation is a predisposition to develop competence by acquiring new skills and mastering new situations.

**d. Introversion and Extroversion**

In everyday usage, the words introvert and extrovert describe a person’s congeniality; An introvert is shy and retiring, whereas an extrovert is socially gregarious and outgoing. The terms have similar meanings when used to refer to personality dimensions.

One of the most striking implications of the introversion-extroversion personality dimension involves task performance in different environments.

**2.3.6 Implication of personality on organisation**

**a. Authoritarianism is closely related to dogmatism but is narrower in scope.**

The authoritarian personality describes someone who adheres to conventional values, obeys recognized authorities, exhibits a negative view of society, respects power and roughness, and opposes the expression of personal feelings.

b. In organisations the authoritarian personality probably is subservient to authority figures and may even prefer superiors who have a highly directive, structured leadership style. Both dogmatism and authoritarianism are related to the intellectual openness factor.

**b. Organisational implications**

It should be evident by now that the personality dimensions discussed, and the specific

relationship for each, have important implications for organisational behaviour. However, managers and groups should not try to change or otherwise directly control employees’ personality. Even if such control were possible, it would be highly unethical; rather, the challenge for managers and employees is to understand the crucial role played by personality in explaining some aspects of human behaviour in the workplace. Knowledge of important individual differences provides managers, employees, and students of organisational behaviour with valuable insights and a framework that they can use to diagnose events and situations.

**2.4 Learning:**

Learning involves change in behaviour a student studying MBA for two years would

ultimately results in charge in his behaviour. A new sales executive who attends a training programme shows change in his behaviour. A house wife after a few years of marriage experiences charge in her behaviour. Thus, learning brings either intentional or intentional change in behaviour.

**2.4.1 Definition of learning:**

There are various definitions of learning. Two important definition are given below:

“Learning is any relatively permanent change in behaviour that occurs as a result of

experience” – Stephen P. Robbins

“Learning can be defined as relatively permanent change in behaviour potentiality that

results from reinforced practice or experience” – Steers and porter.

**2.4.2 Process of Learning:**

The above definitions have given the following components of learning:

1. Change: Learning involves change, which is good or bad.

2. Permanent: The change in behaviour is relatively permanent.

3. Acquired: The charge in behaviour occurs through acquired experience that would result in change in attitude.

4. Experience: There is some form of experience which takes place through practice / observation, etc.

5. Life long process: It takes place in the all the stages of life.

2.4.3 **Theories of Learning:**

**Theories of learning**

Three theories have been offered. They are

1. Classical conditioning

2. Operant conditioning

3. Social learning

**1. Classical Conditioning**

Classical conditioning grew out of experiments to teach dogs to salivate in response to the ringing of a bell, conducted at the turn of the century by a Russian physiologist, Ivan Pavlov. A simple surgical procedure allowed Pavlov to measure accurately the amount of saliva secreted by a dog. When Pavlov presented the dog with a piece of meat, the dog exhibited a noticeable increase in salivation. When Pavlov withheld the presentation of meat and merely rang a bell, the dog had no salivation. Then Pavlov proceeded to link the meat and the ringing of the bell. After repeatedly hearing the bell before getting the food, the dog began to salivate as soon as the bell rang. After a while, the dog would salivate merely at the sound of the bell, even if no food was offered. In effect, the dog had learned to respond-that is, to salivate-to the bell. Let us review this experiment to introduce the key concepts in classical conditioning. The meat was an unconditioned stimulus: It invariably caused the dog to react in a specific way. The reaction that took place whenever the unconditioned stimulus occurred was called the unconditioned response (or the noticeable increase in salivation, in this case). The bell was an artificial stimulus, or what we call the conditioned stimulus. While it was originally neutral, after the bell was paired with the meat (an unconditioned stimulus), it eventually produced a response when presented alone. The last key concept is the conditioned response. This describes the behaviour of the dog salivating in reaction to the bell alone. Classical conditioning is passive. Something happens and we react in a specific way. It is elicited in response to a specific, identifiable event. As such, it can explain simple reflexive behaviours. But most behaviour particularly the complex behaviour of individuals in organisation-is emitted rather than elicited. It is voluntary rather than reflexive. For example, employees choose to arrive at work on time, ask their boss for help with problems, of “good off” when no one is watching. The learning of these behaviours is better understood by looking at operant conditioning.

**2. Operant Conditioning**

Operant conditioning argues that behaviour is a function of its consequences. People learn to behave to get something they don’t want. Operant behaviour means voluntary or learned behaviour in contrast to reflexive or unalarmed behaviour. The tendency to repeat such behaviour is influenced by the reinforcement or lack of reinforcement brought about by the consequences of the behaviour. Reinforcement strengthens a behaviour and increases the likelihood that it will be repeated. We see illustrations of operant conditioning everywhere. For example, any situation in which it is either explicitly suggested that reinforcement is contingent on some action on your part involves the use of operant learning. Your instructor says that if you want a high grade in the course you must write correct answers. A commissioned salesperson wanting to earn a sizable income finds that this is contingent on generating high sales in his territory.

**3. Social Learning**

Individuals can also learn by observing what happens to other people and just by being told about something, as well as by direct experiences. So, for example, much of what we have learned comes from watching models-parents, teachers, peers, motion pictures and television performers, bosses, and so on. This view that we can learn through both observation and direct experiment has been called social-learning theory. While social-learning theory is an extension of operant conditioning-that is, it assumes that behaviour is a function of consequences- it also acknowledges the existence of observational

learning and the importance of perception in learning. People respond to how they perceive and define consequences, not to the objective consequences themselves.

**2.4.4 Methods of shaping behaviour**

There are four methods to shape behaviour: positive reinforcement, negative reinforcement, punishment, and extinction.

When a response is followed with something pleasant, it is called positive reinforcement. This would describe, for instance, the boss who praises an employee for a job well done. When a response is followed by the termination or withdrawal of something unpleasant, it is called negative reinforcement. Punishment is causing an unpleasant condition in an attempt to eliminate an undesirable behaviour. Giving an employee a two-day suspension from work without pay for showing up drunk is an example of punishment. Eliminating any reinforcement that is maintaining is called extinction. When behaviour is not reinforced it tends to gradually be extinguished. Both positive and negative reinforcement result in learning. They strengthen a response and increase the probability of repetition. Praise strengthens and increases the behaviour of doing a good job because praise is desired. Both punishment and extinction, however, weaken behaviour and tend to decrease its subsequent frequency.

**2.4.5 Schedules of reinforcement**

When the reward varies relative to the behaviour of the individual, he or she is said to be reinforced on a variable-ratio schedule. Salespeople on commission are examples of individuals on such a reinforcement schedule. On some occasions, they may make a sale after only two calls on potential customers. On other occasions, they might need to make twenty or more calls to secure a sale. The reward, then, is variable in relation to the number of successful calls the sales person makes.

 CHAPTER THREE:

 **FOUNDATION OF GROUP BEHAVIOR**

We define a **group** as two or more individuals, interacting and interdependent, who have come together to achieve particular objectives. Groups can be either formal or informal. By a **formal group** , we mean one defined by the organization’s structure, with designated work assignments establishing tasks. In formal groups, the behaviours team members should engage in are stipulated by and directed toward organizational goals. The six members of an airline flight crew are a formal group. In contrast, an **informal group** is neither formally structured nor organizationally determined. Informal groups are natural formations in the work environment that appear in response to the need for social contact. Three employees from different departments who regularly have lunch or coffee together are an informal group. These types of interactions among individuals, though informal, deeply affect their behaviour and performance.

**3.1 Why Do People Form Groups?**

Why do people form groups, and why do they feel so strongly about them? Consider the celebrations that follow a sports team’s winning a national championship. Fans have staked their own self-image on the performance of someone else. The winner’s supporters are elated, and sales of team-related shirts, jackets, and hats declaring support for the team skyrocket. Fans of the losing team feel dejected, even embarrassed. Our tendency to take personal pride or offense for the accomplishments of a group is the territory of **social identity theory** .Social identity theory proposes that people have emotional reactions to the failure or success of their group because their self-esteem gets tied into the group’s performance. When your group does well, you bask in reflected glory, and your own self-esteem rises. When your group does poorly, you might feel bad about yourself, or you might even reject that part of your identity, like “fair weather fans.” Social identities also help people reduce uncertainty about who they are and what they should do. People develop a lot of identities through the course of their lives. You might define yourself in terms of the organization you work for, the city you live in, your profession, your religious background, your ethnicity, or your gender. A U.S. expatriate working in Rome might be very aware of being from the United States but won’t give this national identity a second thought when transferring from Tulsa to Tucson. Social identities help us understand who we are and where we fit in with other people, but they can have a negative side as well. **Ingroup favouritism** means we see members of our ingroup as better than other people, and people not in our group as all the same. This obviously paves the way for stereotyping. When do people develop a social identity? Several characteristics make a social identity important to a person:

● **Similarity.** Not surprisingly, people who have the same values or characteristics as other members of their organization have higher levels of group identification. Demographic similarity can also lead to stronger identification for new hires, while those who are demographically different may have a hard time identifying with the group as a whole.

● **Distinctiveness.** People are more likely to notice identities that show how they are different from other groups. Respondents in one study identified more strongly with those in their work group with whom they shared uncommon or rare demographic characteristics. For example, veterinarians who work in veterinary medicine (where everyone is a veterinarian) identify with their organization, and veterinarians in nonveterinary medicine fields such as animal research or food inspection (where being a veterinarian is a more distinctive characteristic) identify with their profession.

● **Status.** Because people use identities to define themselves and increase self-esteem,

it makes sense that they are most interested in linking themselves to high-status groups. Graduates of prestigious universities will go out of their way to emphasize their links to their alma maters and are also more likely to make donations. People are likely to not identify with a low-status organization and will be more likely to quit in order to leave that identity behind.

● **Uncertainty reduction.** Membership in a group also helps some people understand who they are and how they fit into the world. One study showed how the creation of a spin-off company created questions about how employees should develop a unique identity that corresponded more closely to what the division was becoming. Managers worked to define and communicate an idealized identity for the new organization when it became clear employees were confused.

**3.2 Stages of Group Development**

Groups generally pass through a predictable sequence in their evolution. Although not all groups follow this five-stage model, it is a useful framework for understanding group development. In this section, we describe the five stage model and an alternative for temporary groups with deadlines.

**3.2.1 The Five-Stage Model**

 The **five-stage group-development model** characterizes groups as proceeding through the distinct stages of forming, storming, norming, performing, and adjourning.

The first stage, **forming stage** , is characterized by a great deal of uncertainty about the group’s purpose, structure, and leadership. Members “test the waters” to determine what types of behaviours are acceptable. This stage is complete when members have begun to think of themselves as part of a group.

The **storming stage** is one of intragroup conflict. Members accept the existence of the group but resist the constraints it imposes on individuality. There is conflict over who will control the group. When this stage is complete, there will be a relatively clear hierarchy of leadership within the group. In the third stage, close relationships develop and the group demonstrates cohesiveness. There is now a strong sense of group identity and camaraderie.

This **norming stage** is complete when the group structure solidifies and the group has assimilated a common set of expectations of what defines correct member behaviour.

The fourth stage is **performing** . The structure at this point is fully functional and accepted. Group energy has moved from getting to know and understand each other to performing the task at hand. For permanent work groups, performing is the last stage in development. However, for temporary committees, teams, task forces, and similar groups that have a limited task to perform, the **adjourning stage** is for wrapping up activities and preparing to disband. Some group members are upbeat, basking in the group’s accomplishments. Others may be depressed over the loss of camaraderie and friendships gained during the work group’s life.

Many interpreters of the five-stage model have assumed a group becomes more effective as it progresses through the first four stages. Although this may be generally true, what makes a group effective is actually more complex. First, groups proceed through the stages of group development at different rates. Those with a strong sense of purpose and strategy rapidly achieve high performance and improve over time, whereas those with less sense of purpose actually see their performance worsen over time. Similarly, groups that begin with a positive social focus appear to achieve the “performing” stage more rapidly. Nor do groups always proceed clearly from one stage to the next. Storming and performing can occur simultaneously, and groups can even

regress to previous stages.

**3.3 An Alternative Model for Temporary**

**Groups with Deadlines**

Temporary groups with deadlines don’t seem to follow the usual five-stage model. Studies indicate they have their own unique sequencing of actions (or inaction): (1) their first meeting sets the group’s direction, (2) this first phase of group activity is one of inertia, (3) a transition takes place exactly when the group has used up half its allotted time, (4) this transition initiates major changes, (5) a second phase of inertia follows the transition, and (6) the group’s last meeting is characterized by markedly accelerated activity. This pattern, called the **punctuated-equilibrium model** .

3.4 **Group Property 1: Roles**

Shakespeare said, “All the world’s a stage, and all the men and women merely players.” Using the same metaphor, all group members are actors, each playing a **role** . By this term, we mean a set of expected behaviour patterns attributed to someone occupying a given position in a social unit. Our understanding of role behaviour would be dramatically simplified if each of us could choose one role and play it regularly and consistently. Instead, we are required to play a number of diverse roles, both on and off our jobs. As we’ll see, one of the tasks in understanding behaviour is grasping the role a person is currently playing.

**3.4.1 Role Perception** Our view of how we’re supposed to act in a given situation is a **role perception** . We get role perceptions from stimuli all around us—for example, friends, books, films, television, as when we form an impression of the work of doctors from watching Grey’s Anatomy. Of course, the primary reason apprenticeship programs exist in many trades and professions is to allow beginners to watch an expert so they can learn to act as they should.

**3.4.2 Role Expectations Role expectations** are the way others believe you should act

in a given context. The role of a U.S. federal judge is viewed as having propriety

and dignity, while a football coach is seen as aggressive, dynamic, and inspiring

to his players.

**3.4.4 Role Conflict** When compliance with one role requirement may make it difficult to comply with another, the result is **role conflict** . 20 At the extreme, two or more role expectations are mutually contradictory.

**3.5 Group Property 2: Norms**

Did you ever notice that golfers don’t speak while their partners are putting on the green or that employees don’t criticize their bosses in public? Why not? The answer is norms.

All groups have established **norms** —acceptable standards of behaviour shared by their members that express what they ought and ought not to do under certain circumstances. When agreed to and accepted by the group, norms influence members’ behaviour with a minimum of external controls. Different groups, communities, and societies have different norms, but they all have them.

Norms can cover virtually any aspect of group behaviour. Probably the most common

is a performance norm, providing explicit cues about how hard members should work, what the level of output should be, how to get the job done, what level of tardiness is appropriate, and the like. These norms are extremely powerful and are capable of significantly modifying a performance prediction based solely on ability and level of personal motivation. Other norms include appearance norms (dress codes, unspoken rules about when to look busy), social arrangement norms (with whom to eat lunch, whether to form friendships on and off the job), and resource allocation norms (assignment of difficult jobs, distribution of resources like pay or equipment).

**3.6 Group Property 3: Status**

**Status Status** —a socially defined position or rank given to groups or group members by others—permeates every society. Even the smallest group will develop roles, rights, and rituals to differentiate its members. Status is a significant motivator and has major behavioural consequences when individuals perceive a disparity between what they believe their status is and what others perceive it to be.

**What Determines Status?** According to **status characteristics theory** , status

tends to derive from one of three sources:

**a. The power a person wields over others.** Because they likely control the group’s resources, people who control the outcomes tend to be perceived as high status.

**b. A person’s ability to contribute to a group’s goals.** People whose contributions are critical to the group’s success tend to have high status. Some thought NBA star Kobe Bryant had more say over player decisions than his coaches (though not as much as Bryant wanted!).

**c. An individual’s personal characteristics.** Someone whose personal characteristics are positively valued by the group (good looks, intelligence, money, or a friendly personality) typically has higher status than someone with fewer valued attributes.

**3.7 Group Property 4: Size**

Does the size of a group affect the group’s overall behaviour? Yes, but the effect depends on what dependent variables we look at. Smaller groups are faster at completing tasks than larger ones, and individuals perform better in smaller groups. However, in problem solving, large groups consistently get better marks than their smaller counterparts. Translating these results into specific numbers is a bit more hazardous, but groups with a dozen or more members are good for gaining diverse input. So if the goal is fact-finding, larger groups should be more effective. Smaller groups of about seven members are better at

doing something productive with that input.

**3.8 Group Property 5: Cohesiveness**

Groups differ in their **cohesiveness** —the degree to which members are attracted to each other and motivated to stay in the group. Some work groups are cohesive because the members have spent a great deal of time together, or the group’s small size facilitates high interaction, or external threats have brought members close together.

Cohesiveness affects group productivity. Studies consistently show that the relationship between cohesiveness and productivity depends on the group’s performance-related norms. If norms for quality, output, and cooperation with outsiders, for instance, are high, a cohesive group will be more productive than will a less cohesive group. But if cohesiveness is high and performance norms are low, productivity will be low. If cohesiveness is low and performance norms are high, productivity increases, but less than in the high-cohesiveness/ high-norms situation. When cohesiveness and performance-related norms are both low, productivity tends to fall into the low-to-moderate range.

What can you do to encourage group cohesiveness? (a) Make the group smaller,

(b) encourage agreement with group goals, (c) increase the time members spend

together, (d) increase the group’s status and the perceived difficulty of attaining

membership, (e) stimulate competition with other groups, (f) give rewards to the

group rather than to individual members, and (g) physically isolate the group. 60

**3.9 Group Property 6: Diversity**

The final property of groups we consider is **diversity** in the group’s membership, the degree to which members of the group are similar to, or different from, one another. A great deal of research is being done on how diversity influences group performance. Some looks at cultural diversity and some at racial, gender, and other differences. Overall, studies identify both benefits and costs from group diversity. Diversity appears to increase group conflict, especially in the early stages of a group’s tenure, which often lowers group morale and raises dropout rates. One study compared groups that were culturally diverse (composed of people from different countries) and homogeneous (composed of people from the same country). On a wilderness survival exercise (not unlike the Experiential Exercise at the end of this chapter), the groups performed equally well, but the diverse groups were less satisfied with their groups, were less cohesive, and had more conflict.

**3.10 Group Dynamics**

The word “dynamics” has been derived from the Greek word meaning “force” “Hence group dynamics refers to the study of forces operating within a group”. In other words, “The social process by which people interact face to face in small groups is called group dynamics”. Group dynamics in organisational behaviour is primarily concerned “with the interactions of forces between group members in a social situation”. Kurt Lewin is identified as the founder of group dynamics movement. His findings are based on the experiments he conducted on small groups in 1930s. The other experiments were those, which were conducted by Elton Mayo and his associates in 1920s and 1930s.

 **CHAPTER FOUR**

 **MOTIVATION CONCEPTS AND THEIR APPLICATIONS**

**4.1 Defining Motivation**

Some individuals seem driven to succeed. But the same student who struggles to read a textbook for more than 20 minutes may devour a Harry Potter book in a day. The difference is the situation. So as we analyze the concept of motivation, keep in mind that the level of motivation varies both between individuals and within individuals at different times.

We define **motivation** as the processes that account for an individual’s intensity, direction, and persistence of effort toward attaining a goal. While general motivation is concerned with effort toward any goal, we’ll narrow the focus to organizational goals in order to reflect our singular interest in work-related behaviour. The three key elements in our definition are intensity, direction, and persistence. Intensity describes how hard a person tries. This is the element most of us focus on when we talk about motivation. However, high intensity is unlikely to lead to favourable job-performance outcomes unless the effort is channelled in a direction that benefits the organization. Therefore, we consider the quality of effort as well as its intensity. Effort directed toward, and consistent with, the organization’s goals is the kind of effort we should be seeking. Finally, motivation has a persistence dimension. This measures how long a

person can maintain effort. Motivated individuals stay with a task long enough to achieve their goal.

**4.2 Early Theories of Motivation**

Four theories of employee motivation formulated during the 1950s, although

now of questionable validity, are probably still the best known. We discuss more

valid explanations later, but these four represent a foundation on which they

have grown, and practicing managers still use them and their terminology.

**4.2.1 Hierarchy of Needs Theory**

The best-known theory of motivation is Abraham Maslow’s **hierarchy of needs** .

Maslow hypothesized that within every human being, there exists a hierarchy of

five needs:

**1. Physiological.** Includes hunger, thirst, shelter, sex, and other bodily needs.

**2. Safety.** Security and protection from physical and emotional harm.

**3. Social.** Affection, belongingness, acceptance, and friendship.

**4. Esteem.** Internal factors such as self-respect, autonomy, and achievement, and external factors such as status, recognition, and attention.

**5. Self-actualization.** Drive to become what we are capable of becoming; includes growth, achieving our potential, and self-fulfilment.

Although no need is ever fully gratified, a substantially satisfied need no longer motivates. Thus as each becomes substantially satisfied, the next one becomes dominant. So if you want to motivate someone, according to Maslow, you need to understand what level of the hierarchy that person is currently on and focus on satisfying needs at or above that level, moving up the steps in Exhibit 4.1 . Maslow separated the five needs into higher and lower orders. Physiological and safety needs, where the theory says people start, were **lower-order needs** ,

 **4.1 Maslow’s Hierarchy of Needs**

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and social, esteem, and **self-actualization** were **higher-order needs** . Higher-order needs are satisfied internally (within the person), whereas lower-order needs are predominantly satisfied externally (by things such as pay, union contracts, and tenure). The hierarchy, if it applies at all, aligns with U.S. culture. In Japan, Greece, and Mexico, where uncertainty-avoidance characteristics are strong, security needs would be on top of the hierarchy. Countries that score high on nurturing characteristics—Denmark, Sweden, Norway, the Netherlands, and Finland— would have social needs on top. 6 Group work will motivate employees more when the country’s culture scores high on the nurturing criterion. Maslow’s theory has received wide recognition, particularly among practicing managers. It is intuitively logical and easy to understand. When introduced, it provided a compelling alternative to behaviourist theories that posited only physiological and safety needs as important. Unfortunately, however, research does not validate it. Maslow provided no empirical substantiation, and several studies that sought to validate it found no support for it. There is little evidence that need structures are organized as Maslow proposed, that unsatisfied needs motivate, or that a satisfied need activates movement to a new need level. But old theories, especially intuitively logical ones, apparently die hard. Some researchers have attempted to revive components of the need hierarchy concept, using principles from evolutionary psychology. They propose that lower-level needs are the chief concern of immature animals or those with primitive nervous systems, whereas higher needs are more frequently observed in mature animals with more developed nervous systems. They also note distinct underlying biological systems for different types of needs. Time

will tell whether these revisions to Maslow’s hierarchy will be useful to practicing

managers.

**4.2.2 Theory X and Theory Y**

Douglas McGregor proposed two distinct views of human beings: one basically negative, labelled Theory X, and the other basically positive, labelled Theory Y. After studying managers’ dealings with employees, McGregor concluded that their views of the nature of human beings are based on certain assumptions that mould their behaviour. Under **Theory X** , managers believe employees inherently dislike work and must therefore be directed or even coerced into performing it. Under **Theory Y** , in contrast, managers assume employees can view work as being as natural as rest or play,

and therefore the average person can learn to accept, and even seek, responsibility. To understand more fully, think in terms of Maslow’s hierarchy. Theory Y assumes higher-order needs dominate individuals. McGregor himself believed Theory Y assumptions were more valid than Theory X. Therefore, he proposed such ideas as participative decision making, responsible and challenging jobs, and good group relations to maximize an employee’s job motivation. Unfortunately, no evidence confirms that either set of assumptions is valid or that acting on Theory Y assumptions will lead to more motivated workers. OB theories need empirical support before we can accept them. Theory X and Theory Y lack such support as much as the hierarchy of needs.

**4.2.3 Two-Factor Theory**

Believing an individual’s relationship to work is basic, and that attitude toward work can determine success or failure, psychologist Frederick Herzberg wondered, “What do people want from their jobs?” He asked people to describe, in detail, situations in which they felt exceptionally good or bad about their jobs. The responses differed significantly and led Hertzberg to his **two-factor** **theory** —also called motivation-hygiene theory. Intrinsic factors such as advancement, recognition, responsibility, and achievement seem related to job satisfaction. Respondents who felt good about their work tended to attribute these factors to themselves, while dissatisfied respondents tended to cite extrinsic factors, such as supervision, pay, company policies, and working conditions.

To Hertzberg, the data suggest that the opposite of satisfaction is not dissatisfaction, as was traditionally believed. Removing dissatisfying characteristics from a job does not necessarily make the job satisfying. Herzberg proposed a dual continuum: The opposite of “satisfaction” is “no satisfaction,” and the opposite of “dissatisfaction” is “no dissatisfaction.” According to Herzberg, the factors that lead to job satisfaction are separate and distinct from those that lead to job dissatisfaction. Therefore, managers

who seek to eliminate factors that can create job dissatisfaction may bring about peace, but not necessarily motivation. They will be placating rather than motivating their workers. As a result, Herzberg characterized conditions such as quality of supervision, pay, company policies, physical working conditions, relationships with others, and job security as **hygiene factors** . When they’re adequate, people will not be dissatisfied; neither will they be satisfied. If we want to motivate people on their jobs, Herzberg suggested emphasizing factors associated with the work itself or with outcomes directly derived from it, such as promotional opportunities, personal growth opportunities, recognition, responsibility, and achievement. These are the characteristics people find

intrinsically rewarding. The two-factor theory has not been well supported in the literature, and it has many detractors. Criticisms include the following:

**1.** Herzberg’s methodology is limited because it relies on self-reports. When things are going well, people tend to take credit. Contrarily, they blame failure on the extrinsic environment.

**2.** The reliability of Herzberg’s methodology is questionable. Raters have to make interpretations, so they may contaminate the findings by interpreting one response in one manner while treating a similar response differently.

**3.** No overall measure of satisfaction was utilized. A person may dislike part of a job yet still think the job is acceptable overall.

**4.** Herzberg assumed a relationship between satisfaction and productivity, but he looked only at satisfaction. To make his research relevant, we must assume a strong relationship between satisfaction and productivity. Regardless of the criticisms, Herzberg’s theory has been widely read, and few managers are unfamiliar with its recommendations.

**4.2.4 McClelland’s Theory of Needs**

You have one beanbag and five targets set up in front of you, each farther away than the last. Target A sits almost within arm’s reach. If you hit it, you get $2. Target B is a bit farther out, but about 80 percent of the people who try can hit it. It pays $4. Target C pays $8, and about half the people who try can hit it. Very few people can hit Target D, but the payoff is $16 for those who do. Finally, Target E pays $32, but it’s almost impossible to achieve. Which would you try for? If you selected C, you’re likely to be a high achiever. Why? Read on.

**McClelland’s theory of needs** was developed by David McClelland and his

associates. It looks at three needs:

● **Need for achievement (nAch)** is the drive to excel, to achieve in relationship to a set of standards.

● **Need for power (nPow)** is the need to make others behave in a way they would not have otherwise.

● **Need for affiliation (nAff)** is the desire for friendly and close interpersonal relationships.

**4.3 Contemporary Theories of Motivation**

**4.3.1 Self-Determination Theory**

“It’s strange,” said Marcia. “I started work at the Humane Society as a volunteer. I put in 15 hours a week helping people adopt pets. And I loved coming to work. Then, 3 months ago, they hired me full-time at $11 an hour. I’m doing the same work I did before. But I’m not finding it nearly as much fun.” Does Marcia’s reaction seem counterintuitive? There’s an explanation for it. It’s called **self-determination theory** , which proposes that people prefer to feel they have control over their actions, so anything that makes a previously enjoyed task feel more like an obligation than a freely chosen activity will undermine motivation. Much research on self-determination theory in OB has focused on **cognitive evaluation theory** , which hypothesizes that extrinsic rewards will reduce intrinsic interest in a task. When people are paid for work,

it feels less like something they want to do and more like something they have to do. Self-determination theory also proposes that in addition to being driven by a need for autonomy, people seek ways to achieve competence and positive connections to others. A large number of studies support self-determination theory.

**4.3.2 Goal-Setting Theory**

Gene Broadwater, coach of the Hamilton High School cross-country team, gave his squad these last words before they approached the starting line for the league championship race: “Each one of you is physically ready. Now, get out there and do your best. No one can ever ask more of you than that.” You’ve heard the sentiment a number of times yourself: “Just do your best. That’s all anyone can ask.” But what does “do your best” mean? Do we ever know whether we’ve achieved that vague goal? Would the cross-country runners have recorded faster times if Coach Broadwater had given each a specific goal? Research on **goal-setting theory** in fact reveals impressive effects of goal specificity, challenge, and feedback on performance. In the late 1960s, Edwin Locke proposed that intentions to work toward a goal are a major source of work motivation. That is, goals tell an employee what needs to be done and how much effort is needed. Evidence strongly suggests that specific goals increase performance; that difficult goals, when accepted, result in higher performance than do easy goals; and that feedback leads to higher performance than does nonfeed back. Specific goals produce a higher level of output than the generalized goal “do your best.” Why? Specificity itself seems to act as an internal stimulus. When a trucker commits to making 12 round-trip hauls between Toronto and Buffalo, New York, each week, this intention gives him a specific objective to attain. All things being equal, he will outperform a counterpart with no goals or the generalized goal “do your best.”

**4.3.3 Self-Efficacy Theory**

**Self-efficacy** (also known as social cognitive theory or social learning theory ) refers

to an individual’s belief that he or she is capable of performing a task. The higher your self-efficacy, the more confidence you have in your ability to succeed. So, in difficult situations, people with low self-efficacy are more likely to lessen their effort or give up altogether, while those with high self-efficacy will try harder to master the challenge. Self-efficacy can create a positive spiral in which those with high efficacy become more engaged in their tasks and then, in turn, increase performance, which increases efficacy further. Changes in self-efficacy over time are related to changes in creative performance as well. Individuals high in self-efficacy also seem to respond to negative feedback with increased effort and motivation, while those low in self-efficacy are likely to lessen their effort after negative feedback. How can managers help their employees achieve high levels of self- efficacy? By bringing goal-setting theory and self-efficacy theory together.

**4.3.4 Reinforcement Theory**

Goal-setting is a cognitive approach, proposing that an individual’s purposes direct his action. **Reinforcement theory** , in contrast, takes a behaviouristic view, arguing that reinforcement conditions behaviour. The two theories are clearly at odds philosophically. Reinforcement theorists see behaviour as environmentally caused. You need not be concerned, they would argue, with internal cognitive events; what controls behaviour is reinforcers—any consequences that, when immediately following responses, increase the probability that the behaviour will be repeated. Reinforcement theory ignores the inner state of the individual and concentrates solely on what happens when he or she takes some action. Because it does not concern itself with what initiates behaviour, it is not, strictly speaking, a theory of motivation. But it does provide a powerful means of analysing what controls behaviour, and this is why we typically consider it in discussions of motivation.

**4.3.5 Equity Theory/Organizational Justice**

Jane Pearson graduated from State University last year with a degree in accounting. After interviews with a number of organizations on campus, she accepted a position with a top public accounting firm and was assigned to its Boston office. Jane was very pleased with the offer she received: challenging work with a prestigious firm, an excellent opportunity to gain valuable experience, and the highest salary any accounting major at State was offered last year—$4,550 per month—but Jane was the top student in her class; she was articulate and mature, and she fully expected to receive a commensurate salary. Twelve months have passed. The work has proved to be as challenging and satisfying as Jane had hoped. Her employer is extremely pleased with her performance; in fact, Jane recently received a $200-per-month raise. However,

her motivational level has dropped dramatically in the past few weeks. Why? Jane’s employer has just hired a fresh graduate out of State University who lacks the year of experience Jane has gained, for $4,600 per month—$50 more than Jane now makes! Jane is irate. She is even talking about looking for another job. Jane’s situation illustrates the role that equity plays in motivation. Employees perceive what they get from a job situation (salary levels, raises, recognition) in relationship to what they put into it (effort, experience, education, competence), and then they compare their outcome–input ratio with that of relevant others. If we perceive our ratio to be equal to that of the relevant others with whom we compare ourselves, a state of equity exists; we perceive that our situation is fair and justice prevails. When we see the ratio as unequal and we feel under rewarded, we experience equity tension that creates anger. When we see ourselves as overrewarded, tension creates guilt. J. Stacy Adams proposed that this negative state of tension provides the motivation to do something to correct it.

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 **CHAPTER FIVE**

 **MANAGEMENT OF ORGANIZATIONAL CONFLICT**

Conflict Management Conflict is a part of life. People are being subjected to conflict both inside and outside the organisation. Conflicts arise due to limitation of resources, competition and difference in values, goals, attitudes, expectations etc. Whatever may be the cause, if conflicts are not managed well, they may adversely affect the mental health of the managers and also the health of the organisation. An organisation consists of people with different backgrounds; as these individuals differ in their opinions and attitudes, interaction among them often leads to conflicts. Conflict, which can occur at individual, group or organisation levels, discourages people from cooperating with each other. While some degree of conflict is desirable in organisations so as to promote the spirit of competition among employees, it jeopardizes the effective functioning of the organisation if it is allowed to persist for a long time. Therefore it becomes essential to resolve conflicts quickly. Though there are several methods available to resolve conflicts, the ideal way is through negotiation. Thus, in order to be effective, it is important that the manager possesses adequate negotiation skills.

**5.1 Meaning of Conflict** : Conflict may be defined as the disagreement between two or more individuals or groups over an issue of mutual interest, Conflicts may arise between two parties when: one party (an individual or a group) feels that the actions of the other party will either affect its interests adversely or obstruct the achievement of its goals; the goals of both the parties differ significantly or are interpreted differently; or the basic values and philosophies of the two parties are different. Conflicts can range from small disagreements to violent acts. Conflict may be defined as a situation in which there is a breakdown in decision making owing to irrational and incompatible stand taken by one or all related to decision making. Thus conflict leads to disruption and incompatibility in the behaviour of the people. Conflict is the function of opposite views held by the parties in dispute. The conflict becomes worse when the people stick to their irrational stand. Managing conflicts does not mean merely containing them. Conflict management involves anticipation of conflict devising means by which destructional conflicts can be avoided and when the conflict do occur overcoming them without creating problems for people and the organisation.

**5.2 Sources of Conflict** :

 **a. Organisation change:** Organisations undergo changes due to new technological political and social developments that affect them or due to change in the competitive forces. As people may hold different views about change and the future direction of an organisation, conflict may arise.

**b. Personality clashes:** Individuals’ personalities differ widely due to difference in their levels of maturity, emotional stability and their behaviour. When they do not recognize or appreciate these differences conflicts occur.

**c. Difference in value sets:** Different people have different opinions, values and beliefs. When people with contradicting values and beliefs interact with each other conflict is likely to occur. These conflicts are often irrational and difficult to be resolved.

**d. Threats to status:** Most individuals associate their identity with their status in society or the organisation. When an individual feels that another person’s acts may harm or damage his image, which in turn may affect his status, conflict, is likely to arise.

**e. Perceptual difference:** People perceive different things, issues and their environment differently. When they act as though their perception is the only reality, without attempting to understand or another person’s view, conflict arise.

**5.3 Classification of conflicts** Conflicts in all organisations occur when people fail to arrive at a consensus regarding the organisational goals or the means to achieve them. Organisational conflict can be classified as follows:

**a. Intra-personal Conflict:** According to most behavioural theories, people are motivated to achieve goals either when meeting the goals results in the satisfaction of a need or when the incentives for achieving the goal are attractive. However, this is not as simple as it seems. An individual may have conflicting needs or he may have to overcome many barriers to achieve his goals. Thus, the process of achieving goals is complicated one. In the process of achieving his goals, an individual may experience stress and frustration and may face internal conflict. This is referred to as interpersonal conflict.

**b. Interpersonal Conflict:** People always try to maintain their image and respect. When someone threatens their self-concept, they try to retaliate and this leads to interpersonal conflict. Different individuals have different tolerance levels, and this depends on their personalities. Individuals with low tolerance levels get into interpersonal conflicts frequently. Often, interpersonal conflicts are the result of differences in perception and gaps in communication. Inter Group Conflict: In an organisation, people from different departments compete for limited resources such as funds, personal and support services. This competition often results in conflict. Sometimes conflict occur when one group attempts to take the entire credit for the successful complication of a task, to the completion of which another group may have also made significant contributions. Perceived inequitable treatment in matters of working conditions, rewards and status, in comparison to other groups can also lead to inter group conflict.

**5.4 The Role of Conflict:** The approach to the organisational conflict is very simple and optimistic. The organisation conflict is based on the following assumptions. Chris Argyris says that there is basic incongruence between the needs and characteristics of adult, mature employees and the requirements of the modern formal organisations. The behavioural approach has re-examined the concept and advocated the following assumptions 1. Conflict is inevitable. 2. Conflict is determined by the structure. 3. Conflict is integral to the nature of change. 4. A minimal level of conflict is optimal. On the basis of these assumptions, the management of organisational conflict has taken several approaches.

**5.5 Managing the organizational conflict :**

While many people assume conflict lowers group and organizational performance, this assumption is frequently incorrect. Conflict can be either constructive or destructive to the functioning of a group or unit. Levels of conflict can be either too high or too low to be constructive. Either extreme hinders performance. An optimal level is one that prevents stagnation, stimulates creativity, allows tensions to be released, and initiates

the seeds of change without being disruptive or preventing coordination of activities.

What advice can we give managers faced with excessive conflict and the need to reduce it? Don’t assume one conflict-handling strategy will always be best! Select a strategy appropriate for the situation. Here are some

guidelines:

**a. Use *competition :*** when quick decisive action is needed (in emergencies), when issues are important, when unpopular actions need to be implemented (in cost cutting, enforcement of unpopular rules, discipline), when the issue is vital to the organization’s welfare and you know you’re right, and when others are taking advantage of non-competitive behaviour.

**b.** **Use *collaboration :***to find an integrative solution when both sets of concerns are too important to be compromised, when your objective is to learn, when you want to merge insights from people with different perspectives or gain commitment by incorporating concerns into a consensus, and when you need to work through feelings that have interfered with a relationship.

**c. Use *avoidance :***when an issue is trivial or symptomatic of other issues, when more important issues are pressing, when you perceive no chance of of resolution, when people need to cool down and regain perspective, when gathering information supersedes immediate decision, and when others can resolve the conflict more effectively.

**d.** **Use *accommodation :***when you find you’re wrong, when you need to learn or show reasonableness, when you should allow a better position to be heard, when issues are more important to others than to yourself, when you want to satisfy others and maintain cooperation, when you can build social credits for later issues, when you are outmatched and losing (to minimize loss), when harmony and stability are especially important, and when employees can develop by learning from mistakes.

 **CHAPTER SIX**

**6.1 What Is Stress?**

**Stress** is a dynamic condition in which an individual is confronted with an opportunity,

demand, or resource related to what the individual desires and for which the outcome is perceived to be both uncertain and important. This is a complicated definition. Let’s look at its components more closely.

Although stress is typically discussed in a negative context, it is not necessarily bad in and of itself; it also has a positive value. It’s an opportunity when it offers potential gain. Consider, for example, the superior performance an athlete or stage performer gives in a “clutch” situation. Such individuals often use stress positively to rise to the occasion and perform at their maximum. Similarly, many professionals see the pressures of heavy workloads and deadlines as positive challenges that enhance the quality of their work and the satisfaction they get from their job.

Recently, researchers have argued that **challenge stressors** —or stressors associated with workload, pressure to complete tasks, and time urgency— operate quite differently from **hindrance stressors** —or stressors that keep you from reaching your goals (for example, red tape, office politics, confusion over job responsibilities). Although research is just starting to accumulate, early evidence suggests challenge stressors produce less strain than hindrance stressors.

Researchers have sought to clarify the conditions under which each type of stress exists. It appears that employees who have a stronger affective commitment to their organization can transfer psychological stress into greater focus and higher sales performance, whereas employees with low levels of commitment perform worse under stress. And when challenge stress increases, those with high levels of organizational support have higher role-based performance, but those with low levels of organizational support do not.

More typically, stress is associated with **demands** and **resources** . Demands are responsibilities, pressures, obligations, and uncertainties individuals face in the workplace. Resources are things within an individual’s control that he or she can use to resolve the demands. Let’s discuss what this demands–resources model means. When you take a test at school or undergo your annual performance review at work, you feel stress because you confront opportunities and performance pressures. A good performance review may lead to a promotion, greater responsibilities, and a higher salary. A poor review may prevent you from getting a promotion. An extremely poor review might even result in your being fired. To the extent you can apply resources to the demands on you—such as

 Model of stress :



being prepared, placing the exam or review in perspective, or obtaining social

support—you will feel less stress.

Research suggests adequate resources help reduce the stressful nature of

demands when demands and resources match. If emotional demands are stressing you, having emotional resources in the form of social support is especially important. If the demands are cognitive—say, information overload—then job resources in the form of computer support or information are more important. Thus, under the demands–resources perspective, having resources to cope with stress is just as important in offsetting it as demands are in increasing it.

**6.2 Potential Sources of Stress**

What causes stress? There are three categories of potential stressors: environmental, organizational, and personal. Let’s take a look at each.

**a. Environmental Factors** Just as environmental uncertainty influences the design of an organization’s structure, it also influences stress levels among employees in that organization. Indeed, uncertainty is the biggest reason people have trouble coping with organizational changes. There are three main types of environmental uncertainty: economic, political, and technological. Changes in the business cycle create economic uncertainties. When the economy is contracting, for example, people become increasingly anxious about their job security. Political uncertainties don’t tend to create stress among North Americans as they do for employees in countries such as Haiti or Venezuela. The obvious reason is that the United States and Canada have stable political systems, in which change is typically implemented in an orderly manner. Yet

political threats and changes, even in countries such as the United States and Canada, can induce stress. Threats of terrorism in developed and developing nations, or the difficulties of East Germany reintegrating with West Germany, lead to political uncertainty that becomes stressful to people in these countries. Because innovations can make an employee’s skills and experience obsolete in a very short time, computers, robotics, automation, and similar forms of technological change are also a threat to many people and cause them stress.

**b. Organizational Factors** There is no shortage of factors within an organization that can cause stress. Pressures to avoid errors or complete tasks in a limited time, work overload, a demanding and insensitive boss, and unpleasant co-workers are a few examples. We’ve categorized these factors around task, role, and interpersonal demands. Task demands relate to a person’s job. They include the design of the job

(its degrees of autonomy, task variety, degree of automation), working conditions, and the physical work layout. Assembly lines can put pressure on people when they perceive the line’s speed to be excessive. Working in an overcrowded room or a visible location where noise and interruptions are constant can increase anxiety and stress. As customer service grows ever more important, emotional labor becomes a source of stress. Imagine being a flight attendant for Southwest Airlines or a cashier at Starbucks. Do you think you could put on a happy face when you’re having a bad day? Role demands relate to pressures placed on a person as a function of the particular role he or she plays in the organization. Role conflicts create expectations that may be hard to reconcile or satisfy. Role overload occurs when the employee is expected to do more than time permits. Role ambiguity means role expectations are not clearly understood and the employee is not sure what to do. Individuals who face high situational constraints (such as fixed work hours or demanding job responsibilities) are also less able to engage in the proactive coping behaviours that reduce stress levels. When faced with hassles at work,

they will not only have higher levels of distress at the time, but they’ll also be

less likely to take steps to eliminate stressors in the future. Interpersonal demands are pressures created by other employees. Lack of social support from colleagues and poor interpersonal relationships can cause stress, especially among employees with a high social need. A rapidly growing body of research has also shown that negative co-worker and supervisor behaviours, including fights, bullying, incivility, racial harassment, and sexual harassment, are especially strongly related to stress at work.

**c. Personal Factors** The typical individual works about 40 to 50 hours a week. But the experiences and problems people encounter in the other 120-plus can spill over to the job. Our final category, then, is factors in the employee’s personal life: family issues, personal economic problems, and inherent personality characteristics. National surveys consistently show people hold family and personal relationships dear. Marital difficulties, the breaking of a close relationship, and discipline troubles with children create stresses employees often can’t leave at the front door when they arrive at work.

Regardless of income level—people who make $100,000 per year seem to have as much trouble handling their finances as those who earn $20,000— some people are poor money managers or have wants that exceed their earning capacity. The economic problems of overextended financial resources create stress and siphon attention away from work. Studies in three diverse organizations found that participants who reported

stress symptoms before beginning a job accounted for most of the variance in stress symptoms reported 9 months later. The researchers concluded that some people may have an inherent tendency to accentuate negative aspects of the world. If this is true, then a significant individual factor that influences stress is a person’s basic disposition. That is, stress symptoms expressed on the job may actually originate in the person’s personality.

**d. Stressors Are Additive** When we review stressors individually, it’s easy to overlook

that stress is an additive phenomenon—it builds up. Each new and persistent stressor adds to an individual’s stress level. So a single stressor may be relatively unimportant in and of itself, but if added to an already high level of stress, it can be the straw that breaks the camel’s back. To appraise the total amount of stress an individual is under, we have to sum up his or her opportunity stresses, constraint stresses, and demand stresses.

**e. Individual Differences**

Some people thrive on stressful situations, while others are overwhelmed by them. What differentiates people in terms of their ability to handle stress? What individual variables moderate the relationship between potential stressors and experienced stress? At least four—perception, job experience, social support, and personality—are relevant. Employees react in response to their perception of reality, rather than to reality itself. Perception, therefore, will moderate the relationship between a potential stress condition and an employee’s reaction to it. Layoffs may cause one person to fear losing his job, while another sees an opportunity to get a large severance allowance and start her own business. So stress potential doesn’t lie in objective conditions; rather, it lies in an employee’s interpretation of those conditions. Experience on the job tends to be negatively related to work stress. Why? Two explanations have been offered. First is selective withdrawal. Voluntary turnover is more probable among people who experience more stress.

Therefore, people who remain with an organization longer are those with more stress-resistant traits or those more resistant to the stress characteristics of their organization. Second, people eventually develop coping mechanisms to deal with stress. Because this takes time, senior members of the organization are more likely to be fully adapted and should experience less stress. Social support —collegial relationships with co-workers or supervisors—can buffer the impact of stress. This is among the best-documented relationships in the stress literature. Social support acts as a palliative, mitigating the negative effects of even high-strain jobs. Perhaps the most widely studied personality trait in stress is neuroticism,

 As you might expect, neurotic individuals are more prone to experience psychological strain. Evidence suggests that neurotic individuals are more prone to believe there are stressors in their work environments, so part of the problem is that they believe their environments are more threatening. They also tend to select less adaptive coping mechanisms, relying on avoidance as a way of dealing with problems rather than attempting to resolve them.

Workaholism is another personal characteristic related to stress levels. Workaholics are people obsessed with their work; they put in an enormous number of hours, think about work even when not working, and create additional work responsibilities to satisfy an inner compulsion to work more. In some ways, they might seem like ideal employees. That’s probably why when most people are asked in interviews what their greatest weakness is, they reflexively say, “I just work too hard.” However, there is a difference between working hard and working compulsively. Workaholics are not necessarily more productive than other employees, despite their extreme efforts. The strain of putting in such a high level of work effort eventually begins to wear on the workaholic,

leading to higher levels of work–life conflict and psychological burnout. 76

**f. Cultural Differences**

Research suggests the job conditions that cause stress show some differences across cultures. One study revealed that whereas U.S. employees were stressed by a lack of control, Chinese employees were stressed by job evaluations and lack f training. It doesn’t appear that personality effects on stress are different across cultures, however. One study of employees in Hungary, Italy, the United Kingdom, Israel, and the United States found Type A personality traits predicted stress equally well across countries. A study of 5,270 managers from 20 countries found individuals from individualistic countries such as the United States, Canada, and the United Kingdom experienced higher levels of stress due to work interfering with family than did individuals from collectivist countries in Asia and Latin America. 78 The authors proposed that this may

occur because, in collectivist cultures, working extra hours is seen as a sacrifice to help the family, whereas in individualistic cultures, work is seen as a means to personal achievement that takes away from the family. Evidence suggests that stressors are associated with perceived stress and strains among employees in different countries. In other words, stress is equally bad for employees of all cultures.

**6.3 Consequences of Stress**

Stress shows itself in a number of ways, such as high blood pressure, ulcers, irritability,

difficulty making routine decisions, loss of appetite, accident proneness, and the like. These symptoms fit under three general categories: physiological, psychological, and behavioural symptoms.

**a. Physiological Symptoms** Most early concern with stress was directed at physiological symptoms because most researchers were specialists in the health and medical sciences. Their work led to the conclusion that stress could create changes in metabolism, increase heart and breathing rates and blood pressure, bring on headaches, and induce heart attacks. Evidence now clearly suggests stress may have harmful physiological effects. One study linked stressful job demands to increased susceptibility to upper respiratory

illnesses and poor immune system functioning, especially for individuals with low self-efficacy. A long-term study conducted in the United Kingdom found that job strain was associated with higher levels of coronary heart disease.

Still another study conducted with Danish human services workers found that higher levels of psychological burnout at the work-unit level were related to significantly higher levels of sickness absence. Many other studies have shown similar results linking work stress to a variety of indicators of poor health.

**b. Psychological Symptoms** Job dissatisfaction is “the simplest and most obvious psychological effect” of stress. But stress shows itself in other psychological states—for instance, tension, anxiety, irritability, boredom, and procrastination.

For example, a study that tracked physiological responses of employees over time found that stress due to high workloads was related to higher blood pressure and lower emotional well-being. Jobs that make multiple and conflicting demands or that lack clarity about the incumbent’s duties, authority, and responsibilities increase both stress and dissatisfaction.

Similarly, the less control people have over the pace of their work, the greater their stress and dissatisfaction. Jobs that provide a low level of variety, significance, autonomy, feedback, and identity appear to create stress and reduce satisfaction and involvement in the job. Not everyone reacts to autonomy in the same way, however. For those with an external locus of control, increased job control increases the tendency to experience stress and exhaustion.

**c. Behavioural Symptoms** Research on behaviour and stress has been conducted across several countries and over time, and the relationships appear relatively consistent. Behaviour-related stress symptoms include reductions in productivity, absence, and turnover, as well as changes in eating habits, increased smoking or consumption of alcohol, rapid speech, fidgeting, and sleep disorders.

A significant amount of research has investigated the stress–performance relationship. The most widely studied pattern of this relationship is the inverted U . The logic underlying the figure is that low to moderate levels of stress stimulate the body and increase its ability to react. Individuals then often perform their tasks better, more intensely, or more rapidly. But too much stress places unattainable demands on a person, which result in lower performance. In spite of the popularity and intuitive appeal of the inverted-U model, it doesn’t get a lot of empirical support. So we should be careful of assuming it accurately depicts the stress–performance relationship.

As we mentioned earlier, researchers have begun to differentiate challenge and hindrance stressors, showing that these two forms of stress have opposite effects on job behaviours, especially job performance. A meta-analysis of responses from more than 35,000 individuals showed role ambiguity, role conflict, role overload, job insecurity, environmental uncertainty, and situational constraints were all consistently negatively related to job performance. There is also evidence that challenge stress improves job performance in a supportive work environment, whereas hindrance stress reduces job performance in all work environments.

**6.4 Managing Stress**

Because low to moderate levels of stress can be functional and lead to higher performance, management may not be concerned when employees experience them. Employees, however, are likely to perceive even low levels of stress as undesirable. It’s not unlikely, therefore, for employees and management to have different notions of what constitutes an acceptable level of stress on the job. What management may consider to be “a positive stimulus that keeps the adrenaline running” is very likely to be seen as “excessive pressure” by the employee. Keep this in mind as we discuss individual and organizational approaches toward managing stress.

**a. Individual Approaches** An employee can take personal responsibility for reducing

stress levels. Individual strategies that have proven effective include time-management techniques, increased physical exercise, relaxation training, and expanded social support networks.

Many people manage their time poorly. The well-organized employee, like the well-organized student, can often accomplish twice as much as the person who is poorly organized. So an understanding and utilization of basic time-management principles can help individuals better cope with tensions created by job demands.

A few of the best-known time-management principles are (1) making daily lists of activities to be accomplished, (2) prioritizing activities by importance and urgency, (3) scheduling activities according to the priorities set, (4) knowing your daily cycle and handling the most demanding parts of your job when you are most alert and productive, and (5) avoiding electronic distractions like frequently checking e-mail, which can limit attention and reduce efficiency. These time-management skills can help minimize procrastination by focusing efforts on immediate goals and boosting motivation even in the face of tasks that are less desirable. Physicians have recommended non-competitive physical exercise , such as aerobics, walking, jogging, swimming, and riding a bicycle, as a way to deal with excessive stress levels. These activities increase lung capacity, lower the at-rest heart rate, and provide a mental diversion from work pressures, effectively reducing work-related levels of stress. Individuals can also teach themselves to reduce tension through relaxation techniques such as meditation, hypnosis, and deep breathing. The objective is to reach a state of deep physical relaxation, in which you focus all your energy on release of muscle tension. 98 Deep relaxation for 15 or 20 minutes a day releases strain and provides a pronounced sense of peacefulness, as well as significant changes in heart rate, blood pressure, and other physiological factors. A growing body of research shows that simply taking breaks from work at routine intervals can facilitate psychological recovery and reduce stress significantly and may improve job performance, and these effects are even greater if relaxation techniques are employed.

As we have noted, friends, family, or work colleagues can provide an outlet when stress levels become excessive. Expanding your social support network provides someone to hear your problems and offer a more objective perspective on a stressful situation than your own.

**b. Organizational Approaches** Several organizational factors that cause stress— particularly task and role demands—are controlled by management and thus can be modified or changed. Strategies to consider include improved employee selection and job placement, training, realistic goal-setting, redesign of jobs, increased employee involvement, improved organizational communication, employee sabbaticals, and corporate wellness programs. Certain jobs are more stressful than others but, as we’ve seen, individuals differ in their response to stressful situations. We know individuals with little experience or an external locus of control tend to be more prone to stress. Selection and placement decisions should take these facts into consideration. Obviously, management shouldn’t restrict hiring to only experienced individuals with an internal locus, but such individuals may adapt better to high-stress jobs and perform

those jobs more effectively. Similarly, training can increase an individual’s self-efficacy and thus lessen job strain. . Individuals perform better when they have specific and challenging goals and receive feedback on their progress toward these goals. Goals can reduce stress as well as provide motivation. 100 Employees who are highly committed to their goals and see purpose in their jobs experience less stress because they are more likely to perceive stressors as challenges rather than hindrances. Specific goals perceived as attainable clarify performance expectations. In addition, goal feedback reduces uncertainties about actual job performance. The result is less employee frustration, role ambiguity, and stress. Redesigning jobs to give employees more responsibility, more meaningful work, more autonomy, and increased feedback can reduce stress because these factors give employees greater control over work activities and lessen dependence on others.

But as we noted in our discussion of work design, not all employees want enriched

jobs. The right redesign for employees with a low need for growth might be less responsibility and increased specialization. If individuals prefer structure and routine, reducing skill variety should also reduce uncertainties and stress levels. Role stress is detrimental to a large extent because employees feel uncertain about goals, expectations, how they’ll be evaluated, and the like. By giving these employees a voice in the decisions that directly affect their job performance, management can increase employee control and reduce role stress. Thus, managers should consider increasing employee involvement in decision making, because evidence clearly shows that increases in employee empowerment reduce psychological strain. Increasing formal organizational communication with employees reduces uncertainty by lessening role ambiguity and role conflict. Given the importance that perceptions play in moderating the stress–response relationship, management can also use effective communications as a means to shape employee perceptions .Remember that what employees categorize as demands, threats, or opportunities at work is an interpretation and that interpretation can be affected by the symbols and actions communicated by management. Some employees need an occasional escape from the frenetic pace of their work. Companies including Genentech, American Express, Intel, General Mills, Microsoft, Morningstar, DreamWorks Animation, and Adobe Systems have begun to provide extended voluntary leaves. These sabbaticals —ranging in length from a few weeks to several months—allow employees to travel, relax, or pursue personal projects that consume time beyond normal vacations. Proponents say they can revive and rejuvenate workers who might otherwise be headed for burnout. Our final suggestion is organizationally supported **wellness programs** . These typically provide workshops to help people quit smoking, control alcohol use,

lose weight, eat better, and develop a regular exercise program; they focus on the employee’s total physical and mental condition. Some help employees improve their psychological health as well. A meta-analysis of programs designed to reduce stress (including wellness programs) showed that interventions to help employees reframe stressful situations and use active coping strategies appreciably reduced stress levels. Most wellness programs assume employees need to take personal responsibility for their physical and mental health and that the organization is merely a means to that end.

 **CHAPTER SEVEN**

**7.1 Organizational Culture**

Just as individual has his / her own personality, so too does an organization. The organisational personality is called organizational culture. Just what organizational culture is, how it is created and maintained, how it is learnt, and how it affects the employees’ behaviour at were are discussed in this unit.

**7.2 Concept of organizational culture**

Schwartz & Davis: - Organisational Culture is a pattern of beliefs and expectations shared by the members of the organisation. These beliefs and expectations produce norms that powerfully shape the behaviour of individual and groups in the organisations.

Organisational Culture represents a complex pattern of beliefs, expectations, ideas, values, attitudes and behaviour shared by the members of the organisations.

Edgar Schein, defines organisational culture as “a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems. It refers to a system of shared meaning held by members that distinguishes the organisation from another organisation.”

**7.3 Features of Organizational culture**

Organisation culture is a common perception held by the organisation members. It helps the members to have a shared understanding of the organisation. It explains how things are done and the way the members are supposed to behave. The ten characteristics (GG Gordon and W M Cummins 1979) listed below explain the organisation culture.

1. Individual initiative: It is degree of responsibility, freedom and independence given to the individuals.

2. Risk tolerance: The degree to which employees are encouraged to be aggressive, innovative and risk taking.

3. Direction: The degree to which the organisation creates clear objectives and performance expectation.

4. Integration: The degree to which units within the organisation are encouraged to operate in a coordinated manner.

5. Management Support: It is the degree the management supports the subordinates.

6. Control: The rules and regulations and the amount of direct supervision that is used to oversee and

control employee behaviour.

7. Identity: The degree to which members identify themselves with the organisation.

8. Reward System: The degree to which compensation is based.

9. Conflict Tolerance: The degree to which employees are encouraged to vent out their criticism / opinion freely.

10. Communication: The degree to which organisation communication is restricted to formal hierarchy.

**7.4 Sources of culture**

**Sources of Culture**

Culture is transmitted to employees in a number of forms like, stories, rituals, material

symbols and language.

**a.Stories:** Stories typically contain a narration of events about the organisation founders, rule breaking, rags to richness successes, reduction in the work force, reallocation of employees, reaction to past mistakes etc. A security supervisor has to ensure the people entering organisation with a proper identity card. Even if the chairman of the company walks without identity card he has to be stopped although the security supervisor knows that he is the chairman. If the chairman obeys to get his identity card, this incident gives a clear message that no matter who you are, you have to obey rules. Such stories speak about the organisation culture.

**b. Rituals:** Rituals are repetitive sequences of activities that express and reinforce the keyvalues of the organisation. Individuals who perform well are rewarded in annual meetings. Such annual reward meetings convey to the people of the organisation that achieving the targets and performing better through hard work is important. Such annual rituals help to learn the organisation culture.

**c. Material Symbols:** Organisations provide sports facilities for the employee enjoyment. Organisation may arrange for the informal gatherings of all the employees. This conveys the value of openness and equality. The organisation may provide a car, a bungalow, a holiday in a foreign country, perks and dress etc. This conveys to the employee the importance of people in the organisation.

**d. Language:** Many organisations use language as a way to identify members of a culture or subculture. The members accept and preserve the culture by learning the language; Libraries are a rich source of terminology. Organisations develop unique terms to describe equipment, offices, key personnel, suppliers, customers, or products that relate to business. New employees may find it difficult in the beginning. However, after sometime, these terms become a part of the language. This language unites members of a given culture.

**7.5 Maintaining organization culture**

The ways in which an organisation functions and is managed may have both intended and unintended consequences for maintaining and changing organisational culture.

**Methods of maintaining organisational culture**

**a. What Managers And Teams Pay Attention To-** one of the most powerful methods of maintaining organisational culture involves processes and behaviours that managers, individual employees and teams pay attention to: that is the events that get noticed and commented on. The ways of dealing with these events sent strong messages to the employees on expected behaviours and important approaches.

**b. Reactions To Incidents And Crises-** When an organisation faces crises, the handling of those crises by managers and employees reveal a great deal about its culture. The manner in which the crises are dealt with can either reinforce the existing culture or bring out new values and norms that change the culture in some way.

**c. Role Modelling, Teaching and Coaching-** Aspects of organisational culture are communicated to employees by the way managers fulfil their roles. In addition, managers and teams may specifically incorporate important cultural messages into training programs and day-to-day coaching on the job.

**d. Allocation of Rewards And Status-** Employees also learn about the organisational culture through its reward systems. What is rewarded and what is punished convey to employees the priorities and values of both the individual managers and the organisation.

**e. Recruitment, selection, promotion and removal -** one of the fundamental ways in which the organisation maintains its culture is through recruitment. In addition, the criteria used to determine who is assigned to specific jobs or positions, who promotions and who is removed from the organisation through early retirement and so on, reinforce and demonstrate aspects

of organisational culture.

**f. Rites, ceremonies and stories -** Rites and ceremonies are planned activities or rituals that have

important cultural meaning. Many of the underlying beliefs and values of an organisation’s culture

are expressed as stories that become a part of its folklore. These stories transmit the existing culture from old to new employees and emphasize important aspects of that culture.

**7.6 Types of culture**

Cultural change involves tremendous amount of efforts and time and also need skilful

people to manage this change successfully.

**a) Bureaucratic Culture**

An organisation that values formality, rules, standard operating procedures and hierarchical coordination has a bureaucratic culture. Long-term concerns of bureaucracy are predictability, efficiency and stability. Behavioural norms support formality over informality. Managers view their role as good coordinators, organizers and enforcers of written rules and standards. Tasks, responsibilities and authority for

employees are clearly defined. The organisation’s rules and processes are spelled out in manuals and employees believe that their duty is to follow them.

**b) Clan Culture**

Tradition, loyalty, personal commitment, extensive socialization, teamwork, self-management and social influence are attributes of a clan culture. Its members recognize an obligation beyond the simple exchange of labour for a salary. They understand that contributions to the organisation exceed beyond the contractual agreements. Loyalty is rewarded by security. Because the individuals believe that organisation will treat them fairly in all respects and aspects, they hold themselves accountable to the organisation for their actions. Long-time clan members serve as mentors and role models for the newer members. These relationships perpetuate organisation’s norms and values over successive generations of employees. In this type of a culture, members share a sense of pride in membership. They have a strong sense of identification and recognize the interdependence.

**c) Entrepreneurial Culture**

High levels of risk taking, dynamism and creativity characterize an entrepreneurial culture. There is

a commitment to experimentation, innovation and being on the leading edge. This culture doesn’t just react quickly to change in the environment-it creates change. Effectiveness means providing new and unique products and rapid growth. Individual initiative, flexibility and freedom foster growth and are encouraged and well rewarded.

**d) Market Culture**

The achievement of measurable and demanding goals, especially those which are financial and market based (eg., sales growth, profitability and market share) characterize a market culture. Hard-driving competitiveness and profit orientation prevail throughout the organisation.

**7.7 Cross Culture Management**

The border crossings of time and space, of nation- states economics and of organization of and industries focus increases attention on how culture facilitates global inter connections. For example, emerging information technologies expose us to cultural norms, values and behaviours of many nations; telecommunications provide access to much of the world and movies and music and the internet reflect behaviour that may differ from our own. Travel also exposes us to new experiences and different behaviour.

Thus, the impact of one author on the other is the subject matter of this lesson.

**7.8 Global culture in MNC’s**

**Multinational Corporations**

Most of the firms currently listed in the fortune 500 are multinational corporations- companies that maintain significant operations in two or more countries simultaneously. While international businesses have been around for centuries, multinationals are a relatively recent phenomenon. They are a natural outcome of the global economy. Multinationals use their worldwide operations to develop global strategies. Rather than confining themselves to their domestic borders, they scan the world for competitive advantages. The result is that manufacturing; assembly, sales and other functions are being strategically located to give firm advantages in the marketplace.

Managers of a mutational company confront a wealth of challenge. They face diverse political systems, law, and customs. But these differences create both problems and opportunities. It’s obviously very difficult to manage. An operation that spans fifteen thousand miles and whose employees speak five different languages are located under a single roof where a common language is spoken. Differences create opportunities, and that has been the primary motivation for corporations to expand their worldwide operations.

If people were becoming more homogeneous, we could take a culture free approach to be justified at present for the following reasons: (1) there are differences in OB across national culture. (2) These differences explain a large proportion of the variance in attitudes and behaviours. (3) And for now at least and probably for a number of years to come, these differences are not decreasing at any significant rate. On the last point we might speculate that despite the tremendous increase in cross- culture communication, there continue to be unique country- specific traditions and customs that shape the attitudes and behaviour of the

people in the those countries.

**7.9 Assessing differences between countries**

**a.Assessing differences between countries:**

American children are taught early the values of individuality and uniqueness. In contrast Japanese children are taught to be “team players” to work within the group, and to conform. A significant part of American students education is to learn to think, to analyse and to question. Their Japanese counterparts are rewarded for recounting facts. These different socialization practices reflect different types of employees. The average American worker is more competitive and self focused than is the Japanese worker. Predictions of employee behaviour based on samples of American workers are likely to be off- target when they are applied to a population of employees like the Japanese- who perform better in standardized tasks, as part of a team, with group- based

decisions and rewards.

**b.The Hofstede Framework**

A more comprehensive analysis of cultural diversity has been done by Greet Hofstede. In contrast to most of the previous organisation studies, which either included a limited number of countries or analysed different companies in different countries. Hofstede surveyed over 116,600 employees in forty countries who all worked for a single multinational corporation. This database eliminated any difference that might be attributable to varying practices and policies in different companies. So any variations that he found between countries could reliably be attributed to national culture. His huge database confirmed that national culture had a major impact on employee’s work-related values and attitudes. More importantly, Hofstede found that manager and employees vary on four dimensions of national culture: (1) individualism versus collectivism; (2) power distance; (3) uncertainty avoidance; and (4) quantity versus quality of life. (Actually, Hofstede called this fourth dimension masculinity versus

femininity, but we’ve changed his terms because their strong sexist connotation).

**c. Individualism vs. Collectivism**

Individualism refers to a loosely knit social framework in which people are chiefly supposed to take care of their own interests and those of their immediate family. This is made possible because of the large amount of freedom that such a society allows individuals. Its opposite is collectivism, which is characterized by a light social framework in which people expect others in groups to which they belong (such as on organisation) to look after them and protect them when they are in trouble. In exchange for this security, they feel they owe absolute loyalty to the group. Hofstede found that the degree of individualism in a country is closely related to that country’s wealth. Rich countries like the United States Great Britain and the Netherlands are very individualistic. Poor countries like Colombia and Pakistan are collectivists.

**d. Power Distance**

People naturally vary in their physical and intellectual abilities. This in tum creates difference in wealth and power. Hofstede used the term power distance as a measure of the extent to which a society accepts the fact that power in institutions and organisations is distributed unequally. A high- power- distance society accepts wide differences in power in organisations. Employees show a great deal of respect for those in authority. Titles, rank and status carry a lot of weight. When negotiating in high-power-distance countries, companies find that it helps to send representatives with titles at least as high as those with whom they’re bargaining. Countries high in power distance include the Philippines, Venezuela and India. In contrast, a low-power- distance society plays down inequalities as much as possible. Superiors still have authority, but employees are not afraid of the boss. Denmark, Israel, and Austria are examples of countries with low power –distance scores.

**e. Uncertainty Avoidance:**

We live in world of uncertainty. The future is largely unknown and always will be. Societies respond to this uncertainty in different ways. Some societies are more or less comfortable with risks. They’re also relatively tolerant of behaviour and opinions that differ from their own because they don’t feel threatened by them. Hofstead describes such societies as having low uncertainty avoidance; that is people feel relatively secure. Countries that fall into this category include Singapore, Hong Kong and Denmark.

A society high in uncertainty avoidance is characterised by a high level of anxiety among its people, which manifests itself in nervousness, stress and aggressiveness. Because people feel threatened by uncertainty and ambiguity in these societies, mechanisms are created to provide security and reduce risk. Organisations are likely to have more formal rules, there will be less tolerance for deviant ideas and behaviours, and members will strive to believe in absolute truths. Not surprisingly, in organisations in countries with high uncertainly avoidance, employees demonstrate relatively low job mobility and lifetime employment is a widely practiced policy. Countries in this category include Japan, Portugal, and Greece.

**f. Quantity Vs. Quality of Life.**

The fourth dimension, like individualism and collectivism, represents a dichotomy. Some cultures emphasise the quantity of life and value things like assertiveness and the acquisition of money and material things. Other cultures emphasise the quality of life, the importance of relationships, and show sensitivity and concern for the welfare of others. Hofstede found that Japan and Austria scored high on the quality dimension. In contrast, Norway, Sweden, Denmark, and Finland scored high on the quality dimension.

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 **CHAPTER EIGHT**

**8.1 POWER AND POLITICS IN ORGANISATIONS**

Organizations operate by distributing authority and setting a stage for the exercise of power.

Individuals who are highly motivated to secure and use power find a familiar and hospitable

environment in business. At the same time, executives are reluctant to acknowledge the place of power both in individual motivation and in organizational relationships. Somehow, power and politics are dirty words. Power and politics are important concepts in the study of Organisation Behaviour. Both power and politics are dynamic concepts and are a function of interaction between different elements in organisations. It is often said “Power corrupts and absolute power corrupts absolutely”. In spite of this negative remark, power is vital and essential for organisations because power is like a fuel that provides energy to run organisational machinery.

**8.2 MEANING AND DEFINITION OF POWER**

Power is a force that cannot be seen, but its impact can be felt. Power has been defined as “the ability to influence and control anything that is of value to others”. It is the ability to influence the behaviour of their people in the organisation and to get them to do what they otherwise would not have done.

German sociologist, Max Weber defined power as “the probability that one actor within a social relationship will be in a position to carry out his own will despite résistance”. Power refers to A’s ability to affect the behaviour of B, so that B acts in accordance with As

wishes. At this point it is useful to point out that power refers to As ability to influence B, not A’s right to do so; no right is implied in the concept of power.

**8.3 BASES OF POWER**

French and Raven, social psychologists, identified five sources of power ; legitimate, reward, coercive, referent and expert power.

**1. Legitimate Power**

A president, prime minister, or monarch has legitimate power. So does a CEO, a minister, or a fire chief. Electoral mandates, social hierarchies, cultural norms, and organizational structure all provide the basis for legitimate power. This type of power, however, can be unpredictable and unstable. If you lose the title or position, legitimate power can instantly disappear – since others were influenced by the position, not by you. Also, your scope of power is limited to situations that others believe you have a right to control. If the fire chief tells people to stay away from a burning building, they'll probably listen. But if he tries to make people stay away from a street fight, people may well ignore him. Therefore, relying on legitimate power as your only way to influence others isn't enough. To be a leader, you need more than this – in fact, you may not need legitimate power at all.

**2. Reward Power**

People in power are often able to give out rewards. Raises, promotions, desirable assignments, training opportunities, and even simple compliments – these are all examples of rewards controlled by people "in power." If others expect that you'll reward them for doing what you want, there's a high probability that they'll do it. The problem with this power base is that you may not have as much control over rewards as you need. Supervisors probably don't have complete control over salary increases, and managers often can't control promotions, all by themselves. And even a CEO needs permission

from the board of directors for some actions.

So, when you use up available rewards, or when the rewards don't have enough perceived value to others, your power weakens. (One of the frustrations of using rewards is that they often need to be bigger each time if they're to have the same motivational impact. Even then, if rewards are given frequently, people can become satiated by the reward, so that it loses its effectiveness.)

**3. Coercive Power**

This source of power is also problematic, and can be subject to abuse. What's more, it can cause unhealthy behaviour and dissatisfaction in the workplace. Threats and punishment are common tools of coercion. Implying or threatening that someone will be fired, demoted, denied privileges, or given undesirable assignments – these are examples of using coercive power. While your position may give you the capability to coerce others, it doesn't automatically mean that you have the will or the justification to do so. As a last resort, you may sometimes need to punish people. However, extensive use of coercive power is rarely appropriate in an organizational setting. Clearly, relying on these forms of power alone will result in a very cold, technocratic, impoverished style of leadership. To be a true leader, you need a more robust source of power than can be supplied by a title, an ability to reward, or an ability to punish.

**4. Expert Power**

When you have knowledge and skills that enable you to understand a situation, suggest

solutions, use solid judgment, and generally outperform others, people will probably listen to you. When you demonstrate expertise, people tend to trust you and respect what you say. As a subject matter expert, your ideas will have more value, and others will look to you for

leadership in that area.

**8.4 CHARACTERISTICS OF POWER**

**1. Dependency**

The fundamental aspect of power is dependency. A person enjoys power only if he controls the desires of others. For example, children who are studying in a college totally depends on their parents for meeting the educational expenses. Here children recognise the power of parents. After getting a job and start to earn themselves, parents power is reduced significantly.

**2. Power is specific**

It means that power can be exercised only by some people, that too under some circumstances. It shows that power cannot be exercised by all people at all times. The domain of the power is different for different people. This may be higher in some or lower in others.

**3. Reciprocal relationships**

Power relationship in organisations is essentially in a reciprocal nature. Power is only enjoyed by top-level officers is not correct. In fact power is enjoyed by all even though there are differences in the degree and level of power. Power exists only in a relationship between two or more persons. It is based on two way concept of influencing others and being influenced.

**8.5 POWER AND AUTHORITY**

There is a fine line of difference between power and authority, especially as bases for

Leadership.

**Power:** the ability of a person or a group to influence the beliefs and actions of other people. It is the ability to influence events. Power can be personal power. A person gets his personal power from his personality or from his expert knowledge. Doctors, Lawyers, Engineers,

Programmers, etc. get their power from their expertise and professional knowledge. Power can also be legitimate or official power. This power comes from a higher authority.

**Authority:** the right given to a manager to achieve the objectives of the organisation. It is a right to get the things done through others. It is a right to take decisions. It is a right to give orders to the subordinates and to get obedience from them. A manager cannot do his work without authority. Authority cannot be bought or sold, given or taken away. Authority is about who you are as a person, your character, and the influence you've built with people Needless to say, good Leadership leads by authority and not by power. Power takes on an additional meaning within organisations. So-called ‘legitimate power’ refers to the formal authority associated with a particular role in an organisational system. Legitimate

power arises out of the organisation and the structures, systems and processes which define how it operates. The power associated with formal authority can include the power to make certain decisions and the power to instruct another person to do something – but only within the context of the organisation’s work. Power is generally associated with leadership and authority is vested with the manager.

Power has two phases- positive and negative. There is no such distinction in case of authority. Power is a personal quality and authority is a positional quality

**8.6 USING POWER**

A Manager or leader uses power by several methods.

**1. Legitimate request**

The manager requests that the subordinate comply because the subordinate recognises that the organisation has given the manager the right to make the request. Most day to day interactions between manager and subordinate are of this type.

**2. Instrumental compliance**

It is based on the reinforcement theory of motivation. In this form of exchange, subordinate

complies t get the reward the manager controls. Suppose that a manager asks a subordinate to do something outside the range of subordinate’s normal duties, such as working extra hours. The subordinate complies and as a direct result reaps praise and a bonus from the manager.

**3. Coercion**

A manager is using coercion when she suggests or implies that the subordinate will be

punished, fired or warned if he does not do something.

**4. Rational persuasion**

It occurs when the manager can convince the subordinate that compliance is in the subordinate’s best interests. For example, a manager might argue that the subordinate should accept a transfer because it would be good for the subordinate’s career.

**5. Personal identification**

A manager who recognises that he has referent power over a subordinate can shape the behaviour of that subordinate by engaging in desired behaviours. The manager consciously

becomes as model for the subordinate and exploits personal identification. Sometimes a manager can induce to do something consistent with a set of higher ideals or values through

inspirational appeal.

**6. Information distortion**: The manager withholds or distorts information to influence subordinates behaviour. For example, if a manager has agreed to allow everyone to participate in choosing a new group member but subsequently finds one individual whom he really prefers, he might withhold some of the credentials of other qualified applicants so that the desired member is selected. This use of power is dangerous. It may be unethical, and if the subordinates find out that the manager

has deliberately mislead them, they will lose their confidence in the manager

**8.7 INDIVIDUAL VS. ORGANISATIONAL POWER**

Power is the ability to exert influence in the company beyond authority. Managers get power both from organisational and individual sources. They derive organisational power by virtue of their position in the company. On an individual basis, the manager has personal power which is based on his expertise and his power to control behaviour. A supervisor’s individual power may include job knowledge, personal influence, interpersonal skills and ability to get results, empathetic ability, persuasive ability and physical strength. Information power is based upon persuasiveness or content of a communication and is

independent of the influencing individual. Managers who are good communicators are able to persuade the subordinate to accept an unpopular task. In order to keep leadership position and maintain stability in employment managers need to enhance their personal power. One way is to continue to upgrade their expertise and knowledge .Develop a likeable personality, dress professionally, and make friends with in their division and outside because the help from many people may be needed in future Managers should be aware of the strategies for exercising influence as influence leads to more power. Some common strategies include using facts to support a logical argument. Use flattery, praises, and goodwill to win friends both inside and outside the workplace They need to have friends among the higher authority who can help them to enhance their authority and to adopt their recommendations. Such friends are a great asset to their long term survival in the company. Enhancing and maintaining power and authority does not come

naturally. We have to work for it.

**8.8 ORGANISATIONAL POLITICS**

Organisational politics is often called “power” in action. All groups or organizations are equally political. In some organizations, for instance, politicking is overt and rampant, while in others politics plays a small role influencing outcomes.

Tushman defines politics as follows

“Politics refers to the structure and process of the use of authority and power to effect definition of goals, direction and the other major parameters of the organisation. Decisions are not made in a rational or formal way but rather through compromise, accommodation and bargaining”

Stephen P. Robbins defines political behaviour in organisations as those activities that are not required as part of one’s formal role in the organisation, but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organisation. Recent research and observation have identified a number of factors that appear to encourage political behaviour. Some are individual characteristics, derived from the unique qualities of the people the organization employees; others are a result of the organization’s culture or internal environment. Both individual and organizational factors can increase political behaviour and provide favourable outcomes (increased rewards and averted punishments) for both individuals and groups in the organization. Individual factor: At the individual level, researchers have identified certain 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 have a

high need for power are more likely to engage in political behaviour. The high self monitor is more sensitive to social causes, exhibits higher levels of social conformity, and is more likely to be skilled in political behaviour than the low self monitor. Individual with an internal locus of control, because they believe they can control their environment, are more prone to take a proactive stance and attempt to manipulate situations in their favour. Not surprisingly the Machiavellian personality which is characterized by the will to manipulate and the desire of power is comfortable using politics as a means to further his or her self interest.

In addition, an individual’s investment in the organization, perceived alternatives and

expectations of success will influence the degree to which he or she will pursue illegitimate

means of political action. The more a person had invested in the organization in terms of

expectations of increased future benefits, the more that person has to lose if forced out and the less likely he or she is to use illegitimate means.

The more alternative job opportunities an individual has due to a favourable market or the

possession of scarce skills or knowledge a prominent reputation, or influential contacts outside the organization the more likely that individual is to risk illegitimate political actions. Finally if an individual has a low expectation of success in using illegitimate means, it is unlikely that he or she will attempt to do so. High expectations of success in the use of illegitimate means are most likely to be the province of both experienced and powerful individuals with polished political skills and inexperience and naïve employees who misjudge their chances. Organizational Factors: Political activity is probably more a function of the organization’s

characteristics than of individual difference variables. Because many organizations have a large number of employees with the individual characteristics, yet the extent of political behaviour varies widely. When organizations downsize to improve efficiency, reductions in resources have to be made. Threatened with the loss of resources people may engage in political actions to safeguard what they have. But any changes, especially those that imply significant reallocation of resources within the organization are likely to stimulate conflict and increase politicking.

**8.9 COMMON POLITICAL BEHAVIOURS**

**1. Inducement**

It occurs when a manager offers to give something to someone else in return for that individual’s support. For example, a product manager might suggest to another product

manager that he will put in a good word with the boss if he supports a new marketing plan that he has developed.

**2. Persuasion** It relies on both emotion and logic. An operations manager wants to construct a new plant on a certain site might persuade others to support his goal on grounds that are objective and logical as well as subjective and personal. For instance, when one board member attempted to remove him from his position, he worked behind the scenes to persuade the majority of board members to allow him to stay on.

**3. Creation of an obligation** A third political behaviour involves the creation of an obligation. For example, one manager might support a recommendation made by another manager for a new advertising campaign.

Although he might really have no option on the new campaign, he might think that by going

along, he is incurring a debt from the other manager and will be able to “call in” that debt when he wants to get something done and needs additional support.

**4. Coercion**

It is the use of force to get one’s way. For example, a manager may threaten to withhold

supports, rewards, or other resources as a way to influence someone else.

**8.10 Managing politics**

So, what are the possible steps team managers can take to manage organisational politics and improve knowledge management in globally distributed teams? There are three distinct

approaches.

**First,** instead of aiming at reducing or eradicating organisational politics, managers need tofocus on activities that create a healthy political environment in order to improve knowledge flows and organizational performance. This means getting employees to speak out and expose troublesome issues, vent their frustrations, and engage with others in an open and transparent manner.

**Furthermore,** alongside cultural managers, companies should consider appointing “alignment managers”, people with political competencies and connections who can push ideas forward, steer organisational change initiatives and enrol wider support without triggering resistance. Second, managers need to be consistent in the way they support behaviour and align interests, goals, and responsibilities among members of globally distributed teams in order to increase their motivation to share and disseminate knowledge.

**Finally,** global teams need to renew and renegotiate norms and work habits on an ongoing

basis, and not only at the beginning of a project. Engaging in actions to diffuse tensions and power struggles should be a continuous, not a one-off, activity. Presently companies tend to devise elaborate training programmes and invest in creating cultural and technical compatibility among dispersed teams at the inception and during the early

stages of an offshore or an outsource project.

**8.11 MANAGING DIFFERENCES AND CONFLICTS**

Conflict is a part of everyday life of an individual or an organisation. There are actually a lot of ways to define conflict due to how it is used in many areas. Hence, to keep it simple for the layman, conflict pertains to the opposing ideas and actions of different entities, thus resulting in an antagonistic state. Conflict is an inevitable part of life. Each of us possesses our own opinions, ideas and sets of beliefs. We have our own ways of looking at things and we act according to what we think is proper. Hence, we often find ourselves in conflict in different scenarios; may it involve other individuals, groups of people, or a struggle within our own selves. Consequently, conflict influences our actions and decisions in one way or another.

According to Kae. H. Chung and Loan C. Megginson, “Conflict is the struggle between incompatible or opposing needs, wishes, ideas, interests or people. Conflict arises when

individuals, or groups, encounter goals that both parties cannot obtain satisfactorily”

**8.12 NATURE OF CONFLICT**

1. Conflict arises due to persuasion of exclusive goals, values , methods or events by two

or more parties mutually. There is a disagreement in two or more aspects of an element

like goal, method, interest or process.

2. Conflict arises die to deliberate interference of one party in an occasion

3. Conflict occurs when an individual has no alternatives to select from available course of

action

4. Conflict is a dynamic process. It indicates a series of events

5. It arises out of two perceptions

6. It is different from competition. In conflict one person interferes in other person’s opportunity to acquire resources or opportunities. In competition both parties try to win without interfering each others.

**8.13 TYPES OR LEVELS OF CONFLICTS**

Conflict may be of the following types:-

1. Individual level conflict

2. Inter-group conflict

3. Inter-organisational conflict

4. Intra-organisational conflict

1**. Individual level Conflict**

The conflict within the individual is usually value related, where role playing expected of the individual does not conform to the values and beliefs held by the individual. For example, a secretary may have to lie on instructions that her boss is not in the office to avoid an unwanted visitor or an unwanted telephone call. This may cause a conflict within the mind of the secretary who may have developed an ethic of telling the truth. These are divided into two types:-

**a.** Intra-personal conflict

**b.** Inter-personal conflict

**a.Intra-personal conflict** occurs within an individual. The experience takes place in the person’s mind. Hence, it is a type of conflict that is psychological involving the individual’s

thoughts, values, principles and emotions. Interpersonal conflict may come in different scales, from the simpler ones like deciding whether or not to go out for lunch to ones that can affect major decisions such as choosing a career path. It leads to restlessness and uneasiness, or can even cause depression. In such occasions, it would be best to seek a way to let go of the anxiety through communicating with other people. This conflict may arise from frustration, goal conflict and role conflict.

**b. Interpersonal conflic**t involves conflict between two or more individuals and is probably the most common and most recognized conflict. This may involve conflict between two managers who are competing for limited capital and manpower resources.

This conflict can become further acute when the scarce resources cannot be shared and must be obtained. Similarly, if there are two equally deserving professors and they are both up for promotion, but only one of them can be promoted because of budget and positional constraints, and then this could result in interpersonal conflict between the two professors.

Another type of interpersonal conflict can relate to disagreements over goals and objectives of the organization. For example, some members of a board of directors of a school may want to offer courses in sex education while others may find this proposal morally offensive thus causing interpersonal conflict among the members of the board. The interpersonal conflicts are often the results of personality clashes. People with widely different characteristics and attitudes are bound to have views and aims that are inconsistent

with the views and aims of others.

**2. Inter group Conflict**

An organization is an interlocking network of groups, departments, sections or work teams. The intergroup conflicts are not so much personal in nature as they are due to factors inherent in the organizational structure. For example, there is active and continuous conflict between the union and the management. One of the most common conflicts is between the line and the staff members of the organization. The line managers may resent their dependence on staff for information and recommendations. The staff may resent their inability to implement directly their own decisions and recommendations. This interdependence causes intergroup conflict. These inter-unit conflicts can also be caused by inconsistent rewards and differing performance criteria for different units and groups. For example, sales people who depend upon their commission as a reward for their efforts may promise their customers certain quantity of the product and delivery times which the production department may find impossible to meet thus causing conflict between the two units. Different functional groups within the organization may come into conflict with each other because of their different specific objectives. There are some fundamental differences among different units of the organization both in the structure as well as operations and processes and thus each unit develops its own organizational sub-structure.

These sub-structures according to Lawrence and Lorsch, differ in terms of (a) goal orientation which can be highly specific for production but highly fluid for research and development, (b) time orientation which is short run for sales and long run for research, (c) formality of structure which is highly informal for research and highly formal in production and (d) supervisory style which may be more democratic in one area as compared to another area.

A classic example of inter-unit conflict is between sales and production as described earlier.

The sales department is typically customer-oriented and wants to maintain high inventories for filling orders as they are received which is a costly option as against the production department which is strongly concerned about cost effectiveness requiring as little inventory of finished product at hand as possible. Similarly, intergroup conflict may arise between day shift workers and night shift workers who might blame each other for anything that goes wrong from missing tools to maintenance problems.

**3. Inter-organisational Conflict**

Conflict also occurs between organizations which are dependent upon each other in some way. This conflict may be between buyer organizations and supplier organizations about quantity, quality and delivery times of raw materials and other policy issues. Such conflict could also be between unions and organizations employing their members, between government agencies that regulate certain organizations and the organizations that are

affected by them.

**4. Intra-organisational Conflict**

There are three main types of internal conflicts in an organisation. They are:

a. Horizontal conflict- means conflict between employees or department’s are the same hierarchical level in an organisation. Each department tries to achieve these goals. For example, production department may prefer long economic runs and sales department may insist a quick delivery.

b. Vertical conflict- is a form of conflict among superior subordinate relationship. It usually occurs

when the superior attempts to control the behaviour of his subordinates. Subordinates resist such control. He feels that his superior tries to control activities outside the scope for his control and he perceives conflict with his superior. More difference between superior and subordinate may create conflict and it will cause inefficiency in the organisation .

c. Line and staff conflict-line and staff organisation refers to a pattern in which staff specialists advise managers to perform their duties. In such organisation there are two types of authorities, namely line authority and staff authority These authorities should support each other and work harmoniously to achieve organisational objectives. However, there are frequent conflicts between line and staff authorities. Line managers who are responsible to achieve organisational objectives believe that staff people are working against them and at the same time staff people feels that line managers do not make use of staff people. All these belief and attitude towards each other will

lead to conflict.

**8.14 CONFLICT MANAGEMENT**

Conflict situations are an important aspect of the workplace. A conflict is a situation when the interests, needs, goals or values of involved parties interfere with one another. A conflict is a common phenomenon in the workplace. Different stakeholders may have different priorities; conflicts may involve team members, departments, projects, organization and client, boss and subordinate, organization needs vs. personal needs. Often, a conflict is a result of perception. Conflict is not necessarily a bad thing.. Often, a conflict presents opportunities for improvement. Therefore, it is important to understand (and apply) various conflict resolution techniques.

**1.Forcing**

Also known as competing. An individual firmly pursues his or her own concerns despite the resistance of the other person. This may involve pushing one viewpoint at the expense of another or maintaining firm resistance to another person’s actions.

**2.Win-Win (Collaborating)**

Also known as problem confronting or problem solving. Collaboration involves an attempt to work with the other person to find a win-win solution to the problem in hand - the one that most satisfies the concerns of both parties. The win-win approach sees conflict resolution as an opportunity to come to a mutually beneficial result. It includes identifying the underlying concerns of the opponents and finding an alternative which meets each party's concerns.

**3.Compromising**

Compromising looks for an expedient and mutually acceptable solution which partially

satisfies both parties.

**4.Withdrawing**

Also known as avoiding. This is when a person does not pursue her/his own concerns or

those of the opponent. He/she does not address the conflict, sidesteps, postpones or simply

withdraws.

**5.Smoothing**

Also known as accommodating. Smoothing is accommodating the concerns of other people

first of all, rather than one's own concerns.

 **CHAPTER NINE**

An **organizational structure** defines how job tasks are formally divided, grouped, and coordinated. Managers need to address six key elements when they design their organization’s structure: work specialization, departmentalization, chain of command, span of control, centralization and decentralization, and formalization. Each of these elements as answers to an important structural question, and the following sections describe them.

**Key Design Questions and Answers for Designing the Proper Organizational Structure**

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**Work Specialization**

Early in the twentieth century, Henry Ford became rich by building automobiles on an assembly line. Every Ford worker was assigned a specific, repetitive task such as putting on the right-front wheel or installing the right-front door. By dividing jobs into small standardized tasks that could be performed over and over, Ford was able to produce a car every 10 seconds, using employees who had relatively limited skills. Ford demonstrated that work can be performed more efficiently if employees are allowed to specialize. Today, we use the term **work specialization** , or *division of labor,* to describe the degree to which activities in the organization are subdivided into separate jobs. The essence of work specialization is to divide a job into a number of steps, each completed by a separate individual. In essence, individuals specialize in doing part of an activity rather than the entirety.

**Departmentalization**

Once jobs have been divided through work specialization, they must be grouped so common tasks can be coordinated. The basis by which jobs are grouped is called **departmentalization** . One of the most popular ways to group activities is by *functions* performed. A manufacturing manager might organize a plant into engineering, accounting, manufacturing, personnel, and supply specialists departments. A hospital might have departments devoted to research, surgery, intensive care, accounting, and so forth. A professional football franchise might have departments entitled player personnel, ticket sales, and travel and accommodations. The major advantage of this type of functional departmentalization is efficiencies gained from putting like specialists together. We can also departmentalize jobs by the type of *product* or *service* the organization

produces. Procter & Gamble places each major product—such as Tide, Pampers, Charmin, and Pringles—under an executive who has complete global responsibility for it. The major advantage here is increased accountability for performance, because all activities related to a specific product or service are under the direction of a single manager. When a firm is departmentalized on the basis of *geography,* or territory, the sales function, for instance, may have western, southern, midwestern, and eastern regions, each, in effect, a department organized around geography. This

form is valuable when an organization’s customers are scattered over a large geographic area and have similar needs based on their location.

**Chain of Command**

While the chain of command was once a basic cornerstone in the design of organizations, it has far less importance today. 3 But contemporary managers should still consider its implications. The **chain of command** is an unbroken line of authority that extends from the top of the organization to the lowest echelon and clarifies who reports to whom. We can’t discuss the chain of command without also discussing *authority* and *unity of command.* **Authority** refers to the rights inherent in a managerial position to give orders and expect them to be obeyed. To facilitate coordination, each managerial position is given a place in the chain of command, and each manager is given a degree of authority in order to meet his or her responsibilities. The principle of **unity of command** helps preserve the concept of an unbroken line of authority. It says a person should have one and only one superior to whom he or she is directly responsible. If the unity of command is broken,

an employee might have to cope with conflicting demands or priorities from

several superiors.

Times change, and so do the basic tenets of organizational design. A low level employee today can access information in seconds that was available only to top managers a generation ago. Operating employees are empowered to make decisions previously reserved for management. Add the popularity of self-managed and cross-functional teams and the creation of new structural designs

that include multiple bosses, and you can see why authority and unity of command hold less relevance. Many organizations still find they can be most productive by enforcing the chain of command. Indeed, one survey of more than 1,000 managers found that 59 percent of them agreed with the statement, “There is an imaginary line in my company’s organizational chart. Strategy is

created by people above this line, while strategy is executed by people below the line.” 4 However, this same survey found that buy-in to the organization’s strategy by lower-level employees was inhibited by too much reliance on hierarchy for decision making.

**Span of Control**

How many employees can a manager efficiently and effectively direct? This question of **span of control** is important because it largely determines the number of levels and managers an organization has. All things being equal, the wider or larger the span, the more efficient the organization. Assume two organizations each have about 4,100 operative-level employees.

One has a uniform span of four and the other a span of eight. The wider span will have two fewer levels and approximately 800 fewer managers. If the average manager makes $50,000 a year, the wider span will save

 **Contrasting Spans of Control**



$40 million a year in management salaries! Obviously, wider spans are more efficient in terms of cost. However, at some point when supervisors no longer have time to provide the necessary leadership and support, they reduce effectiveness and employee performance suffers. Narrow or small spans have their advocates. By keeping the span of control to five or six employees, a manager can maintain close control. 5 But narrow

spans have three major drawbacks. First, they’re expensive because they add levels of management. Second, they make vertical communication in the organization more complex. The added levels of hierarchy slow down decision making and tend to isolate upper management. Third, narrow spans encourage overly tight supervision and discourage employee autonomy. The trend in recent years has been toward wider spans of control. They’re consistent with firms’ efforts to reduce costs, cut overhead, speed decision making, increase flexibility, get closer to customers, and empower employees. However, to ensure performance doesn’t suffer because of these wider spans, organizations have been investing heavily in employee training. Managers recognize they can handle a wider span best when employees know their jobs inside

and out or can turn to co-workers when they have questions.

**Centralization and Decentralization**

**Centralization** refers to the degree to which decision making is concentrated at a single point in the organization. In *centralized* organizations, top managers make all the decisions, and lower-level managers merely carry out their directives. In organizations at the other extreme, *decentralized* decision making is pushed down to the managers closest to the action. The concept of centralization includes only formal authority—that is, the rights inherent in a position. An organization characterized by centralization is inherently different structurally from one that’s decentralized. A decentralized organization can act more quickly to solve problems, more people provide input into decisions, and employees are less likely to feel alienated from those

who make decisions that affect their work lives. Management efforts to make organizations more flexible and responsive have produced a recent trend toward decentralized decision making by lower level managers, who are closer to the action and typically have more detailed knowledge about problems than top managers. Sears and JCPenney have given their store managers considerably more discretion in choosing what merchandise to stock. This allows those stores to compete more effectively against local merchants. Similarly, when Procter & Gamble empowered small groups of employees to make many decisions about new-product development independent

of the usual hierarchy, it was able to rapidly increase the proportion of new products ready for market. 7 Research investigating a large number of Finnish organizations demonstrates that companies with decentralized research and development offices in multiple locations were better at producing innovation than companies that centralized all research and development in a

single office.

**Formalization**

**Formalization** refers to the degree to which jobs within the organization are standardized. If a job is highly formalized, the incumbent has a minimal amount of discretion over what to do and when and how to do it. Employees can be expected always to handle the same input in exactly the same way, resulting in a consistent and uniform output. There are explicit job descriptions, lots of organizational rules, and clearly defined procedures covering work processes in organizations in which there is high formalization. Where formalization is low, job behaviours are relatively unprogrammed, and employees have a great deal of freedom to exercise discretion in their work. Standardization not only eliminates the possibility of employees engaging in alternative behaviours, but it even removes the need for employees to consider alternatives. The degree of formalization can vary widely between and within organizations. Publishing representatives who call on college professors to inform them of their company’s new publications have a great deal of freedom in their jobs.

They have only a general sales pitch, which they tailor as needed, and rules and procedures governing their behaviour may be little more than the requirement to submit a weekly sales report and suggestions on what to emphasize about forthcoming titles. At the other extreme, clerical and editorial employees in the same publishing houses may need to be at their desks by 8:00 a.m. and follow a set of precise procedures dictated by management.

**Common Organizational Designs :**

We now turn to three of the more common organizational designs: the *simple structure,* the *bureaucracy,* and the *matrix structure.*

**The Simple Structure**

What do a small retail store, an electronics firm run by a hard-driving entrepreneur, and an airline’s “war room” in the midst of a pilot’s strike have in common? They probably all use the **simple structure** . We can think of the simple structure in terms of what it is *not* rather than what it is. The simple structure is not elaborate. 9 It has a low degree of departmentalization, wide spans of control, authority centralized in a single person, and little formalization. It is a “flat” organization; it usually has only two or three vertical levels, a loose body of employees, and one individual in whom then decision-making authority is centralized. The simple structure is most widely adopted in small businesses in which the manager and owner are one and the same. Exhibit 15-4 is an organization chart for a retail men’s store owned and managed by Jack Gold. Although he employs

five full-time salespeople, a cashier, and extra personnel for weekends and holidays, Jack “runs the show.” Large companies, in times of crisis, often simplify their structures as a means of focusing their resources. When Anne Mulcahy took over Xerox, its product mix and management structure were overly complex. She simplified both, cutting corporate overhead by 26 percent. “It’s a case

of placing your bets in a few areas” she says.

**A Simple Structure (Jack Gold’s Men’s Store)**





**The Bureaucracy**

Standardization! That’s the key concept that underlies all bureaucracies. Consider the bank where you keep your checking account; the department store where you buy clothes; or the government offices that collect your taxes, enforce health regulations, or provide local fire protection. They all rely on standardized work processes for coordination and control. The **bureaucracy** is characterized by highly routine operating tasks achieved through specialization, very formalized rules and regulations, tasks grouped into functional departments, centralized authority, narrow spans of control, and decision making that follows the chain of command. As the opening quote to this chapter attests, *bureaucracy* is a dirty word in many people’s minds. However, it does have advantages. Its primary strength is its ability to perform standardized activities in a highly efficient manner. Putting like specialties together in functional departments results in economies of scale, minimum duplication of people and equipment, and employees who can speak “the same language” among their peers. Bureaucracies can get by with less talented—and hence less costly—middle- and lower-level managers because rules and regulations substitute for managerial discretion. Standardized operations and high formalization allow decision making to be centralized. There is little need for innovative and experienced decision makers below the level of senior executives.

**The Matrix Structure**

You’ll find the **matrix structure** in advertising agencies, aerospace firms, research and development laboratories, construction companies, hospitals, government agencies, universities, management consulting firms, and entertainment companies. 11 It combines two forms of departmentalization: functional and product. Companies that use matrix-like structures include ABB, Boeing, BMW, IBM, and Procter & Gamble. The strength of functional departmentalization is putting like specialists together, which minimizes the number necessary while allowing the pooling and sharing of specialized resources across products. Its major disadvantage is the difficulty of coordinating the tasks of diverse functional specialists on time and within budget. Product departmentalization has exactly the opposite benefits and disadvantages. It facilitates coordination among specialties to achieve on time completion and meet budget targets. It provides clear responsibility for all activities related to a product, but with duplication of activities and costs. The matrix attempts to gain the strengths of each while avoiding their weaknesses.

The most obvious structural characteristic of the matrix is that it breaks the unity-of-command concept. Employees in the matrix have two bosses: their functional department managers and their product managers.

 The matrix form in a college of business administration. The academic departments of accounting, decision and information systems, marketing, and so forth are functional units. Overlaid on them are specific programs (that is, products). Thus, members in a matrix structure have a dual chain of command: to their functional department and to their product groups. A professor of accounting teaching an undergraduate course may report to the director of undergraduate programs as well as to the chairperson of the accounting

department. The strength of the matrix is its ability to facilitate coordination when the organization has a number of complex and interdependent activities. Direct and frequent contacts between different specialties in the matrix can let information permeate the organization and more quickly reach the people who need it. The matrix reduces “bureau pathologies”—the dual lines of authority reduce people’s tendency to become so busy protecting their little worlds that

**Matrix Structure for a College of Business Administration**



the organization’s goals become secondary. A matrix also achieves economies of scale and facilitates the allocation of specialists by providing both the best resources and an effective way of ensuring their efficient deployment. The major disadvantages of the matrix lie in the confusion it creates, its tendency to foster power struggles, and the stress it places on individuals.

Without the unity-of-command concept, ambiguity about who reports to whom is significantly increased and often leads to conflict. It’s not unusual for product managers to fight over getting the best specialists assigned to their products. Bureaucracy reduces the potential for power grabs by defining the rules of the game. When those rules are “up for grabs” in a matrix, power struggles between functional and product managers result. For individuals who desire security and absence from ambiguity, this work climate can be stressful. Reporting to more than one boss introduces role conflict, and unclear expectations introduce role ambiguity. The comfort of bureaucracy’s predictability is replaced by insecurity and stress.

