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ORGANIZATIONAL BEHAVIOR

Introduction:

Organizational behavior is a developing field of study, presenting newchallenges to a manager's understanding of work behavior and the ability to manage it effectively. Thiscourse addresses the following points:

- Organizational behavior studies the factors that impact individual and group behavior in organizationsand how organizations manage their environments.

- Organizational behaviorprovides a set of tools—theories and concepts—to understand, analyze, describe, andmanage attitudes and behavior in organizations.
- The study of organizational can improve and change individual, group, and organizationalbehavior to attain individual, group, and organizational goals.

- Organizational behavior can be analyzed at three levels: the individual, the group, and theorganization as a whole. A full understanding must include an examination of behavioralfactors at each level.

- A manager's job is to use the tools of organizational behavior to increase effectiveness, an organization's ability to achieve its goal. Management is the process of planning,organizing, leading, and controlling an organization's human, financial, material, and otherresources to increase its effectiveness.
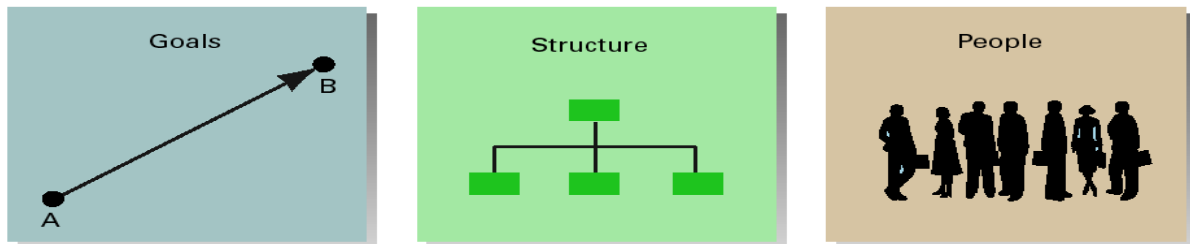
What Is Organizational Behavior?

Organizational behavior (OB) is a field of study that investigates the impact that individuals, groups, and structure have on behavior within an organization, then applies that knowledge to make organizations work more effectively (Robbins, 2003) According to Fred Luthans Organizational behavior is directly concerned with the Understanding, Prediction, and Control of human behavior in Organizations.

An organization is a collection of people who work together to achieve a wide variety of goals, both goals of the various individuals in the organization and goals of the organization as a whole. Organizations exist to provide goods and services that people want. These goods and services are the products of the behaviors of workers.

Organization-

A systematic arrangement of people brought together to accomplish some specific purpose; applies to all organizations—for-profit as well as not-for-profit organizations. Where managers work (manage)

Organizational behavior is the study of the many factors that have an impact on how individuals and groups respond to and act in organizations and how organizations manage their environments.Although many people assume that understanding human behavior in organizations is intuitive, many commonly held beliefs about behavior in organizations, such as the idea that a "happy worker is a productive worker," are either entirely false or true only in specific situations.

The study of organizational behavior provides a set of tools—concepts and theories—that help people understand, analyze, and describe what goeson in organizations and why. How do the characteristics of individuals, groups, work situations, and the organization itself affect how members feel about their organization?

Organizational Behavior is field of study that investigates the impact that individuals, groups and structure have on behavior within organization. It is the study and application of knowledge about how people act within organizations. It is a human tool for human benefit. It applies broadly to the behavior of people in all types of organizations, such as business, government, schools and services organizations. It covers three determinants of behavior in organizations: individuals, groups, and structure.

The ability to use the tools of organizational behavior to understand behavior in organizations is one reason for studying this subject. A second reason is to learn how to apply these concepts, theories, and techniques to improve behavior in organizations so that individuals, groups, and organizations can achieve their goals. Managers are challenged to find new ways to motivate and coordinate employees to ensure that their goals are aligned with organizational goals.

Organizational behaviour is concerned with people's thoughts, feelings, emotions andactions in setting up a work. Understanding an individual behaviour is in itself a challenge, butunderstanding group behaviour in an organizational environment is a monumental managerial task. The organization's work gets done through people, individually or collectively, on their, own or incollaboration with technology. Therefore, the management of organizational behaviour is central tothe management task—a task that involves the capacity to "understand" the behaviour patterns of individuals, groups and organizations, to "predict'" what behavioural responses will be elicited byvarious managerial actions and finally to use this understanding and these predictions to achieve"control".

Why Do We Study OB?
Following are the reasons to study organizational behavior:
- To learn about yourself and how to deal with others
- You are part of an organization now, and will continue to be a part of various organizations
- Organizations are increasingly expecting individuals to be able to work in teams, at least someof the time
- Some of you may want to be managers or entrepreneurs

**The importance of studying organizational behavior (OB)**
OB applies the knowledge gained about individuals, groups, and the effect of structure on behavior inorder to make organizations work more effectively. It is concerned with the study of what people do inan organization and how that behavior affects the performance of the organization. There is increasing agreement as to the components of OB, but there is still considerable debate as to the relative importance of each: motivation, leader behavior and power, interpersonal communication, group structure and processes, learning, attitude development and perception, change processes, conflict, workdesign, and work stress. It is also important because it focus on the following areas.
OB is a way of thinking.
- OB is multidisciplinary.
- There is a distinctly humanistic orientation with OB.
- The field of OB is performance oriented.
- The external environment is seen as having significant impact on OB.

Contributing Disciplines to the OB Field

Organizational behavior is an applied behavioral science that is built upon contributions from a numberof behavioral disciplines. The predominant areas are psychology, sociology, social psychology,anthropology, and political science.

Micro:
The
Individual

Macro:
Groups &
Organizations

Psychology

Sociology

Social Psychology

Anthropology

Political Science
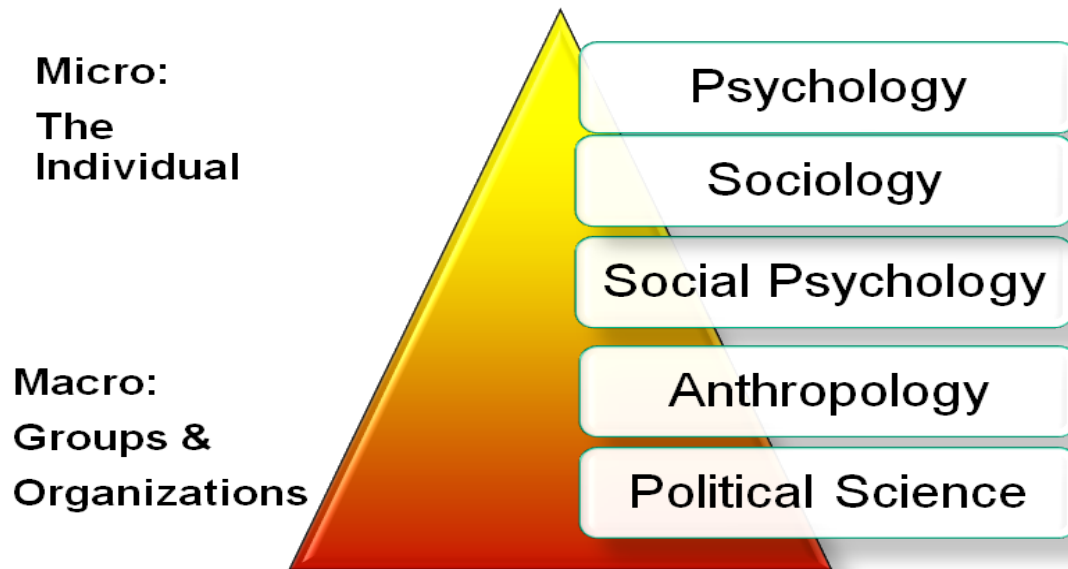
Psychology:

Psychology is the science that seeks to measure, explain, and sometimes change the behavior of humans and other animals.

Psychology

Learning
Motivation
Personality
Emotions
Perception
Training
Leadership effectiveness
Job satisfaction
Individual decision making
Performance appraisal
Attitude measurement
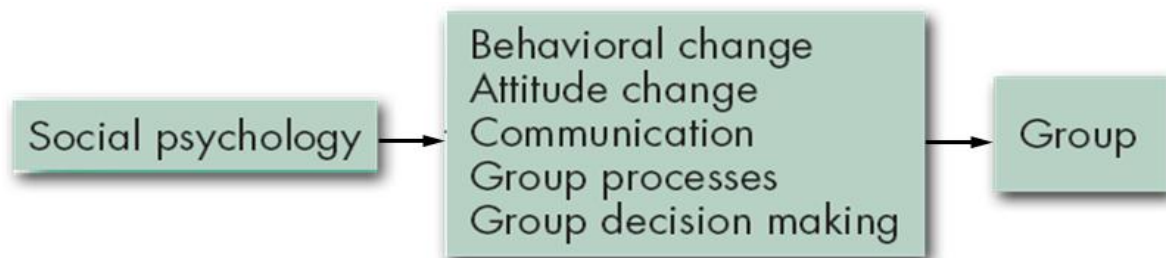Employee selection
Work design
Work stress

Individual

Sociology

Sociologists study the social system in which individuals fill their roles; that is, sociology studies people in relation to their fellow human beings.
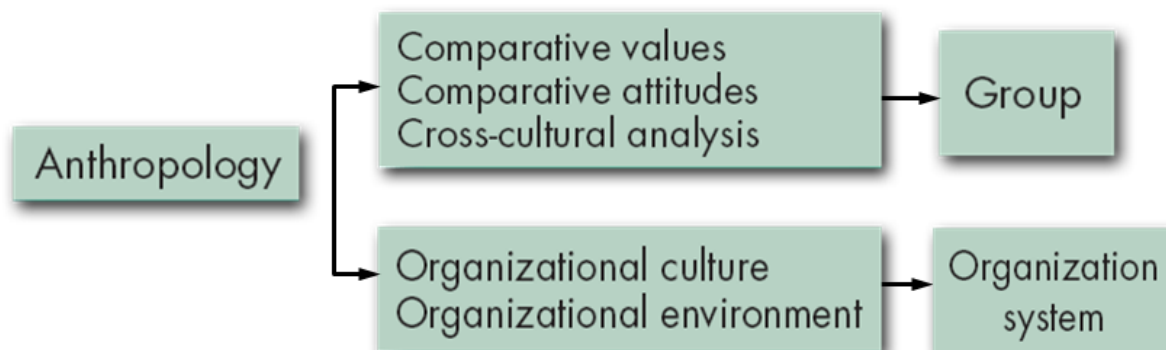
| Sociology | Group dynamics, Work teams, Communication, Power, Conflict, Intergroup behavior → Organization system |
| | Formal organization theory, Organizational technology, Organization change, Organizational culture → Group |

Social Psychology

An area within psychology that blends concepts from psychology and sociology and that focuses on the influence of people on one another.

| Social psychology → | Behavioral change, Attitude change, Communication, Group processes, Group decision making → Group |

Anthropology

The study of societies to learn about human beings and their activities.

| Anthropology | Comparative values, Comparative attitudes, Cross-cultural analysis → Group |
| | Organizational culture, Organizational environment → Organization system |

Political Science
The study of the behavior of individuals and groups within a political environment.

Model of OB

Organizational behavior tools to understand and alter behavior can be examined at three levels ofanalysis—individual, group, and organizational.

Individual : These factors include personality and ability, attitudes and values, perception and attribution, learning, motivation, stress, and work/life linkages.
Individual differences can be divided into personality and ability differences. Understanding the nature,determinants, and consequences of individual differences is essential for managing organizational behavior.
An appreciation of the nature of individual differences is necessary to understand why people behave incertain ways in an organization.

Group: Groupis defined as a collection of two or more people who interact together to achieve their goals. Ateamis a group in which members work together intensively to achieve a common goal.
Work groups are the basic building blocks of an organization. Work groups use roles, rules, and norms tocontrol their members' behavior, and they use several socialization tactics to turn newcomers into effectivegroup members. Groups contribute to organizational effectiveness when group goals are aligned withorganizational goals.

Organization: *O*rganizational structure and culture affect performance and how the changing globalenvironment, technology, and ethics impact work attitudes and behavior.Organizational structure and culture affect how people and groups behave in an organization. Together theyprovide a framework that shapes attitudes, behaviors, and performance. Organizations need to create astructure and culture that allow them to manage individuals and inter-group relations effectively.
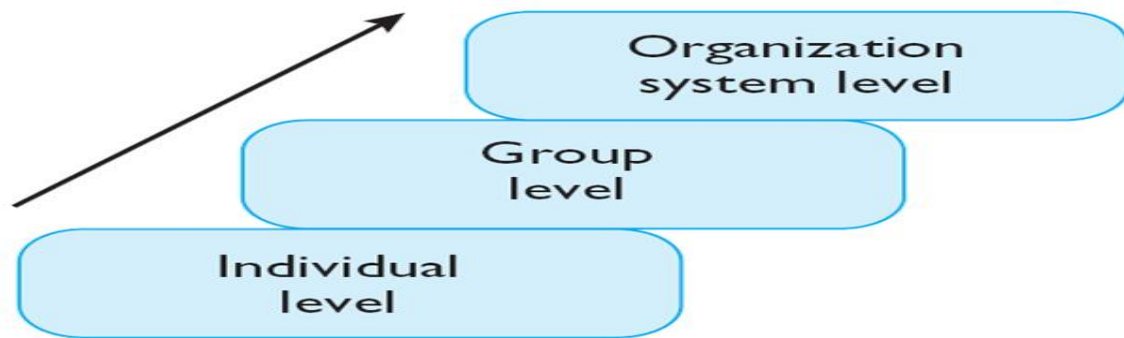
<u>Micro organizational behavior</u> is concerned mainly with the behaviors of individuals working alone.

<u>Meso organizational behavior</u> is a middle ground, bridging the other two subfields of organizational behavior- the behaviors of people working together in teams or groups.

<u>Macro organizational behavior</u> focuses on understanding the behaviors of entire organizations .

Key Elements of Organizational Behavior

The key elements in organizational behavior are people, structure, technology and the external elements in which the organization operates. When people join together in an organization to accomplish an objective, some kind of infrastructure is required. People also use technology to help get the job done, so there is an interaction of people, structure and technology. In addition, these elements are influenced by the external environment, and they influence it. Each o f the four elements o f organizational behavior will be considered briefly.

People

People make up the internal social system of the organization. They consist of individuals and groups, and large groups as well as small ones. People are the living, thinking, feelings beings who created the organizations. It exists to achieve their objectives. Organizations exist to serve people. People do not exist to serve organizations. The work force is one of the critical resources t hat need to be managed. In managing human resources, managers have to deal with:

i) Individual employee who are expected to perform the tasks allotted to them

ii) Dyadic relationships such as superior-subordinate interactions

iii) Groups who work as teams and have the responsibility for getting the job   done,

iv) People out side the organization system such as customers and government   officials

Structure

Structure defines the official relationships of people in organizations. Different jobs are requiredto accomplish all of an organization's activities. There are managers and employees, accountants and assemblers. These people have to be related in some structural way so that their work can be effective. The main structure relates to power and to duties. For example, one person has authority to make decisions that affect the work of other people.

Some of the key concepts of organization structure are listed as below:

a) Hierarchy of Authority: This refers to the distribution of authority among organizational positions and authority grants the position holder certain rightsincluding right to give direction to others and the right to punish and reward.

b) Division of Labor: This refers to the distribution of responsibilities and the way in which activities are divided up and assigned to different members of theorganization is considered to be an element of the social structure.

c) Span of Control: This refers to the total number of subordinates over whom amanager has authority

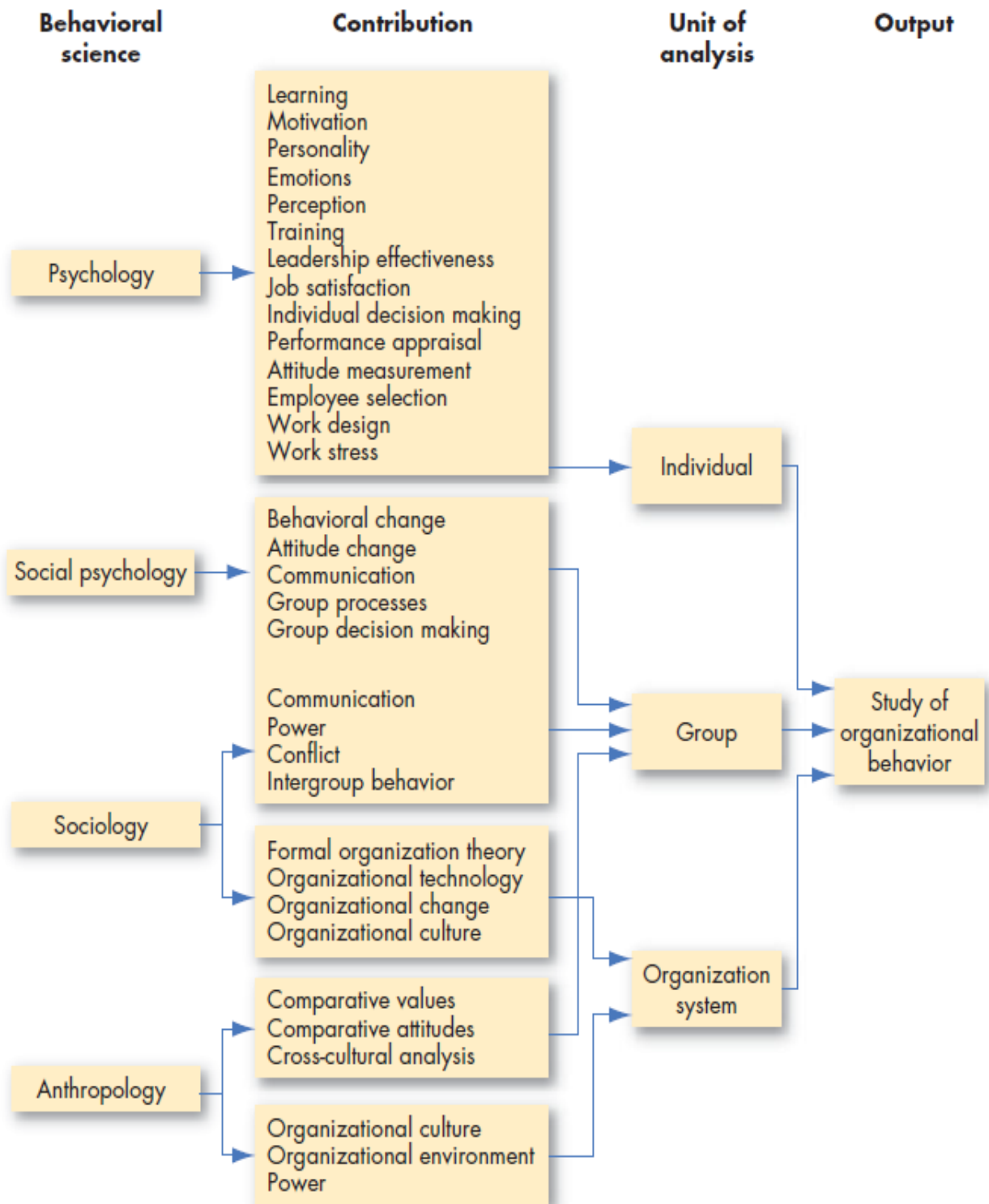d) Specialization: This refers to the number of specialties performed within theorganization.

e) Standardization: It refers to the existence of procedures for regularly recurringevents or activities

f) Formalization: This refers to the extent to which rules, procedures, andcommunications are written down

g) Centralization: This refers to the concentration of authority to make decision.

h) Complexity: This refers to both vertical differentiation and horizontal differentiation. Vertical differentiation: outlines number of hierarchical levels; horizontal differentiation highlights the number of units within the organization (e.g departments, divisions)

Organizations can be structured as relatively rigid, formalized systems or as relatively loose, flexible systems. Thus the structure of the organizations can range on a continuum of high rigidity to high flexibility.

Behavioral science	Contribution	Unit of analysis	Output
Psychology	Learning Motivation Personality Emotions Perception Training Leadership effectiveness Job satisfaction Individual decision making Performance appraisal Attitude measurement Employee selection Work design Work stress	**Individual**	
Social psychology	Behavioral change Attitude change Communication Group processes Group decision making		**Study of organizational behavior**
Sociology	Communication Power Conflict Intergroup behavior	**Group**	
	Formal organization theory Organizational technology Organizational change Organizational culture		
Anthropology	Comparative values Comparative attitudes Cross-cultural analysis	**Organization system**	
	Organizational culture Organizational environment Power		

Scope and importance of OB can be visible in following points:

- **Controlling and Directing Behaviour:**After understanding the mechanism of human behaviour, managers are required to control and direct the behaviour so that it conforms to the standards required for achieving the organizational objectives. Thus, managers are required to control and direct the behaviour at all levels of individual interaction. Therefore, organizational behaviour helps managers in controlling and directing in different areas such as use of power and sanction, leadership, communication and building organizational climate favourable for better interaction.
- **Use of Power and Sanction:**The behaviours can be controlled and directed by the use ofpower and sanction, which are formally defined by the organization. Power is referred to as thecapacity of an individual to take certain action and may be utilized in many ways. Organizational behaviour explains how various means of power and sanction can ,be utilized so that both organizational and individual objectives are achieved simultaneously.
- **Leadership:**Organizational behaviour brings new insights and understanding to the practice and theory of leadership. It identifies various leadership styles available to a manager and analyses which style is more appropriate in a given situation. Thus, managers can adopt styles keeping in view the various dimensions of organizations, individuals and situations.
- **Communication:**Communication helps people to come in contact with each other. To achieve organizational objectives, the communication must be effective. The communication process and its work in inter-personal dynamics have been evaluated by organizational behaviour.
- **Organizational Climate:**Organizational climate refers to the total organizational situations affecting human behaviour. Organizational climate takes a system perspective that affect human behaviour. Besides improving the satisfactory working conditions and adequate compensation, organizational climate includes creation of an atmosphere of effective supervision; the opportunity for the realization of personal goals, congenial relations with others at the work place and a sense of accomplishment.
- **Organizational Adaptation:**Organizations, as dynamic entities are characterized by pervasive changes. Organizations have to adapt themselves to the environmental changes by makingsuitable, internal arrangements such as convincing employees who normally have the tendency of resisting any changes.

Globalization: Understanding and managing global organizational behavior begins with understanding the nature of the differences between national cultures and then tailoring an organization's strategy and structure so that the organization can manage its activities as it expands abroad. To succeed, global companies must help their managers develop skills that

allow them to work effectively in foreign contexts and deal with differences in national culture.

A global organization is an organization that produces or sells goods or services in more than one country.

To exploit the advantages of the global environment, an organization has to manage activities at the raw-materials, intermediate-manufacturing, assembly, distribution, and final-customer stages. Methods an organization can use to control these activities include exporting, licensing, joint ventures, and wholly owned foreign subsidiaries.

Global learning is learning how to manage suppliers and distributors and to respond to the needs of customers all over the world. There are three principal strategies that global organizations can use to manage global expansion, each of which is associated with a type of global organizational structure: an international strategyand international divisional structure, and a transnational strategy and global matrix structure. The more complex the strategies, the greater is the need to integrate the global organizational structure, and the stronger the global culture needs to be.

All the challenges associated with understanding and managing individual and group behavior that are found at a domestic level, such as motivating and leading workers and managing group's and teams, are found at a global level. Expatriate managers must adapt their management styles to suit differences in national culture if they are to be effective.

Implications of globalization:

Following are the implications of globalizations:
− New organizational structures
− Different forms of communication
− More competition, change, mergers, downsizing, stress
− Need more sensitivity to cultural differences

Organizations expand globally to gain access to resources as inputs and to sell outputs. Labor costs are lower in many other countries, and raw materials can be obtained more cheaply, due to lower labor costs. Companies seek the expertise found in other countries (e.g., the design skills of Italian automakers or the engineering skills of German companies). Customers are a resource that motivatescompanies to expand globally.

To operate abroad, to obtain inputs or customers, an organization must understand differences innational cultures. A national culture is a set of economic, political, and social values in a particularnation. Global organizations must recognize expressions of cultural values, such as ceremonies, stories,and symbols or face the wrath of local people. People from different countries have nonverbal communication difficulties because of different traditions.

Competition is everywhere in today's global environment. Organizations compete with foreign competitors at home and abroad. The world is viewed as a single market, with countries as subparts of that market. Organizations must develop strategies, structures, and

cultures to compete successfully in a global environment. The challenge of managing a diverse workforce increases as organizations expand their operations internationally. There are several issues that arise in the international arena. First, managers must understand cultural differences to interact with workers and associates in foreign countries. Americans have an individualistic orientation, whereas the Japanese have a collectivist orientation. Understanding the differences between national cultures is important in any attempt to manage behavior in global organizations to increase performance.

Responding to Globalization: Today's business is mostly market driven; wherever the demands exist irrespective of distance, locations, climatic conditions, the business operations are expanded to gain their market share and to remain in the top rank etc. Business operations are no longer restricted to a particular locality or region. Company's products or services are spreading across the nations using mass communication, internet, faster transportation etc. An Australian wine producer now sells more wine through the Internet than through outlets across the country. More than 95% of Nokia hand phones are being sold outside of their home country Finland. Japanese cars are being sold in different parts of globe. Sri Lankan tea is exported to many cities across the globe. Executives of Multinational Corporation are very mobile and move from one subsidiary to another more frequently.

Implications for Managers: Globalization affects a managerial skills in at least two ways: i) an Expatriate manager have to manage a workforce that is likely to have very different needs, aspirations and attitudes from the ones that they are used to manage in their home countries. ii) Understanding the culture of local people and how it has shaped them and accordingly learn to adapt ones management style to these differences is very critical for the success of business operations. One of the main personality traits required for expatriate managers is to have sensitivity to understand the individual differences among people and exhibit tolerance to it.

Managing a Diverse Workforce
The challenges for the organization by Increasing Diversity in today's organizations:
- Changing workforce demographics
- Competitive pressures
- Rapid growth in International business
- More women in workforce and professions
- Diversity has advantages, but firms need to adjust through:
  - cultural awareness
  - family-friendly
  - empowerment

The workforce has become increasingly diverse, with higher percentages of women and minorities entering and advancing in organizations.

Increasing diversity, or differences resulting from age, gender,race ethnicity, religion, sexual orientation, and socioeconomic background, represents a major challenge for managers. Members of a group who are very diverse are likely to have different experiences,assumptions, and values, and could respond to work situations in very different ways. Managers face three challenges as a result of increased workforce diversity: fairness and justice, decision making and performance, and flexibility.

Managing Workforce Diversity: This refers to employing different categories of employees who are heterogeneous in terms of gender, race, ethnicity, relation, community, physically disadvantaged, homosexuals, elderly people etc. The primary reason to employ heterogeneous category of employees is to tap the talents and potentialities, harnessing the innovativeness, obtaining synergetic effect among the divorce workforce. In general, employees wanted to retain their individual and cultural identity, values and life styles even though they are working in the same organization with common rules and regulations. The major challenge for organizations is to become more accommodating to diverse groups of people by addressing their different life styles, family needs and work styles.

Implications for Managers: Managers have to shift their philosophy from treating everyone alike to recognizing individual differences and responding to those differences in ways that will ensure employee retention and greater productivity while, at the same time not discriminating. If work force diversity is managed more effectively, the management is likely to acquire more benefits such as creativity and innovation as well as improving decision making skills by providing different perspectives on problems. If diversity is not managed properly and showed biases to favor only a few categories of employees, there is potential for higher turnover, more difficulty in communicating and more interpersonal conflicts.

Technology

Technology is changing people's jobs and their work behavior. Quality management and its emphasison continuous process improvement can increase employee stress as individuals find that performance expectations are constantly being increased. Process reengineering is eliminating millions of jobs and completely reshaping the jobs of those who remain, and mass customization requires employees to learn new skills. We defined the term *technology* earlier to mean "how an organization transfers its inputs into outputs." Today it is also widely used to describe machinery and equipment that use sophisticated electronics and computers to produce those outputs. The common theme of these technologies is that they substitute for human labor in the transformation of inputs into outputs. This has been happening since the mid 1800s. We are concerned about the behavior of people at work—it is important to discuss how recent advances in technology are changing the work place and the work lives of employees.

Improving People Skills:

Technological changes, structural changes, environmental changes are accelerated at a faster rate in business field. Unless employees and executives are equipped to possess the required skills to adapt those changes, the achievement of the targeted goals cannot be achieved in time. There two different categories of skills – managerial skills and technical skills. Some of the managerial skills include listening skills, motivating skills, planning and organizing skills, leading skills, problem solving skill, decision making skills etc. These skills can be enhanced by organizing a series of training and development programmes, career development programmes, induction and socialization etc.

Implications for Managers: Designing an effective performance appraisal system with built-in training facilities will help upgrade the skills of the employees to cope up the demands of the external environment. The lower level cadre in management is required to possess more of technical skills. As they move towards upward direction, their roles will be remarkably changed and expected to have more of human relations and conceptual skills.

Improving Quality and Productivity:

Quality is the extent to which the customers or users believe the product or service surpasses their needs and expectations. For example, a customer who purchases an automobile has certain expectation, one of which is that the automobile engine will start when it is turned on. If the engine fails to start, the customer's expectations will not have been met and the customer will perceive the quality of the car as poor. Deming defined quality as a predictable degree of uniformity and dependability, at low cost and suited to the market. Juran defined it as fitness for use. The key dimensions of quality as follows:

i) Performance: Primary operating characteristics of a product such as signal coverage, audio quality, display quality etc.

ii) Features: Secondary characteristics, added features, such as calculators, and alarm clock features in hand phone

iii) Conformance: Meeting specifications or industry standards, workmanship of the degree to which a product's design or operating characteristics match pre- established standards

iv) Reliability: The probability of a product's failing within t a specified period of time

v) Durability: It is a measure of product's life having both economic and technical dimension

vi) Services: Resolution of problem and complaints, ease of repair

vii) Response: Human to human interface, such as the courtesy of the dealer

viii) Aesthetics: Sensory characteristics such exterior finish

ix) Reputations: Past performance and other intangibles, such as being ranked first.

More and more managers are confronting to meet the challenges to fulfill the specific requirements of customers. In order to improve quality and productivity, they are implementing programs like total quality management and reengineering programs that require extensive employee involvement.

Total Quality Management (TQM): It is a philosophy of management that is driven by the constant attainment of customer satisfaction through the continuous improvement of all organizational process. The component of TQM are (a) intense focus of the customer, (b) concern for continual improvement (c) improvement in the quality of everything the organization does (d) accurate measurement and (e) empowerment of employees.

Reengineering: This refers to discrete initiatives that are intended to achieve radically redesigned and improved work process in a bounded time frame. Business Process Reengineering employees a structural methodology that reduces work process to their essential composite activist and provides cost performance matrices to facilitate a business case for dramatic improvements. Both functional and cross-functional processes are evaluated through workflow analysis and activity based costing. In many cases, the application of new technology and industries best practices will enablequantum improvement in an organization's cost and performance.

Implications for Managers: Today's managers understand that any efforts to improve quality and productivity must influence their employees. These employees will not only be a major force in carrying out changes, but increasingly will participate actively in planning those changes. Managers will put maximum effort in meeting the customer's requirements by involving everyone from all the levels and across all functions. Regular communications (both formally and informally) with all the staff at all levels is must. Two way communications at all levels must be promoted. Identifying training needs and relating them with individual capabilities and requirements is must. Top management's participation and commitment and a culture of continuous improvement must be established.

Empowering People:

The main issue is delegating more power and responsibility to the lower level cadre of employees and assigning more freedom to make choices about their schedules, operations, procedures and the method of solving their work-related problems. Encouraging the employees to participate in work related decision will sizably enhance their commitment at

work. Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them. Managers are doing considerably further by allowing employees full control of their work. An increasing number of organizations are using self-managed teams, where workers operate largely without boss. Due to the implementation of empowerment concepts across all the levels, the relationship between managers and the employees is reshaped. Managers will act as coaches, advisors, sponsors, facilitators and help their subordinates to do their task with minimal guidance.

Implications for Manager: The executive must learn to delegate their tasks to the subordinates and make them more responsible in their work. And in so doing, managers have to learn how to give up control and employees have to learn how to take responsibility for their work and make appropriate decision. If all the employees are empowered, it drastically changes the type of leadership styles, power relationships, the way work is designed and the way organizations are structured.

Coping with 'Temporariness:

In recent times, the Product life cycles are slimming, the methods of operations are improving, and fashions are changing very fast. In those days, the managers needed to introduce major change programs once or twice a decade. Today, change is an ongoing activity for most managers. The concept of continuous improvement implies constant change. In yester years, there used to be a long period of stability and occasionally interrupted by short period of change, but at present the change process is an ongoing activity due to competitiveness in developing new products and services with better features. Everyone in the organization faces today is one of permanent temporariness. The actual jobs that workers perform are in a permanent state of flux. So, workers need to continually update their knowledge and skills to perform new job requirements.

Implications for Manager: Managers and employees must learn to cope with temporariness. They have to learn to live with flexibility, spontaneity, and unpredictability. The knowledge of Organizational Behavior will help understand better the current state of a work world of continual change, the methods of overcoming resistance to change process, the ways of creating a better organizational culture that facilitates change process etc.

Stimulating Innovation and Change:

Today's successful organizations must foster innovation and be proficient in the art of change; otherwise they will become candidates for extinction in due course of time and

vanished from their field of business. Victory will go to those organizations that maintain

flexibility, continually improve their quality, and beat the competition to the market place with a constant stream of innovative products and services. For example, Compaq succeeded by creating more powerful personal computers for the same or less money than IBNM or Apple, and by putting their products to market quicker than the bigger competitors. Amazon.com is putting a lot of independent bookstores out of business as it proves you can successfully sell books from an Internet website.

Implications for Managers: Some of the basic functions of business are being displaced due to the advent of a new systems and procedures. For example – books are being sold only through internet. Internet selling an organization's employees can be the impetus for innovation and change; otherwise they can be a major hindrance. The challenge for managers is to stimulate employee creativity and tolerance for change.

Emergence of E-Organization:

E-Commerce: It refers to the business operations involving electronic mode of transactions. It encompasses presenting products on websites and filling order. The vast majority of articles and media attention given to using the Internet in business are directed at on-line shopping. In this process, the marketing and selling of goods and services are being carried out over the Internet. In e-commerce, the following activities are being taken place quite often - the tremendous numbers of people who are shopping on the Internet, business houses are setting up websites where they can sell goods, conducting the following transactions such as getting paid and fulfilling orders. It is a dramatic change in the way a company relates to its customers. At present e-commerce is exploding.

E-business: It refers to the full breadth of activities included in a successful Internet- based enterprise. As such, e-commerce is a subset of e-business. E-business includes developing strategies for running Internet-based companies, creating integrated supply chains, collaborating with partners to electronically coordinate design and production, identifying a different kind of leader to run a 'virtual' business, finding skilled people to build and operate intranets and websites, and running the back room or the administrative side. E-business includes the creation of new markets and customers, but it's also concerned with the optimum ways to combine Computers, the Web and Application Software. A sizable number of multinational corporations are selling goods and services via the Internet.

Growth rate of e-business: The application of Internet operations are initially covers a small part of the business. At this point, their e-commerce operations are secondary to their traditional business. An increasingly popular application of e-business is merely using the Internet to better manage an ongoing business. Later, there are millions of firms that are now selling anything over the Internet, but they are using e-business applications to improve communications with internal and external stakeholders and to better perform traditional

business functions. Some companies are putting maximum effort in improving its internal efficiency and providing support to its wide-reaching dealer network and to on-line sellers by crating a shared and integrated network. The companies wanted to make creasing

E-Organizations: This embraces e-commerce and e-business. State and central governments, municipal corporations are using the Internet for extending all the public utility services more efficiently through internet.

Implications for Managers: The employees must acquire skills, knowledge, attitudes in learning new technology, overcoming any resistance

Improving Ethical behavior:

The complexity in business operations is forcing the workforce to face ethical dilemmas, where they are required to define right and wrong conduct in order to complete their assigned activities. For example, Should the employees of chemical company blow the whistle if they uncover the discharging its untreated effluents into the river are polluting its water resources? Do managers give an inflated performance evaluation to an employee they like, knowing that such an evaluation could save that employee's job?

The ground rules governing the constituents of good ethical behavior has not been clearly defined. Differentiating right things from wrong behavior has become more blurred. Following unethical practices have become a common practice such as successful executives who use insider information for personal financial gain, employees in competitor business participating in massive cover-ups of defective products etc.

Implications for Managers: Managers must evolve code of ethics to guide employees through ethical dilemmas. Organizing seminars, workshops, training programs will help improve ethical behavior of employees. Retaining consultants, lawyers, voluntary service organizations to assist the company in dealing with ethical issues will ensure positive ethical behavior. Managers need to create an ethically healthy climate for his employees where they can do their work productively and confront a minimal degree of ambiguity regarding what constitutes right and wrong behavior.

Ethics
Moral principles/values -- determines whether actions are right/wrong and outcomes are good/bad.
Ethical behavior
– "Good" and "right" as opposed to "bad" or "wrong" in a particular setting.
An organization's ethics are rules, beliefs, and values that outline ways in which managers and workers should behave when confronted with a situation that may help or harm other

people inside or outside an organization. Ethical behavior enhances the well-being (the happiness, health, and prosperity) of individuals, groups, organizations, and the organizational environment. Ethics establish the goals and behaviors appropriate to the organization. Many organizations have the goal of making a profit, to be able to pay workers, suppliers, and shareholders. Ethics specifies what actions an organization should take to make a profit and what limits should be put on organizations and their managers to prevent harm.
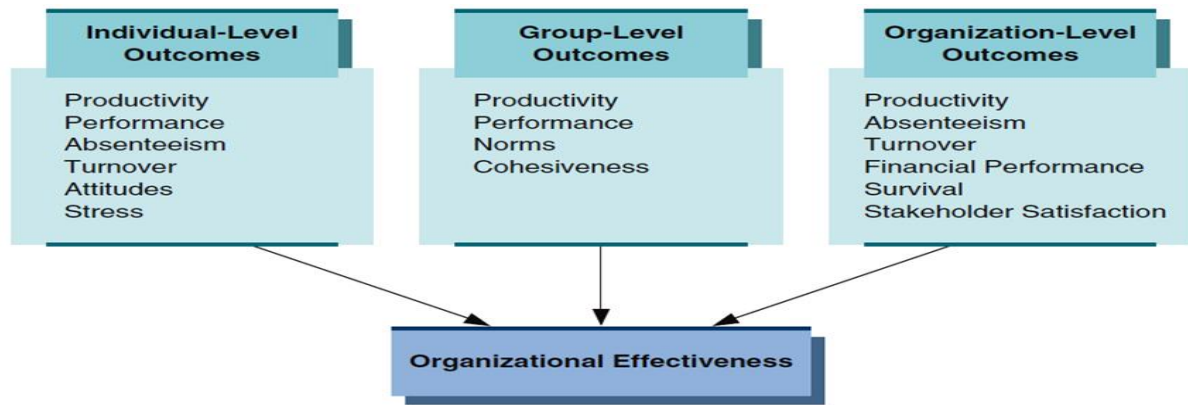
Ethics can also define an organization's social responsibility, moral responsibility toward individuals or groups outside the organization that are directly affected by its actions. Different organizations have different views about social responsibility. Being socially responsible means performing any action as long as it is legal. Others do more than law requires and work to advance the well-being of their employees, customers, and society in general. All organizations need codes of conduct that spell out fair and equitable behavior to avoid doing harm.

Ethical dilemmas occur in relationships with:

- Superiors.
- Subordinates.
- Customers.
- Competitors.
- Suppliers
- Regulators

Organizational Effectiveness:

- Organizational Performance
  o A measure of how efficiently and effectively managers are using organizational resources to satisfy customers and achieve goals.
- Efficiency
  o A measure of how well or productively resources are used to achieve a goal. Seeks to minimize resource costs.
- Effectiveness

  o A measure of the appropriateness of the goals an organization is pursuing and the degree to which they are achieved. Goal attainment.

Individual-Level Outcomes	Group-Level Outcomes	Organization-Level Outcomes
Productivity	Productivity	Productivity
Performance	Performance	Absenteeism
Absenteeism	Norms	Turnover
Turnover	Cohesiveness	Financial Performance
Attitudes		Survival
Stress		Stakeholder Satisfaction

Organizational Effectiveness

Conclusion : OB's goal is to understand and predict human behavior in organizations. **Both managers and employees must learn to cope with temporariness.** Managers need an understanding of organizational behavior because a large part of their job has to do with exactly that. Much of what a manager does has to do with trying to get people to work as effectively as possible. It can involve trying to motivate an individual worker or it can involve trying to understand how to get workers who are part of a team to interact with one another in such a way that they are able to work more efficiently and effectively.

The international economy has taken on added importance in organizational behavior circles in recent years, as international companies have special requirements and dynamics to contend with. Researchers currently are studying such things as communications between and among foreign business operations, cultural differences and their impact on individuals, language difficulties, motivation techniques in different cultures, as well as the differences in leadership and decision-making practices from country to country.

Today, organizational behavior scientists are dealing with a wide range of problems confronting the business world. For instance, they continue to study downsizing, career development in the global economy, social issues such as substance abuse and changes in family composition, and the global economy. They are trying to determine just what effects such factors are having on the workplace and what can be done to alleviate associated problems.

Chapter 2
PERSONALITY

The term personality has been derived from Latin word *"personnare"* which means to speak through. Personality is traditionally refers to how people influence others through their external appearances.**Gorden Allport** defines "Personality is the dynamic organization within an individual of those psychological systems that determine his unique adjustment to his environment".

Personality is a complex, multi-dimensional construct and there is no simple definition of what personality is. Maddi defines personality as, "A stable set of characteristics and tendencies that determine those commonalities and differences in the psychological behavior and that may not be easily understood as the sole result of the social and biological pressures of the moment".From the above definition we can infer that all individuals have some universally common characteristics.

People tend to have a general notion that personality refers to a personal appearance with charming smile, or outlook. But psychologists view the concept as dynamic in nature concerned with growth and development of a person's whole psychological system.

Personality can be defined as the consistent psychological patterns within an individual that affect the way they interact with others and the situations they encounter. Personality is defined as relatively stable and enduring characteristics that determine our thoughts, feelings and behavior. Personality is a complex phenomenon and there are various perspectives of personality construct.

Some personality theorists stress the need of identifying person-situation as interaction. This is equivalent to recognizing the social learning aspects related to personality. Such a social learning analysis is one of the most comprehensive and meaningful ways included in the overall study of organizational behavior. From this perspective, personality means the way people affect others. It also involves people's understanding themselves, as well as their pattern of inner and outer measurable traits, and the person and situation interaction. People affect others depending primarily upon their external appearance such as height, weight, facial features, color and other physical aspects and traits.

Personality"Relatively stable pattern of behaviours and consistent internal states that explain a person's behavioural tendencies"
1. The sum total of ways in which an individual reacts and interacts with others.
2. Mean how people affect others and how they understand and view themselves, as well as thei rpattern of inner and outer measurable traits and *Person-situation interaction.*

Personality traits

Personality traits are very important in organizational behavior. In particular, fivepersonality traits especially related to job performance have recently emerged from research which is called as BIG FIVE MODEL

Characteristics of these traits can be summarized as follows:

1. *Extroversion:* Sociable, talkative and assertive.
2. *Agreeableness:* Good-natured, cooperative and trusting.
3. *Conscientiousness:* Responsible, dependable, persistent and achievement-oriented.
4. *Emotional Stability:* Viewed from a negative standpoint such as tense, insecure andnervous.
5. *Openness to Experience:* Imaginative, artistically sensitive and intellectual.

1. Extroversion

Refers to the tendency to be sociable, friendly, and expressive. Extraversion, or **positive affectivity**, isone of the Big Five personality traits, and describes the predisposition of individuals to experience positiveemotional states and feel good about themselves and the world. Extroverts are more sociable, affectionate, andfriendly than introverts and experience higher levels of job satisfaction.

2. Emotional Stability

Refers to the tendency to experience positive emotional states. Another Big Five trait, **neuroticism**, or**negative affectivity**, refers to people's dispositions to experience negative emotional states, feel distressed,and view the world around them negatively. They may play devil's advocate in an organization, pointing out problems with a proposed course of action. Individuals high on neuroticism often experience negative moods,feel stressed, and have a negative orientation at work. They are more critical of their own performance, atendency that drives them to make improvements and excel in critical thinking and evaluation. In groupdecision making, these individuals exert a sobering influence by pointing out the negative aspects of adecision.

3. Agreeableness

Being courteous, forgiving, tolerant, trusting, and self-hearted. **Agreeableness** is a Big Five trait capturingthe distinction between individuals who get along well with others and those who do not. Individuals high inagreeableness are caring, affectionate, and likable, whereas individuals low in this dimension are antagonistic,mistrustful, unsympathetic, and uncooperative. Agreeableness is likely to contribute to being a team playerand is helpful in fostering good working relationships.

4. Conscientiousness

Is exhibited by those who are described as dependable, organized, and responsible. The Big Five trait of conscientiousness refers to the extent to which an individual is careful, scrupulous, and persevering. Individuals high on this dimension are organized and self-disciplined, whereas

individuals low in conscientiousness may lack direction and self-discipline. Conscientiousness has been found to be a good predictor of performance in many jobs in a wide variety of organizations.

5. Openness to Experience

Reflects the extent to which an individual has broad interests and is willing to be a risk-taker. Openness to experience is a trait that refers to the extent to which an individual is original, is open to a wide variety of stimuli, has broad interests, and is willing to take risks, rather than being narrow-minded or cautious. For openness to experience to be translated into creative and innovative behavior in organizations, the organization must remove obstacles to innovation.

Identifying the above "big five" traits related to performance reveals that personality plays animportant role in organizational behavior. Besides physical appearance and personality traits, theaspects of personality concerned with the self-concept such as self-esteem and self-efficacy and theperson-situation interaction also play important roles.

Determinants of Personality

Peoples are very complex. They have different ability and interest. Personality is influenced by fourmajor factors as:

1. Cultural factors

Culture largely determines what a person is and what a person will learn. Culture is the complex ofthe believes, values and techniques for dealing with the environment which are shared with thecontemporaries and transmitted by one generation to the next. Norms, attitude, moral values,

introducing and accepting changes etc will influence the personality.

2. Family

Family is an important factor in shaping personality of an individual. The impact of these factorson the personality can be understood identification process. Identification starts when a personbegins to identify himself with some other members of the family. Normally child tries to behave

like father or mother.Home environment, family background, social class, parent education level, race, familyrelationship, geographical location, birth order, number of members in family etc will determinethe personality development of an individual

3. Situational factors

Situation extends an important press on individual. Every individual goes through different types

of experience and events in his life. Some will influence his behaviour and some will change and

modify his behaviour. Example: A trauma suffered by a person, especially sex assault, affects his later life also.Timid/shy person performs his heroic acts in certain life saving situation, without caring for hisown safety.

4. Social factors

Socialization is a process by which an infant acquires from the enormously wide range ofbehavioral potentialities that are open to him at birth or customarily acceptable to the family and

social groups. The contribution of family and social group in combination with the culture is knownas socialization. It initially starts with the contact with the mother and later on the other membersof the family, schoolmates, friends, and then colleagues at workspace and so on. An individual hasto accept the norms of the society in which he exists.

Personality Determinants

There are several factors that determine the formation or shaping of our personality. Among them the three major factors are: Heredity, Environment and Situation.

Heredity

The genetic components inherited from our parents at the time of conception determine strongly the personality characteristics of an individual. The color, height, physical statutory, facial attractiveness, gender, temperament, muscle composition, inheritable diseases etcare considered to be inherited from our parents.

Research studies conducted on identical twins that were reared in different places, temperament of young children, longitudinal studies on the job satisfaction of employees over long period of time and across different situation reveal that the heredity plays a substantial role in determining the behavior of individuals. If all personality characteristics were completely dictated by heredity, they would be fixed at birth and no amounts of experience could alter them.

Environment

The culture in which people are brought up in their lives and they type of socialization process such as family's child rearing practices, socio economic status of the family, number of children in a family, birth order, education of the parents, friends and peer group pressures, religious practices, the type of schooling and recreational activities, pastime behavior etc play a critical role in shaping our personalities.

For example, our parents mould the character of all children, almost from birth by expressing and expecting their children to conform to their own values through role modeling and through various reinforcement strategies such as rewards and punishments. Research studies reveal that the birth order – the difference between first born children and later born children determine certain key personality characteristics, that is, first born tend to exhibit more ambitious, and hard working, more cooperative, more prone to guilt and anxiety and less openly aggressive.

Both the heredity and environment are equally important in determining personality characteristics of an individual. Heredity sets the parameters or outer limits, but a person's full potential will be determined by how well he or she adjusts to the demands and requirements of the environment.

Situation

The type of specific situation which a person encounters also equally shapes the type of personality characteristics. For example, an individual's exposure to a job interview and the type of experiences encountered during that time will shape certain personality characteristics. Similarly, going for a picnic with friends and encountering the type of experiences whether pleasant and unpleasant will shape the personality characteristics of individuals.

Personality Traits Relevant to Work Behavior

Locus of Control
Internal Locus of Control :Locus of control is the degree to which an individual believes that his or her behavior has direct
impact on the consequences of that behavior. Some people, for example, believe that if they work hard they will certainly succeed. They, strongly believe that each individual is in control of his or her life. They are said to have an internal locus of control.
External Locus of Control :By contrast, some people think that what happens to them is a result of fate, chance, luck or the behavior of other people, rather than the lack of skills or poor performance on their part. Because- these individuals think that forces beyond their control dictate the happenings around them, they are said to have an external locus of control.
Risk Propensity
Risk-propensity is the decree to which an individual is willing to take chances and make riskydecisions. A manager with a **high-risk propensity** might be expected to experiment with new ideasand to lead the organization in new directions. In contrast, a manager with **low risk propensity**might lead to a stagnant and overly conservative organization.

Authoritarianism and Dogmatism

Authoritarianism is the extent to which an individual believes that power and status differences areimportant within' hierarchical social systems like organizations. For example, an employee who ishighly authoritarian may accept directives or orders from his superior without much questioning. Aperson who is not highly authoritarian might agree to carry out appropriate and reasonabledirectives from his boss. But he may also raise questions, express disagreement and even refuse tocarry out requests if they arc for some reason objectionable.

Dogmatism is the rigidity of a person's beliefs and his or her openness to other viewpoints.The popular terms 'close-minded' and 'open-minded' describe people who are more and less.dogmatic in their beliefs respectively. For example, a manager may be unwilling to listen to a newidea related to doing something more efficiently. He is said to be a person who is close-minded orhighly dogmatic. A manager who is very receptive to hearing about and trying out new ideas in thesame circumstances might be seen as more open-minded or less dogmatic. Dogmatism can be eitherbeneficial or detrimental to organizations, but given the degree of change in the nature oforganizations and their environments, individuals who are, not dogmatic are most likely to beuseful and productive organizational members.

Type A and B Personalities

Type A individuals have an intense desire toachieve, are extremely competitive, have a sense of urgency, are impatient, and can be hostile. AType A personality is "aggressively involved in achronic, incessant struggle to achieve more andmore in less and less time, and, if required to do

so, against the opposing efforts of other things or other persons.'' They are always moving, walking, andeating rapidly, are impatient with the rate at which most events take place, are doing do two or more things atonce and cannot cope with leisure time. They are obsessed with numbers, measuring their success in terms ofhow many or how much of everything they acquire.

Type B individuals are more relaxed and easygoing. Type A individuals may get a lot accomplished inorganizations, but they also are more easily frustrated, more involved in more conflicts, and more likely todevelop coronary heart disease than Type B individuals. Type Bs never suffers from a sense of timeurgency with its accompanying impatience and feels no need to display or discuss either theirachievements or accomplishments unless such exposure is demanded by the situation.

Self-Monitoring

Self-monitoring refers to the extent towhich people try to control the waythey present themselves to others. Individuals high on self-monitoring behave in a socially acceptable manner. They excel at managing other people's impressions of them.

Low self-monitors are insensitive to cuesconcerning appropriate behavior and are not concerned about what others think of their behavior.

High self-monitorsinteract well with different types of people; low self-monitors provide open, honest feedback.

Sources of self-efficacy

- Prior experiences and prior success
- Behavior models (observing success)
- Persuasion
- Assessment of current physical & emotional capabilities

Self-Esteem
Self-esteem is the extent to which people have pride in themselves and their capabilities. Individuals with highself-esteem believe in their abilities and tend to set higher goals and perform more difficult tasks, whereasindividuals with low self-esteem are full of self-doubt and apprehension. Still, people with low self-esteem maybe just as capable as those with high self-esteem.

Conclusion:

Personality plays a key role in organizational behavior because the way that people think, feel, and behave affects many aspects of the workplace. People's personalities influence their behavior in groups, their attitudes, and the way they make decisions. Interpersonal skills hugely affect the way that people act and react to things during work. In the workplace, personality also affects such things as motivation, leadership, performance, and conflict. The more that managers understand how personality in organizational behavior works, the better equipped they are to be effective and accomplish their goals. Since personality of an individual plays a crucial role in shaping an organization, several methods have been evolved to measure personality. Most organizational behavior strategies are eventually meant to optimally utilize the capabilities of individuals and groups towards achievement of organizational objectives.

Throughout any organization, different roles require different skill sets and aptitudes, which are tied to personality. Organizations are recognizing more and more the importance of personality when looking for candidates to fill job openings. Information and skills can be learned, whereas personality is ingrained and harder to change. Matching the right personality, along with the right skills, to each job improves your chance of success.

Chapter 3

PERCEPTION

The motive of the lesson is to highlight the meaning, components and factors influencing the perception.

STRUCTURE:

1. Introduction
2. Definition of Perception
3. Components of Perception
4. Perception Models
5. Factors Influencing the Perception Process
6. Summary

INTRODUCTION

Perception can be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. Perception is not just what one sees with eyes. It is a much more complex process by which an individual selectively absorbs or assimilates the stimuli in the environment, cognitively organizes the perceived information in a specific fashion and then interprets the information to make an assessment about what people select, organize, and interpret or attach meaning to events happening in the environment. Since perception is subjective process, different people may perceive the same environment differently based on what particular aspects of the situation they choose.

The psychological processes that allow an individual to adjust his behaviour are called perception. The behaviour of an individual is inclined by his personality, motives and efforts. The behaviour and performance provides satisfaction to the employees who get stimulated to work more and develop his personality and work quality.

DEFINITION OF PERCEPTION

Perception may be defined as "a cognitive process by which people attend to incoming stimuli, organize and interpret such stimuli into behaviour". Perception can also be defined as "a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment".

The environment is a stimulus to influence behaviour, because the stimuli are attended, organised and interpreted to arrive at certain forms of behaviour. The sensory organs, i.e. eyes, nose, ears, skin and tongue, are used to change the stimuli into behaviour through their attention, recognition and interpretation processes. Individuals do not accept the information or stimuli unless they are evaluated and interpreted by the mental processing system.
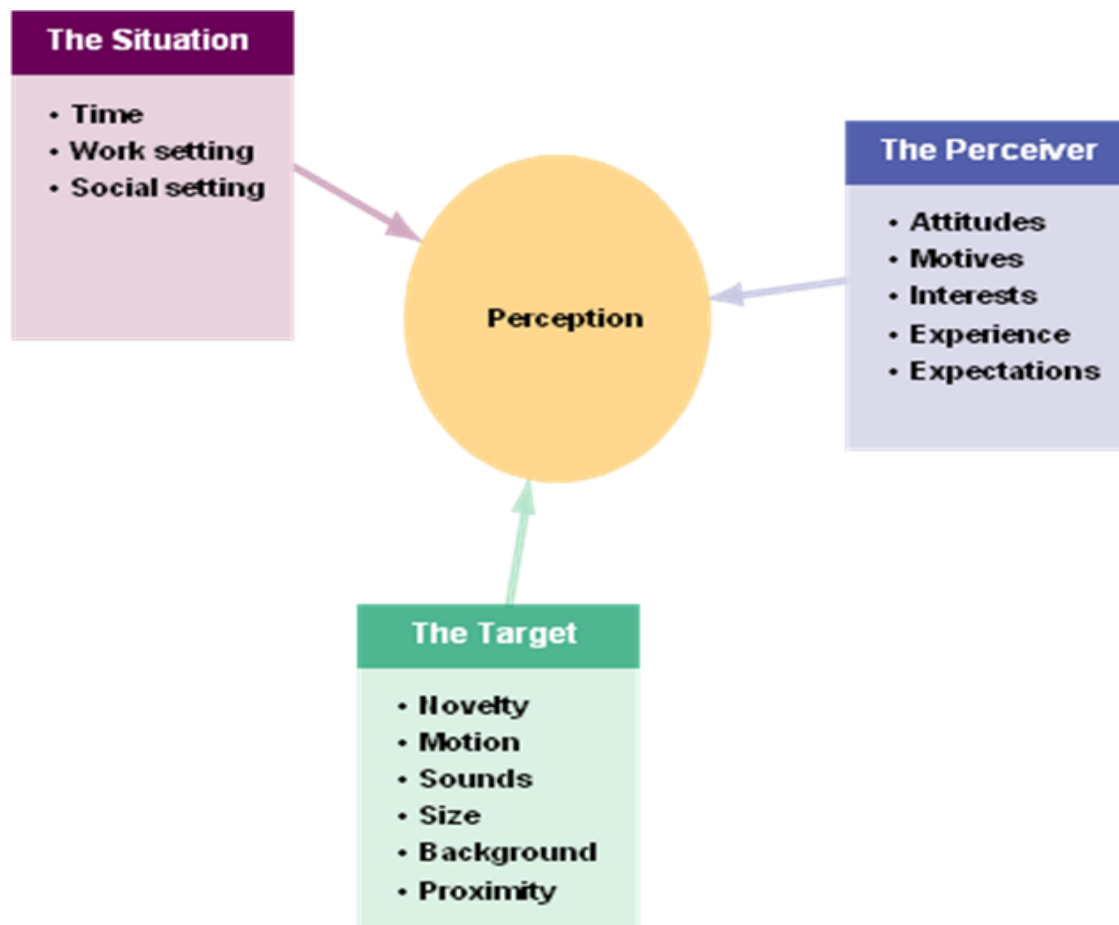
Factors That Influence Perception

Target   Perceiver   Situation

The Situation
- Time
- Work setting
- Social setting

The Perceiver
- Attitudes
- Motives
- Interests
- Experience
- Expectations

Perception

The Target
- Novelty
- Motion
- Sounds
- Size
- Background
- Proximity

Individuals attend to the stimuli, recognize and translate them into meaningful information, which inspire them to act and perform the job. These processes are known as perpetual process. When employees get satisfaction through their performance, either by meeting their physical or mental needs, they perceive the organisation in the right perspective. It helps them understand the functions and achieve satisfaction.

COMPONENTS OF PERCEPTION

Perception is a process of sensory organs. The mind gets information through the five sense organs, viz. the eyes, ears, nose, tongue and skin. The stimulation coming to these organs may be through action, written messages, oral communication, odour, taste, touch of the product and people. The perception starts with the awareness of these stimuli. Recognizing these stimuli takes place only after paying attention to them. These messages are then translated into action and behaviour.

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. Intuitions and hunches are known as the sixth sense.

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. The human body itself is developed through the acceptance of the stimuli. The mind and soul are the victims of these stimuli occurring in the surroundings of the people. The family, social and the economic environment are important stimuli for the people.

The physiological and psychological functions are the result of these stimuli. The intensive and extensive forms of stimuli have a greater impact on the sensory organs. The physical work environment, socio- cultural environment and other factors have certain stimuli to influence the employee's perception. In all, the perception begins only when people deal with stimuli; that is, stimulating factors give information about the situation.

Attention: People selectively attend to stimuli. 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.

The management has to find out suitable stimuli, which can appeal to the employees at the maximum level. If the attention of the employees is not drawn, the organisation cannot expect proper behaviour from the employees. An organisation should be aware of all those factors, which affect the attention of the employees. During the attention process, sensory and neural mechanisms are affected and the message receiver becomes involved in understanding the stimuli. Taking employees to the attention stage is essential in an organisation for making them behave in a systematic and required order.

Recognition: After paying attention to the stimuli, the employees try to recognize whether the stimuli are worth realizing. The messages or incoming stimuli are recognised before they are transmitted into behaviour. Perception is a two-phase activity, i.e. receiving stimuli and translating the stimuli into action. However, before the stage of translation, the stimuli must be recognised by the individual.

The recognition process is dependent on mental acceptability. For example, if a car driver suddenly sees a child in front of his running car, he stops the car. He recognizes the stimuli, i.e. the life of the child is in danger. His mental process recognizes the danger after paying attention to the stimuli. If he does not pay attention to the stimuli, he cannot recognize the danger. After recognizing the stimuli, he translates the message into behaviour.

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 recognizing 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. The conversion is translation.

The management in an organisation has to consider the various processes of translating the message into action. The employees should be assisted to translate the stimuli into action. For example, the announcement of bonus should be recognised as a stimulus for increasing production. The employee should translate it into appropriate behaviour. In other words, they should be motivated by the management to increase productivity. During the translation period, psychological mechanism commonly known as sensory and mental organs is affected. They influence perception. The incoming stimuli are interpreted and perception is developed.

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. The psychological feedback that may influence the perception of an employee may be superior behaviour, his eye movement, raising of an eyebrow, the tone of voice, etc.

The behaviour of employees depends on perception, which is visible in the form of action, reaction or other behaviour. The behavioural termination of perception may be overt or covert. The overt behaviour of perception is witnessed in the form of physical activities of the employees and covert behaviour is observed in the form of mental evaluation and self-esteem.

The perception behaviour is the result of the cognitive process of the stimulus, which may be a message, or an action situation of management function. Perception is reflected in behaviour, which is visible in different forms of employees' action and motivation.
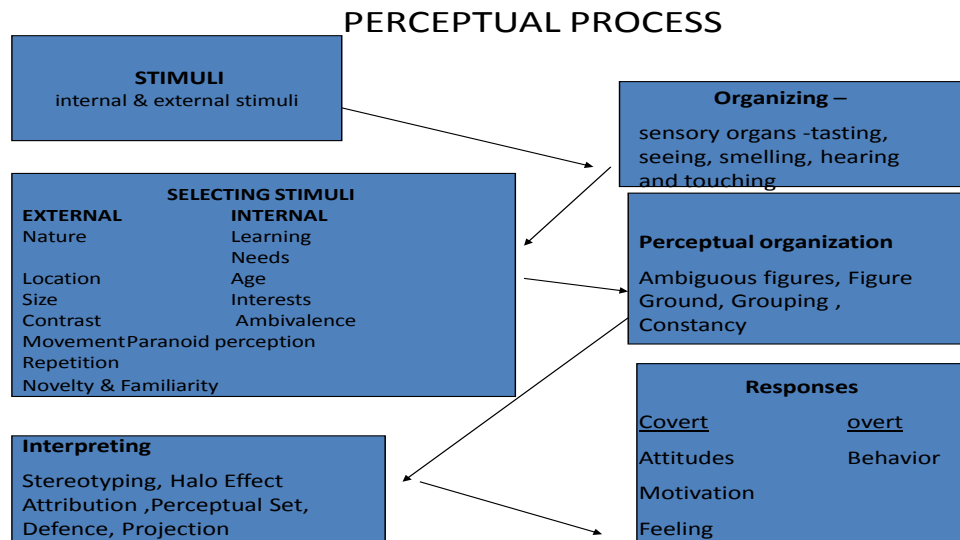
Performance: Proper behaviour leads to higher performance. High performers become a source of stimuli and motivation to other employees. A performance-reward relationship is established to motivate people.

Satisfaction: High performance gives more satisfaction. The level of satisfaction is calculated with the difference in performance and expectation. If the performance is more than the expectation, people are delighted, but when performance is equal to expectation, it results in satisfaction. On the other hand, if performance is less than the expectation, people become frustrated and this requires a more appealing form of stimulus for developing proper employee work behaviour and high performance.

It is essential to understand the factors that influence the perception process and mould employees' behaviour towards the corporate objectives and self-satisfaction. Individuals observe several stimuli everyday. They confront these stimuli, notice and register them in their minds, interpret them and behave according to their background and understanding. Employees confronted with stimuli select only a few stimuli of their choice and leave other stimuli unattended and unrecognized. Factors influencing the selective process may be external as well as internal, organizational structures, social systems and characteristics of the perceiver.

Factors Influencing the Perception Process –

There is no doubt that stimuli play a significant role in the perception process as various factors relating to the perception process have been noticed by behavioural experts. The factors influencing perceptions are the perceiver's characteristics, object and situations. However, they can be analyzed under specific heads such as the perceiver's characteristics, personal factors, internal factors, organizational structures and social conditions.

PERCEPTUAL PROCESS

STIMULI		Organizing –
internal & external stimuli		sensory organs -tasting, seeing, smelling, hearing and touching

SELECTING STIMULI

EXTERNAL	INTERNAL
Nature	Learning
	Needs
Location	Age
Size	Interests
Contrast	Ambivalence
MovementParanoid perception	
Repetition	
Novelty & Familiarity	

Perceptual organization

Ambiguous figures, Figure Ground, Grouping , Constancy

Responses

Covert	overt
Attitudes	Behavior
Motivation	
Feeling	

Interpreting

Stereotyping, Halo Effect Attribution ,Perceptual Set, Defence, Projection

Perceiver's Characteristics

Perception depends on how an individual views the objects and situations. Some employees may perceive the workplace as incorporating favourable working conditions, while others may perceive it as a place of good pay.

The perception is not actual reality, but it is the viewing of the reality, which differs from person to person according to their respective characteristics. Perceptions of the object are influenced not only by individual's characteristics but also by the characteristics of other employees, the manager's personality and employee's views from their perception of the workplace. The characteristics of employees, viz. attitude, motives, interests, habits, experience, expectations, learning and personality have a greater influence on perception formation.

Attitude: The attitude and aptitude of employees influence perception formation. If they have positive attitudes towards the management, they directly perceive the stimuli given by management. In case of negative attitudes, the employees suspect the management's approach. Employees of high aptitude have a desire and attitude for growth. They behave positively towards the management of an organization.

Motives: The motives and desires of employees cause them to view stimuli differently as per their level and angle. Helpful motives of the employees will always assist the management. If they desire to develop themselves and the organisation, they will perceive objects and situations positively. Employees having low motives will not work sincerely. The perception will differ depending on different types of motives. An indecisive manager perceives his supervisors differently. Personal insecurity of a manager results in doubtful

perception about his supervisors, irrespective of their intentions. People who are dubious are prone to see others as dubious persons. Motives are reflected in actions based on perception.

Interest: The interest of individuals draws more attention and recognition to stimuli. Less attention and recognition lowers the impact of stimuli or objects on behaviour. If employees lack interest, behaviour pattern will be less effective, and the perception will be weak. Managers cannot influence the employees in their work culture. Since individual interests vary from person to person, the perception is also different. However, the management tries to create interest among the employees to have higher perception of the organisation.

Habits: Habits die-hard and therefore individuals perceive objects, situations and conditions differently according to their habits. Many employees learn quickly. Others are slow in perceiving a stimulus. Some employees are not bothered about the management. They do not perceive the object correctly. Some people work by smoking or chewing pan. Thus, the habits of people have different perception levels.

Experiences: The experience of employees' result in different levels of perception. A young employee takes time to understand the object and situation. Experienced employees generally understand objects quickly and correctly. However, in contradictory situations, it is difficult to correct aged persons, whereas the young are easily moulded towards achieving the objectives of the organisation.

Expectation: Expectations distort the perceptions. People see what they expect to see. If they see the object and the situation differently from their expectations, they get frustrated. They are unable to modify their behaviour. The employees may expect more inclination towards them positively in terms of payments and fringe benefits; therefore, they perceive the management from that angle. The real stimuli are not properly perceived if expectations exist there on. The management has to evolve expectations for proper perception.

Learning: Learning levels of employees have a great impact on their perceptions. It is an important factor influencing perception formation. Educated persons have higher perceptions than the less educated persons. Attitudes are developed according to the learning levels.

Personality: Personality has different levels of perception. The personality of a perceiving person considerably affects the stimuli transformation behaviour process. Young people perceive objects and situations in the original form. Experienced persons perceive the objects as per their personality levels. Perception influences learning, which is a developing factor of personality. The personality has a wider impact on the perception process too. Persons can view objects and situations as per their personality levels. The age, sex, motivation, learning levels, etc. influence perception.

External Factors

The perception process is influenced by external factors, which may be objects and situations. The external points related to objects and situations have great influence on the perception process. The external factors may be the size, interest, contrast, repetition, motion, familiarity, novelty and others.

Size: The size of the object or stimulus has a greater impact on the perception process because the size influences attention and recognition in a more effective manner. Employees are greatly influenced by tall and well-built managers as compared to the normal-sized individuals. The engineering department pays more attention to big and, attractive machines; Big-sized objects have a natural attraction and get more attention.

Intensity: Scholars on human behaviour have revealed that the more intense the stimuli, the higher the attention and recognition in the perception process. A strong voiced manager has more impact on supervisors and employees. It is observed that managers use voice modulation to get the attention of employees. Bright letters and strong appeal have more impact on people than normal letters and low appeal. More attention results in a higher recognition and behaviour pattern. The intensity varies as per the needs of the organisation. The same type of intensity may not be useful for all the situations and objects.

Contrast: Contrasting objects have more impact on behaviour. Employees pay more attention and recognition to contrasting objects and situations. Machines making noises are hardly noticed, but a machine coming to a halt is immediately noticed, because of contrast stimuli. Normal communication and performance have less impact than abnormal and contrast communication. The purpose of contrast stimuli is to attract more attention and recognition. However, if the contrast is not helpful in drawing more attention, it should be avoided and more attention-drawing stimuli should be exercised for gaining a real perception of work behaviour.

Repetition: Repeated stimuli have more impact on performances than a single statement. Repetition has the advantage of being attention-catching. When stimuli are waning, repetition generates fresh attention and recognition. Supervisors repeat orders several times to have them followed by employees.

Motion: People pay more attention to the moving objects than to stationary objects. This is just the impact of eyes on the mind. Workers are more attentive towards working machines than stationary machines. The video films of some training programmes create more of an impact on employees than others.

Familiarity: Employees would like to hear and see those programmes with which they are familiar. Training programmes demonstrated in the language of the employees are highly

attended and recognised. Examples, which are known and easily understood, are used for motivating employees.

Novelty: Novel actions 'get more attention. New ideas and model preaching will draw the attention of the perceiver. Changing jobs reduce monotony. Novel objects and situations are recognised clearly by the perceivers.

Situations: Situations have a great influence on people's perceptions. A favourable work environment develops a positive attitude and work culture because the perception process is easily channelized and rightly directed. The management style and functioning of the organisation influences the employee's mental state through attention and recognition. Work relations also have some impact on perception forces.

Objects: Objects are external factors influencing the perceiver because he has no control over them. The physical and internal attributes of objects are influencing factors of perception. The physical and time proximity, complex nature of objects, presentation of messages and the territorial approach of the management have great impact on the perception.

Internal Factors

Internal factors are within the personal control of the perceivers. They use these factors when they so desire. They are based on the individual's psychological setup, economic and social background, learning, personality and motivation.

Psychological setup: Factors such as attitude, interest, preferences, likings and other psychological bent of mind distort the perception process. People perceive what they like to perceive because of their attitudinal and mental approaches. These factors are the outcome of not only the self-factors of the individuals but their actions and interaction with other people. People working with employees do help in the foundation of the psychological setup. One person's problem may be another person's satisfaction. For example, giving a higher bonus is a state of satisfaction to employees, but becomes a problem for managers.

Economic and Social background: The employee perceptions are based on economic and social backgrounds. The employee's level of understanding depends upon their economic and social backgrounds. Socially and economically developed employees have a more positive attitude towards development rather than less developed employees. However, developed employees are prone to decision-oriented functions. Conflicts between managers and employees will increase in this case. The problems can be resolved only through proper perception processes.

Learning: The state of learning influences the perception process. Highly educated persons can easily and rightly perceive the management's problem. They cooperate in problem solution. On the contrary, less educated employees are less concerned about the management. They perceive the management as a separate and superior part of the organisation, who tend to exploit the labour, irrespective of the reality. People perceive as per their levels of learning. It is therefore essential for the organisation to make its employees knowledgeable and educated for their effective performance and behaviour. The learning of managers and workers is a twin requirement.

Personality: The personality of the perceiver as well as the stimulator has an impact on the perception process. The age, sex, race, dress, facial expressions and body postures of both the persons have a direct influence on the perception process. If the perceiver is female and the stimulator is male, the perceiver gets some influences only if she prefers males. Otherwise, the perception process will be disturbed. The ethnic personalities have some influence on perception. Physical and mental characteristics, work pattern and age similarities affect the perception process.

Motivation: The pattern of motivation in an organisation helps to develop perception building. Motivated people have the right perceptions about the stimuli, whereas the loco-profiled workers are doubtful about the message given by the management for the development. The approach of the female managers to problems is given more attention and recognition. Motivational theories have revealed the perception processes of particular categories of employees. Attention is drawn towards their needs, satisfaction and achievement desires. The mental state of motivational desire influences the perception process. Stimuli based on external factors receive varied degrees of attention and recognition. Internal factors, i.e. factors related to employees and managers, have different degrees of impact on the attention and recognition process while being translated into behaviour, which results in performance.

Organizational Structure

The perceptual process is influenced by the organizational structure and process. The perceptual structure, perceptual grouping, constancy, context, defence, workplace and process have been recognised as important factors influencing the perceptual process.

Perceptual structure: The organizational structure influences the perception of employees and other people related to the organisation. The departmentalization, decentralization, delegation of authority and other structural frameworks have important bearings in the mind of employees. An adequate amount of decentralization makes employees feel that the organisation is welfare-oriented. Similarly, too much centralization gives rise to the feeling of suspicion in the minds of employees. Structure itself becomes a flowchart of perception.

Work relations and the decision- making authority provide an important understanding of organizational perception. If the employees view the structure positively, they willingly contribute to the development of the organisation.

Perceptual grouping: The manager generally groups all the stimuli together to influence the employees. The grouping is done based on closure, continuity, similarity and proximity. The closure doctrine of grouping is based on the Gestalt Principle of psychology wherein the individuals perceive the whole object although the whole unit does not exist. For example, the manager perceives that all the members cooperate with him in achieving computerization, whereas some members really oppose mechanization. The manager tries to close the disagreement and maintains uniformity in agreement for mechanization. On the other hand, if the members do not withdraw their disagreement, they observe their individual perceptions. The continuity principle emphasizes that the stimuli should continue to make an impact on the perceiver.

Discreet stimuli may however distort the perception process. The continuity principle is different from the closure principle as missing stimuli are applied in the latter case, whereas a continuous link is maintained in the former case. It is observed that only continuous and related stimuli are easily attended and recognised. The obvious and continuous flow of stimuli may produce the desired behaviour. The similarity principle assumes that similar stimuli are easily attended, recognised and perceived. The similarity has its own impact on the employees. For example, employees wearing special clothes at the workplace automatically carry the message of the organisation. Similarity in age, sex, education and other characteristics have a direct impact on the employee's perception. The proximity principle refers to the grouping of the segments into one unit.

Nearness of stimuli will be perceived as wholesome for the group. All the stimuli are considered one because of physical proximity. For example, all the employees in one-cadre will be considered as one group which is stimulated by the proximity of stimuli. Departmental employees are considered as single group employees because of proximity. They are motivated on the basis of proximity stimuli.

Perceptual constancy: Perceptual constancy plays an important role in the perception process. The stability and unchangeability of objects help in the constant perception process of people. The constancy of stimuli helps in easy perception because people become accustomed to the stimuli. The size, shape, place and colour of objects and situation are easily observed if they are constant. Constant stimuli make the perception process easy and effective.

Perceptual context: The context of the stimuli with reference to objects and situations has a meaningful impact on the perceiver. If the perceiver has the confidence that the stimuli are

relevant to their work and awards, they may pay more attention to the perception process, policies and objectives relevant to employees. Welfare is paid more attention. Verbal communication in the relevant context is given more perceptual consideration.

Perceptual defence: The defensive role of the management is well recognised by the employees. There are many areas where employees develop conflicts, which are resolved by the management. Such functions, which provide defence to conflicting views, are given more importance by employees. People like to defend their professions, work and work relations, if they are satisfied. On the contrary, dissatisfied workers criticize their own work and workplace. Many workers perceive conflicts as not being very serious. They only perceive conflicts as casual and to be expected, without any significant features. Some employees however find conflicts alarming. They react to warning signs and perceive the situation differently. Managers can find different perceptions for their actions because they view the situation from the angle of defence.

Perceptual workplace: The perceptual process is affected by the workplace too. The climate temperature, noise, smoke and other factors have a direct bearing on the perception and psychological traits of employees. Consequently, the perceptual process is different for different employees. Some employees develop a positive perception while others develop a negative perception of the workplace. All employees perceive the same situation and object differently because of the varied nature of their workplace.

Perceptual process: The relationship between employees and managers is crucial in the perceptual process. Employees may perceive a low output with pleasure to influence their supervisor. The management has a different perception of performance and evaluation. Some may perceive a self-fulfilling prophecy by the management, when they have too high or too low expectation from employees. High expectation inspires managers to motivate their employees positively. Managers develop subjective attitudes many times about the performance and process. Besides, the employees' efforts are also considered for performance and process valuation. During the work process, some employees are troublemakers and some are loyal. The perceptual process is an important factor for the perception process of management and employees.

Personality Characteristics: There is a strong relationship between personality factors and perception. For example, secure people tend to perceive others as warm supportive than those, who are more cold and indifferent. Similarly, self-accepting persons perceive others as lining and accepting them. Those who are not self-accepting tend to distrust others. Insecure, thoughtless or non self-accepting persons are less likely to perceive themselves and those around them accurately. In all probabilities, they are likely to distort, misinterpret or in other ways defensively perceive the situation

Characteristics of Target: The ways things are organized around us are greatly influencing the perceptual process. Some of the typical characteristics include bright color, noise; novel objects, bigger unusual size, moving objects, status, appearance, contrast, intensity, repetition etc. catch people attention. For example, an unusual noise raised by a person, a strong beam of light suddenly flashed, a very handsome, attractive person among a group of clumsy people, a red light against the black background, an unusually obese person amidst a group of slim people etc.

Organization of Target: People tend to organize the various parts of elements in the environment as a meaningful whole. Such organizing activity is a cognitive process and those are based on Gestalt Principles. The following are the four Gestalt Principles – Figure and Ground, Proximity, Similarity, Closure, Continuation.

Figure and Ground: What a person observes is dependent on how a central figure is being separated from its background. This implies that the perceived object or person or event stands out distinct from its background and occupies the cognitive space of the individual. In a dance programme, the spectators' tend to perceive the dance performance against the back ground music, backdrop setup etc. The perceiver thus tends to organize only the information which stands out in the environment which seems to be significant to the individual.

Proximity: People tend to perceive things, which are nearer to each other, as together as group rather than separately. If four or five members are standing together, we tend to assume that they are belonging to same group rather than as separately. As a result of physical proximity, we often put together objects or events or people as one group even though they are unrelated. Employees in a particular section are seen as group.

Similarity: Persons, objects or events that are similar to each other also tend to be grouped together. This organizing mechanism helps us to deal with information in an efficiently way rather than getting bogged down and confused with too many details. For examples, if we happen to see a group of foreign nationals at an International seminar, Indians are grouped as one group, British as another, Americans as yet another based on the similarity of nationalities.

Closure: In many situation, the information what we intend to get may be in bits and pieces and not fully complete in all respects. However, we tend to fill up the gaps in the missing parts and making it as meaningful whole. Such mental process of filling up the missing element is called as closure. For example, while giving promotions to the staff members, the managers will try to get full information to make an effective decision, in absence of getting complete information, managers try to make meaningful assumptions and based on that suitable decision will be made.

Social Factors

Social conditions have much influence on the perception process. Perceivers and the perceived objects have complex characteristics. They are perceived differently in different situations. The attributes of objects are important considerations influencing the selectivity process of perception. Attributes of objects, the subject, the situations and the perceiver have become so important that a separate theory known as attribution theory has been developed under the perception theory. Social factors consider how one person behaves towards the other person and how other people behave towards him. The interaction between the manager and his subordinates is considered under social factors, which include the stereotyping effect, the halo effect, contrast effect and projection.

Stereotyping effect: The perception process takes the shortest method in some cases and considers only routine effects. Stereotype judgement is based on an ideal situation or the type of impression formed about the group. It is the consideration of individual's characteristics as being representative of the whole group. If an employee is found well behaved, the whole group of employees is considered to be good. If, in an organisation, a manager is helpful, it is generalized that the organisation is very helpful and sympathetic towards employees.

It is an inductive method wherein conclusions are aggregated from individual performance; that is, it accumulates particular cases to arrive at general conclusions. Stereotyping is generalization, which has the advantages of being time saving, accurate and common. For example, assume that the management has previously found that sportsmen and athletes have been very successful workers in the factory. They were ambitious; hardworking and can easily overcome adverse situations. In future selection process, the management may appoint such sportsmen and athletes without undergoing many selection procedures. Similarly, many decisions are taken on the basis of the stereotyping effect.

The generalization may prove disastrous if it is relied on heavily without proper scrutiny and examination of individual characteristics. The most important stereotyping effects are observed in the form of age, sex, nationality and social status. The stereotyping effects under social perception consider the attributes, traits and other qualities of a member of a social organisation. These qualities are generalized as the qualities of the social organisation or group. However, there may be perceptual errors, because the generalized attributes and qualities may not be found in all the cases. Therefore, the perception process takes into consideration the amount of perceptual errors when deriving conclusions based on stereotyping effects. Favourable and unfavorable traits are always calculated and evaluated to find their impact on the behaviour or decision taken.

Stereotyping has become an important factor of social perception, which is based on ethnic groups-socio-economic groups, demographic groups and so on. The individual difference in the group is recorded to evaluate the perceptual errors in arriving at stereotyping effects. The belief factor in stereotyping effects has become an important tool to arrive at certain decisions. One can conclude that an organisation has a democratic manager. The common characteristics are the basis of belief. If a manager belongs to the said democratic organisation, one can believe that he will also have the same characteristics. The errors may be there in belief because of ignoring variations in characteristics and holding mistaken beliefs. The beliefs or stereotyping effects are modified from time to time to arrive at correct perception behaviour and decisions.

Halo effect: The halo effect occurs only when a single factor is taken for performance evaluation or perception, with the process ignoring other important considerations. For example, if an employee is considered good on one account, he is treated as good on all accounts. But, in the real field, he may not be good on every account.

The halo effect is related to the personality assessment based only on a single trait. If a manager is found to be intelligent, he is considered good for cooperation, dependability and for other purposes. The halo effect arises on account of the nuclear expression of traits, which are not frequently encountered and have moral implications. The perception process becomes deceptive if only one factor is given more importance.

If an employee possesses all desirable qualities except that of loyalty to the manager, he is not put in the same perceptual setup as the personally loyal employees, having no profession attributes and work devotion. The halo effect is an attribution. Error or perceptual error should be avoided in the perception process. The communicating authority should be well aware of the halo effect for proper motivation.

Contrast effect: Like stereotyping and halo effect, the contrast effect is another factor of social perception, i.e. perception in a group. People perceive differently in many cases. Whatever the manager emphasizes, the employees may take different views of the stimulus. For example, manager asks employees to increase productivity for getting a bonus. Employees may view this stimulus or message as the manager being bothered about his promotion. If employees develop this perception and translate it into practice, the stimulus will work against the purpose. The contrast effect is an error of social perception. Politicians generally produce a contrast effect amongst their audience. The contrast effect occurs because of doubtful relations, swift conclusions, unfavorable attitudes and so on.

Projection: Generalization leads to projection. People have the habit of projection although it may not be correct. People may project future events differently from the reality in many cases. Personal attributes, objects and situations are to be considered before projection.

However, projection may not be always incorrect. If it is properly evaluated and placed, the projection may give the correct perception. For example, if a manager is trustworthy, he may also treat his employees trustworthy. Contrary to this, many employees may not be trustworthy. Similarly, a manager who is good may not necessarily consider his employees good too. Thus, the projection process differs from person to person, place to place and object to object, and this has an ultimate impact on the perception process.

Frequently Used Shortcuts in Judging Others

• **Selective Perception**
- People selectively interpret what they see on the basis of their interest, background, experience, and attitudes.

• **Halo Effect**
- A general impression about an individual is based on a single positive characteristic.

• **Contrast Effects**
- Evaluations of a person's characteristics that are affected by comparisons with otherpeople recently encountered who rank higher or lower on the same characteristics.

• **Projection**
- Attributing one's own characteristics to other people

• **Stereotyping**
- Judging someone on the basis of the group to which he/she belongs.

SUMMARY

Behaviour is a fatality of the environment, which is observed in the form of stimuli. The sensory organs perceive the stimuli as per their learning and personality. The reverse functions are also correct. The perceptions, if modified through adequate and qualitative stimuli, help to develop learning and personality. Improved behaviour has better performance and rewards, which provide more satisfaction to the employees. A satisfied employee tries to learn and work effectively. An organisation grows with the developed employees. Perception is therefore an important and initial step for developing an organizational behaviour. It is a cognitive process, which selects, organizes and interprets the stimuli. It overlay the base for behaviour. Although, perception may not be a real-world presentation, it is an imaginary understanding of the situation. The behaviour of an individual is guided by perception. People perceive differently as per their learning and personality.

ATTITUDES

The motive of the present lesson is to understand how attitudes affect human behaviour and to identify how attitudes are developed so that mangers can affect attitudes by controlling various factors?

Structure

attitudes

Evaluative statements or judgments concerning objects, people, or events

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INTRODUCTION

It is defined as individuals' feelings like likes and dislikes, pros and cons, favorable or unfavorable, positive or negative towards various other people, objects, events or activities. These are the evaluative statements – either favorable or unfavorable towards object or people. I like coke. I do not like rock music. These are expression of attitudes towards products.

In organizations, attitudes are important because they affect job behaviors. If employees believe that supervisors, auditors, bosses , engineers are all in a conspiracy to make the employee work harder for the same or less money, then it makes sense to try understand how attitudes were formed, their relationship to actual job behavior and how they can be made more favorable.

Attitude is the major factor, which affect the behaviour of a person or an organisation. It manipulates the perception of objects and people, exposure to and comprehension of information, choice of friends, co-workers and so on. The importance of attitudes in understanding psychological phenomenon was given formal recognition early in the history

of social psychology. From the time of the concept's entry into the language of psychology until now, interest in attitudes has been strong and growing.

However, over the years attitudes have been studied with differing emphases and methods. For example, between the period of 1920s and up to World War II the attention of attitude researchers was directed principally towards definitional issues and attitude measurement.

In addition, there were studies concerned with relationship of attitudes to some social variables. World War II brought with it a growing concern about the place of the attitude concept in understanding prejudice, particularly anti-Semitism. This period also brought the measurement of attitudes and opinions concerning various facts of soldiering and war. After the war, the subject of attitudes was taken up by academicians, particularly in the context of attitude change. Till now, the researchers have developed a loosely structured theoretical framework formulating the psychological processes underlying attitude change and the direct application of the study of attitudes to contemporary social problems.

Meaning and Concept of Attitudes

Attitudes may be defined in two ways conceptual and operational. Even there is a quite difference in the conceptual definition of the term attitude. The term attitude first entered in the field of social phenomenon, it was natural to conceive of attitude as a tendency, set, or readiness to respond to some social objects.

Some authors define attitude as a mental and neural state of readiness, organised through experience, exerting directive or dynamic influence upon the individual's response to all objects and situations with which it is related. From this point of view, attitude implies a heightened responsiveness to certain stimuli. Many researchers have defined attitude in terms of effect and evaluation. For example, Krech and Crutchfield define attitude as an enduring organisation of motivational, emotional, perceptual, and cognitive processes with respect to some aspect of the individual's world. Thus, attitudes are beliefs imbued with emotional and motivational properties and are expressed in a person's favorability towards an object.

The evaluative nature of attitude is also emphasized by Katz and Scotland when they define attitude as a tendency or predisposition to evaluate an object or symbol of that object in a certain way. Evaluation consists of attributing goodness-badness or desirable-undesirable qualities to an object.

In addition to conceptual approach, there is operational approach in defining the term attitude. The concept of attitude is operationalized in a number of ways; but in most cases, studies rely on some kind of questionnaire to measure attitudes. Taking attitudes from this

point of view, only evaluative aspect of attitudes has been taken into account. For example, Fishbein has noted that most measures of attitudes tap an underlying dimension of favourability-unfavourability and, therefore, attitudes should be regarded as synonymous with evaluating meaning. Thus in practice, the term attitude often is used in a generic sense to any reports of what people think or feel or the ways in which they intend to acts.

ATTITUDE, OPINION AND BELIEF

An opinion is generally the expression of one's judgement of a particular set of facts or an evaluation of the circumstances presented to him. Thurstone defines opinions as expressions of attitudes. However, Kolasa observes that an opinion is response to a specifically limited stimulus, but the response is certainly influenced by the predisposition with which the individual is operating that is the attitude structure. Undoubtedly, attitudes are basic to opinions as well as to many other aspects of behaviour. Although attitudes tend to be generalised predisposition to react in some way towards objects or concepts, opinions tend to be focused on more specific aspects of the object or the concept. McCormick and Tiffin observe that the measurement of attitudes is generally based on the expressions of opinions. But we should distinguish between attitude scale like a thermometer or barometer, which reflects the generalized level of individuals' attitudes towards some object or concept, and opinion survey which typically are used to elicit the opinions of people toward specific aspects of, for example, their work situation.

A difference can also be made between attitude and belief. A belief is an enduring organisation of perceptions and cognitions about some aspects of individual's world. Thus belief is a hypothesis concerning the nature of objects, more particularly, concerning one's judgement of the probability regarding their nature. In this sense, belief is the cognitive component of attitude, which, reflects the manner in which an object is perceived. Kolasa observes that beliefs are stronger than opinions; we hold them more firmly than we do the more changeable evaluations of minor or transitory events represented by opinions.

ATTITUDES AND BEHAVIOUR

Individual's behaviour is not a simple and direct stimulus-response relationship; rather it is affected by the individual concerned, as is explained by S-O-B model. The work situation is interpreted by individual, and attitudes play an important part in which the situation is interpreted. Only after individual's interpretation and comparison does the response occur. This means that response expected of a purely objective and rational consideration of the work situation and its characteristics may not be the actual response of the individual. His responsedepends completely on how he interprets the situation and on his own personal attitudes towards the situation. Obviously, attitudes are an important consideration because of their central position in the process transforming work requirements into effort. Attitudes

have been thought as serving four functions and thereby affecting the behaviour, as discussed below:

Instrumental: Attitude serves as a means to reach at a desired goal or to avoid an undesired one. Instrumental attitudes are aroused by the activation of a need or cues that are associated with the attitude object and arouse favourable or unfavourable feelings.

Ego-defensive: The ego-defensive function of attitudes acknowledges the importance of psychological thought. Attitude may be required and maintained to protect the person from facing threats in the external world or from becoming aware of his own unacceptable impulses. Ego-defensive attitudes may be aroused by internal or external threat, frustrating events, appeals or to the build-up or repressed impulses, and suggestions by authoritarian sources. The attitude influences his/her behaviour by affecting his perception of the situation accordingly.

Value Orientation: The value-orientation function takes into account attitudes that are held because they express a person's values or enhance his self-identity. These attitudes arise by conditions that threaten the self- concept, appeals to reassert the person's self-image, or by cues that engage the person's values and make them salient to him.

Knowledge: The knowledge function of attitudes is based on a person's need to maintain a stable, organised and meaningful structure of the world. Attitudes that provide a standard against which a person evaluates aspects of his world serve the knowledge function too.

These functions of attitudes affect the individual's way of interpreting the information coming to him. Since attitudes intervene between work requirements and work responses, information about how people feel about their jobs can be quite useful in prediction about work response. Thus these types of attitudes can portray areas of investigation for making the individual and the organisation more compatible.

COMPONENTS OF ATTITUDE

Attitude has three components, which are as follows:
- Affective component
- Cognitive component
- Intentional component

The affective component of an attitude reflects 'feelings and emotions' that an individual has towards a situation. The cognitive component of an attitude is derived from 'knowledge' that an individual has about a situation. Finally, the intentional component of an attitude reflects how an individual 'expects to behave' towards or in the situation. For example, the different

components ofan attitude held towards a firm, which supplies inferior products and that too irregularly could be described as follows:

- "I don't like that company"—Affective component.
- "They are the worst supply firm I have ever dealt with"—Cognitive component.
- "I will never do business with them again"'—Intentional component.

People try to maintain consistency among the three components of their attitudes. However,conflicting circumstances often arise. The conflict that individuals may experience among theirown attitudes is called 'cognitive dissonance.

Attitude Formation

There are so many theories that have been projected to explain the attitude formation and change. Although, these theories have many limitations, they provide useful thinking about the processes underlying attitude formation. These theories are organised into major groupings according to the nature of the psychological processes postulated to underlying formation and change of attitudes. These theories may broadly be classified into three categories: cognitive-consistency theories, functional theories and social judgement theories. However, there is frequent discontinuity between various grouping because related approaches have focused on different sets of phenomena. Nevertheless, such classification is valid from practical point of view.

Factors Affecting Attitude Formation

The attitudes are learned. Though there are different approaches as how learning works and is acquired by individuals, generally it is held that individuals learn things from the environment in which they interact. Thus for attitude formation, all those factors must be taken into account from which people learn. Such factors may be analysed in term of group, then to larger Starting from the family as a group, an individual moves in a close group, then to larger groups, and finally to the society as a whole. Apart from these groups the individual's psychological make-up, particularly his personality, is also responsible for shaping his behaviour and attitudes; thus in order to understand the various factors and how they affect the attitudes, both these category of factors should be analysed.

Group Factors: The influence of groups on the attitudes of individuals is inversely proportional to the distance of the group from the individual. From this point of view, three types of groups have different types of effect on the attitudes of a person.

Family: The term family may be used in a variety of ways: it may include a nuclear family which means the immediate group of father, mother, and children; an extended family which includes nuclear family and other relatives. Both these types of family have influence on the attitudes of individuals. In fact, when a person starts learning anything about the world, he

learns it through his mother which is known as the process of socialization. In this socialization process, he learns and forms attitudes also. Gradually, when the child grows up he comes in contact with others in the family but does not make significant contact with persons outside his family. Family has two important roles. First, other family members have certain personality characteristics, evaluative criteria, and attitudes, and the family as a whole has certain attitudes and values, which are shared by all other persons. Second, family mediates the influence of larger social systems on the individual's attitudes, values, and personality characteristics. As an individual interacts with other family members, he simultaneously both influences the personality characteristics and attitudes of others and in turn is influenced by others. Since a family is a primary group, the attitudes of family members tend to converge and are typically more homogeneous than would be the case if they were not in the family.

Reference Groups: The awareness and learning of behaviour alternatives is accomplished efficiently through the influence of reference groups. A reference group is any interacting aggregation of people that influences an individual's attitudes of behaviour. This group may include family or other types of groupings, either primary or secondary groups. Reference groups serve important inputs to an individual's learning of his attitudes and awareness of alternative behaviours and life style. This happens through the process of socialization. Socialization, as discussed earlier, is a process by which a new member learns the value system, the norms, and the required behaviour patterns of the society, organizations, or groups in which he is entering. Though all groups with which an individual makes contact have influence on his attitudes, the values and norms of the primary groups play a very important role in influencing attitudes, opinions, and beliefs of the members of the group.

Social Factors: The social classes have important influence on individual's attitudes. They have the important task of transmitting cultural behaviour patterns to specific groups and families. They define the expectations of society for groups of people and for families within the groups. The family then transits these cultural expectations to the individual. Thus social classes restrict behaviour between individuals of differing social classes, especially in intimate relationships. People have their close relationships with people of similar classes, which tend to restrict attitude formation in similar patterns of other members. This is so because attitudes and values provide goals, which aid alternative evaluation and provide motivation for research and evaluation. These are transmitted differently among social classes.

Personality Factors: Personality factors are important in attitude formation. However, many personality characteristics themselves are determined by group and social factors, as discussed earlier. Personality differences between individuals are very important Concomitant of the discussion of attitudes. This area has been the subject of great interest of research and study, particularly with respect to broader area of prejudice and social

functioning. Various studies show that there is positive relationship between different personality factors and attitudes. Adrono*et al.* show that there was a coherent pattern of ethnocentric attitudes including anti-semitism among persons having authoritarian personality. The ethnocentric stuck to the straight and narrow, holding conventional values, not being able to accept certain socially unacceptable impulses and, therefore, in the main, projecting these on others. McClosky has found a relationship between personality correlates of conservatism and liberalism. He found that the conservative attitudes characterised these at the lower end of the intelligence scale with less education and with less awareness of current events. Various other research studies also show positive relationship between personality variables and particular attitudes. Since personality itself is influenced by various group and in understanding attitude formation, these factors, particularly former ones, must be analysed.

Attitude Measurement

Job Satisfaction:

The term job satisfaction refers to an individual's general attitudes towards their job. The likingness or dislikingness differ from individual to individual with respect to job contextual factors or job content factors. Some people give much importance to job contextual factors like salary, security, supervision, supportive colleagues, company policy, working conditions, perquisites, promotions, equitable rewards etc. Whereas others may show much interest in job content factors such as advancement, challenging assignments, career progress, appreciation and recognition, work itself.

Research results revealed that the job satisfaction had a tremendous impact on improving productivity, enhancing quality requirements, reduced absenteeism rate and employee turnover. The employees expressed their dissatisfaction through so many ways such as leaving the organization, raising their voice to demand to improve the working conditions, be patient by passively waiting for the conditions to improve and neglecting everything in work.

A person with a positive attitude is likely to have more job satisfaction, while a person with negative attitude is likely to have job dissatisfaction towards his or her job. Job satisfaction is one of the major determinants of an employee's organizational citizenship behavior. Satisfied employee would seem more likely to take positively about the organization, help others and go beyond the normal expectation in their job. Moreover, satisfied employees normally are more prone to go beyond the call of duty because they were to reciprocate their positive experiences.

The following are some of the major determinants of job satisfaction–mentally challenging

work, equitable rewards, supportive working conditions, supportive fellow employees, personality-job fit, company policies and programs.

Job Involvement:

This refers to the extent to which a person identifies psychologically with her or his job. The person feels that the job is more meaningful and it utilizes one's talent and skills to the fullest extent. There is a perfect harmony between the types of skills a person possesses and the work content. The individual experiences as if the whole work is being carried out by him having full control over everything related to the work. Due to this perception, performance level will be increasing significantly and enhance the overall self worth. Employees with a high level of job involvement strongly identify with and really care about the kind of work they do in their job.

Job involvement measures the degree to which a person identifies psychologically with her or his job and considers her or his perceived performance level important to her or his self-worth. Employees with a high level of job involvement strongly identify with and really care about the kind of work they do in their job. There is high level of relationship between job involvement and fewer absences and lower resignation rates of an individual.

Organizational Commitment:

It is refers to the extent to which an employee identifies with a particular organization and its goals, and wishes to maintain membership in the organization. The person shows much of association and loyalty to their organization. Organizational commitment has gained a great deal of interest in recent years because of the changing nature of the

workplace. People, who feel a perfect congruence between his values, beliefs, attitudes, and the organizational policies, practices, programs and its overall work culture, are likely to have more commitment than those who have incongruence. In order to elicit a high level of commitment from the employees, a due care must be taken at every stages right from the recruitment to retirement. Administering suitable screening tests such as aptitude tests, personality tests, interest's tests etc will help significantly placing a right person to do a right type of job.

With fewer workers, managers want workers who identify with the organization's purpose and will work hard to achieve its goals.

Organizational commitment can also be enhanced through organizational communication process, team briefing, supportive leadership etc. A good fit between the personality and the job, an internal locus of control, positive realistic expectations, opportunities for career advancement etc are the good predictors of organizational commitment.

A well designed formal mentoring program has also been shown to increase organizational commitment. Promotional opportunity, providing employees with more information, supervisor's support etc are likely to improve organizational commitment.

Attitude Change

There is often a paradox of attitudes in that people need them to provide stability to social world yet world is a changing one and people must change their attitudes appropriate to the situation. The attitude change appropriate to organizational requirement is more important because attitudes affect behaviour and only certain behaviour is desirable from organisation point of view. Organizations adopt a number of techniques for changing attitudes of their members so that their behaviour corresponds with the organizational requirement. However, whatever the techniques for attitudes change are adopted, they can be effective only if basic characteristics of attitudes and their nature are kept inconsideration. Though various theories of attitude formation and change have been presented earlier which help in understanding attitudes and the techniques through which they can be changed, the change techniques can be more effective, if three basic factors (as discussed below) are considered adequately:

Characteristics of Attitudes: In understanding attitude change, the analysis of attitude characteristics is an important element. Theories attitudes suggest numerous types of their characteristics. Such characteristics may be (i) extremeness of the attitude (ii) multiplexity, (iii) consistency, (iv) interconnectedness, (v) consonance of the attitude cluster .of which the focal attitude is a part, (vi) the number and strength of the needs which are served by the attitude, and (vii) centrality of related values. Taking these characteristics .of attitudes, there may be two types of attitude change: congruent and incongruent. The congruent change involves an increase in the strength of an existing attitude, either to make a positive attitude even mare favourable or to make a negative attitude mare strongly negative. An incongruent change is .one in which the direction of change is opposite to the originally held attitude. Congruent change is easier to produce than incongruent one-specially when the attitude held is extreme, central in the attitude system, and interconnected with supporting attitudes. Another characteristic involved in changeability of attitudes is their simplicity. The number off acts involved in the cognition and the number of facts to which it is related makes the attitude simple or complex. It is rare likely to produce change in simple attitude than the complex one. The degree of interconnectedness determines the changeability of attitudes. Usually, attitudes which are strongly supported by other attitudes are mare resistant to change. Similarly, depending on how many social wants support them and the strength of these wants, the attitudes may be mare or less changeable. Attitudes which reflect the core or principal component of an individual's personality would mast likely be very resistant to change.

Personality of Attitude Holder: The personality factors of attitude holder are also important in attitude change in the sense that some persons are mare pursuable as compared to others. This is so because of personality differences. Such differences change the natural of attitudes because attitudes are subjective qualities. Persuability is the tendency of a person to accept a persuasive communication. It commonly refers to a response to a direct influence attempt. Several personality factors suggest different types of persuability. First is level of self esteem of the person. The mare inadequate a person feels and the mare social inhibitions he has, the mare likely is he to be perusable. People with a great deal of confidence in their own intellectual ability are not only mare resistant to change but mere willing to expose themselves to discrepant information. Related to the personality factors, there is a style of thinking referred to as close minded or dogmatism. Dogmatism is a farm of authoritarianism where there is admiration of those in authority and hatred far those opposed to authority. There is a strong belief in the cause and a decreasing tendency to admit that other causes might be valid. Dogmatism is a relatively closed system in which the beliefs and disbeliefs are isolated from one another. It tends to be organised around some central authority theme, which must be protected at all costs. In dogmatism, there is high degree of rejection of opposing beliefs, a relatively low level of interconnection among belief systems, and complex cognitions about positively valued objects as against cognitions about negatively valued objects. In such cases attitude change is often resisted. However, personality factors should not be over emphasized in attitude change because the change makes much more sense in the context of total change attempt situation.

Group Affiliation: Individuals often express-their attitudes in terms of group. This is more so in the case of less extreme attitudes. This is so because membership in the group prevents existing attitudes from being disturbed by filtering the information. As will be discussed later, one of the powerful bonds which, hold the group together is the fact that members think alike. Information likely to cause dissonance or inconsistency is either omitted or perceived according to group norms with some modification or is rejected or considered irrelevant. Though people are not always exposed to information in the concept or groups and information, which may change their attitudes impinges upon them from many sources, even outside the group, their membership still influences the way the new information is perceived. This is particularly true of primary groups, such as family, friendship group, etc.

Methods of Attitude Change

Various methods have been adopted for attitude change. Cohen has classified them into four categories: Communication of additional information approval and disapproval of a

particular attitude, group influence, and inducing engagement in discrepant behaviour. However, in some way or the other, all these methods involve introducing discrepancies among the elements making up the individual's attitude in the hope that elements win be rebalanced through changing the affective component of the attitude. Thus, in practice, the central variable in attitude change is the feeling comment associated with the attitude object. Thus from organization's point of view, a manager may take the following actions in bringing out change the attitudes of organizational members. Such a course of action may be in the form of group action, persuasion through leadership, persuasion through communication, and the influence of total situation. These factors have been taken for detailed analysis in later chapters.

SUMMARY

Attitude is the bent of one's mind toward an object or subject. It involves liking or disliking people, work and objects. Desire is an attitude, which directs people to adopt certain behaviour. Attitude is developed through learning, although the family, society and nation exert great influence in the attitude formation of people. Attitude is a combination of popular belief and interest. For example, the attitude of male workers is that female workers cannot perform hard work. Attitude is learned and expressed, apart from being primarily acquired by people through interaction with members of family and society. Attitude formation is related to the cognitive aspects of behaviour.

VALUES

Values are broad preferences concerning appropriate courses of action or outcomes. Values influence behavior and attitudes.

Basic convictions: "A specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence."
– They contain a judgmental element in th at they carry the individual's idea of what is right, good, or desirable.
– **Value System** -- a hierarchy based on a ranking of an individual's values in terms of their intensity.

Values are part of the makeup of a person. They remind us as to what is important in our lives, such as success or family, but also, by the virtue of their presence, they provide contrast to what is not important. For example, if family is important, then potentially, achievement in a high-powered job is not important. Since you value family, it would be hard to value a high-powered job that might take you away from your family. Thus, all values exist in a balance within us.

That is not to say that, over time, values cannot change. As we grow and change as individuals, we will begin to value different aspects of life. If we value family when we are younger, as our children get older, we might start to value success in business more than family so we can pay for things like college, cars, etc.

Regardless of what we value or why, the importance of values cannot be ignored. They are the guideposts of our lives, and they direct us to who we want to be. By doing that, they help us become who we are and are a huge part of our makeup, ethical compass, and, ultimately, personality.

Sources of values
– Parents.
– Friends.
– Teachers.
– Role models.
– External reference groups.

Types of values
– Terminal values.
• Preferences concerning the ends to be achieved.

Terminal Values

The end goals that we strive to achieve and are most important to us are known as **terminal values**. Terminal values are the overall goals that we hope to achieve in our lifetime. Terminal values include **inner harmony**, **social recognition**, and **a world of beauty**. These are values that we think are most important or most desirable. They are desirable states of existence that we will work towards or try to reach. They include but are not limited to happiness, self-respect, recognition, inner harmony, and professional excellence.

Terminal Values

A comfortable life (a prosperous life)
An exciting life (a stimulating, active life)
A sense of accomplishment (lasting contribution)
A world at peace (free of war and conflict)
A world of beauty (beauty of nature and the arts)
Equality (brotherhood, equal opportunity for all)
Family security (taking care of loved ones)
Freedom (independence, free choice)
Happiness (contentedness)
Inner harmony (freedom from inner conflict)
Mature love (sexual and spiritual intimacy)
National security (protection from attack)
Pleasure (an enjoyable, leisurely life)
Salvation (saved, eternal life)
Self-respect (self-esteem)
Social recognition (respect, admiration)
True friendship (close companionship)
Wisdom (a mature understanding of life)

Instrumental Values

– Instrumental values.
• Preferences for the means to be used in achieving desired ends.

Instrumental values can be defined as specific methods of behavior. Instrumental values are not an end goal, but rather provide the **means by which an end goal is accomplished**. Character traits and personal characteristics, such as being imaginative and independent, make up most of the instrumental values. Rokeach developed a list of 18 instrumental values. These refer to preferred types of behavior like honesty, sincerity, and ambition. These values are more focused on personality traits and character.

Instrumental Values

Ambitious (hardworking, aspiring)
Broad-minded (open-minded)
Capable (competent, effective)
Cheerful (lighthearted, joyful)
Clean (neat, tidy)
Courageous (standing up for your beliefs)
Forgiving (willing to pardon others)
Helpful (working for the welfare of others)
Honest (sincere, truthful)
Imaginative (daring, creative)
Independent (self-reliant, self-sufficient)
Intellectual (intelligent, reflective)
Logical (consistent, rational)
Loving (affectionate, tender)
Obedient (dutiful, respectful)
Polite (courteous, well-mannered)
Responsible (dependable, reliable)
Self-controlled (restrained, self-disciplined)

Work Values
– Achievement (career advancement)
– Concern for others (compassionate behavior)
– Honesty (provision of accurate information)
– Fairness (impartiality)

The thoughts and feelings people have about work range from being broad and long-lasting attitudes about the nature of work in general, called work values, to more specific thoughts and feelings about a current job or organization, called work attitudes, to more moment-to-moment experiences, called work moods.

Work values are a worker's personal convictions about expected outcomes work and behavior at work. Outcomes might include a comfortable existence with family security, a sense of accomplishment and self-respect, or social recognition, and an exciting lifestyle. Appropriate work behaviors at work include being ambitious, imaginative, obedient, self-controlled, and respectful. Work values guide ethical behavior at work—honesty, trustworthiness, and helpfulness.

Cohort	Entered the Workforce	Approximate Current Age	Dominant Work Values
Veterans	1950s or early 1960s	60+	Hard working, conservative, conforming; loyalty to the organization
Boomers	1965–1985	40–60	Success, achievement, ambition, dislike of authority; loyalty to career
Xers	1985–2000	25–40	Work-life balance, team-oriented, dislike of rules; loyalty to relationships
Nexters	2000 to present	Under 25	Confident, financial success, self-reliant but team-oriented; loyalty to both self and relationships

Schwartz Theory Of Basic Human Values

The theory identifies ten basic personal values that are recognized across cultures and explains where they come from. At the heart of the theory is the idea that values form a circular structure that reflects the motivations each value expresses. This circular structure, that captures the conflicts and compatibility among the ten values is apparently culturally universal.
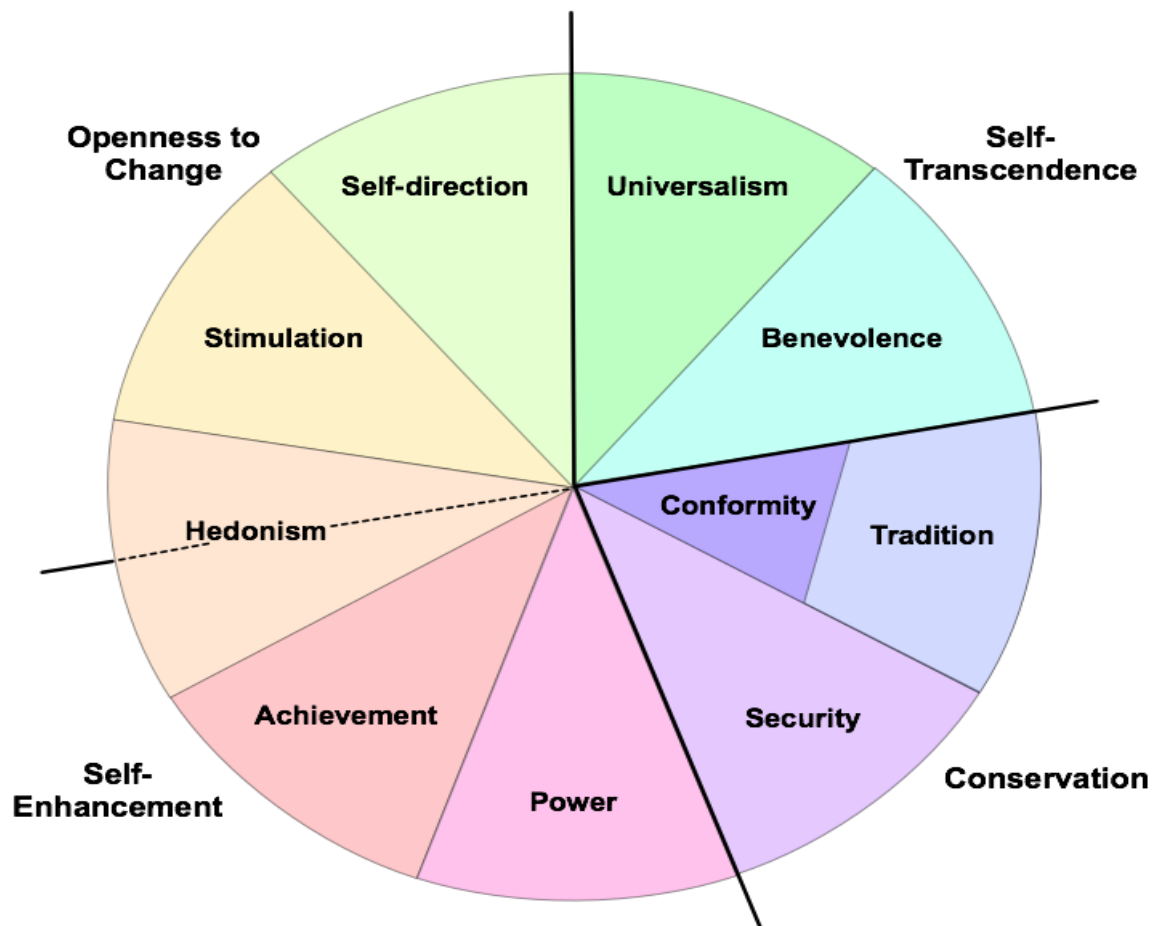
To clarify the nature of the continuum, note the shared motivational emphases of adjacent values:

a) power and achievement--social superiority and esteem;

b) achievement and hedonism--self-centered satisfaction;

c) hedonism and stimulation--a desire for affectively pleasant arousal;

d) stimulation and self-direction--intrinsic interest in novelty and mastery;

e) self-direction and universalism--reliance upon one's own judgment and comfort with the diversity of existence;

f) universalism and benevolence--enhancement of others and transcendence of selfish interests;

g) benevolence and tradition--devotion to one's in-group;

h) benevolence and conformity--normative behavior that promotes close relationships;

i) conformity and tradition--subordination of self in favor of socially imposed expectations;

j) tradition and security--preserving existing social arrangements that give certainty to life;

k) conformity and security--protection of order and harmony in relations;

l) security and power--avoiding or overcoming threats by controlling relationships and resources.

- **Openness to change** – motivation to pursue innovative ways
- **Conservation** -- motivation to preserve the status quo
- **Self-enhancement** -- motivated by self-interest
- **Self-transcendence** -- motivation to promote welfare of others and nature

Values Across Cultures

Cross-cultural differences often contribute to failed business negotiations. As well, research shows that anywhere from 16 to 40 percent of managers who receive foreign assignments terminate them early because they perform poorly or do not adjust to the culture. At the root of many of these problems might be a lack of appreciation of basic differences in work-related values across cultures.

Work Centrality. Different cultures value work differently. People for whom work is a central life interest tend to work longer hours. Thus, Japanese managers tend to work longer hours than their North American or British counterparts. This illustrates how cross-cultural differences in work centrality can lead to adjustment problems for foreign employees and managers.

Geert Hofstede, a social scientist, studied over 116,000 IBM employees in forty countries about their work-related values. His results show that differences occurred across cultures in four basic dimensions of work-related values: power distance, uncertainty avoidance, masculinity/femininity, and individualism/collectivism. Subsequent work resulted in a fifth dimension, the long-term/short-term orientation.

- **Power distance** is the extent to which an unequal distribution of power is accepted by society members. In small power distance cultures, inequality is minimized, superiors are accessible, and power differences are downplayed. In large power distance societies, inequality is accepted as natural, superiors are inaccessible, and power differences are highlighted.

    o The degree to which people in a country accept that power in institutions and organizations is distributed unequally.

- **Uncertainty avoidance** is the extent to which people are uncomfortable with uncertain and ambiguous situations. Strong uncertainty avoidance cultures stress rules and regulations, hard work, conformity, and security. Cultures with weak uncertainty avoidance are less concerned with rules, conformity, and security, and hard work is not seen as a virtue. However, risk taking is valued.
    o The degree to which people in a country prefer structured over unstructured situations.
- Another cultural value that differs across cultures is known as **masculinity/femininity**. More masculine cultures clearly differentiate gender roles, support the dominance of men, and stress economic performance. More feminine cultures accept fluid gender roles, stress sexual equality, and stress quality of life.
    o Quantity of life is the degree to which values such as assertiveness, the acquisition of money and material goods, and competition prevail.
    o Quality of life is the degree to which people value relationships and show sensitivity and concern for the welfare of others.
            o
- **Individualistic** cultures stress independence, individual initiative and privacy. Collective cultures favour interdependence and loyalty to family or clan.

    o Individualism is the degree to which people in a country prefer to act as individuals rather than as members of groups.
    o Collectivism equals low individualism.

- Another cultural value that differs across cultures is known as **long-term/short-term orientation**. Cultures with a long-term orientation tend to stress persistence, perseverance, thrift, and close attention to status differences. Cultures with a short-term orientation stress personal steadiness and stability, face-saving, and social niceties.

    o Long-term orientations look to the future and value thrift and persistence.
    o Short-term orientation values the past and present and emphasizes respect for tradition and fulfilling social obligations.

DECISION MAKING

The learning objectives of the lesson are to know the meaning and importance of Decision Making; to understand the characteristics and process of Decision Making; to understand the various types of Decisions and to learn the Techniques of Decision Making.

1. The Concept of Decision Making
2. Characteristics of Decision Making
3. Importance of Decision Making
4. Decision Making Process
5. Types of Decisions
6. Techniques of Decision Making
7. Summary

THE CONCEPT OF DECISION MAKING

Decision-making and problem-solving are basic ingredients of managerial leadership. More than anything else, the ability to make sound, timely decisions separates a successful manager from a non-successful. It is the responsibility of managers to make high quality decisions that are accepted and executed in a timely fashion.

On the face of it the decisions should be cohesive, conjectured, contingent, flexible, improved, influencing, intuitional, non-judgemental, objective, operational one. One of the most important functions of a manager is to take decisions. Whatever a manager does, he does through decision-making. Each managerial decision is concerned with the process of decision-making.

It is because of this pervasiveness of decision-making that Professor Herbert Simon has said the process of managing as a process of decision-making. According to him, a post or position cannot be said to be managerial level until and unless the right of decision-making is attached to it. As a matter of act, it is the core of executive activities in a business organization.

Decision-making is a mental process. It is a process of selecting one best alternative for doing a work. Thus, it is a particular course of action chosen by a decision maker as the most effective alternative for achieving his goals. According to D.E. McFarland, "A decision is an act of choice- wherein an executive forms a conclusion about what must be done in a given situation. A decision represents a course of

behaviour chosen from a number of possible alternatives". In the words of Haynes and Massie, "A decision is a course of action which is consciously chosen for achieving a desired result".

Hence decision-making is a typical form of planning. It involves choosing the best alternative among various alternatives, in order to realize certain objectives. A decision represents a judgement, a final word, and resolution of conflicts or a commitment to act in certain manner in the given set of circumstances. It is really a mental exercise which decides what to do.

Leaders must be able to reason under the most critical conditions and decide quickly what action to take. If they delay or avoid making a decision, this indecisiveness may create hesitancy, loss of confidence, and confusion within the unit, and may cause the task to fail. Since leaders are frequently faced with unexpected circumstances, it is important to be flexible - leaders must be able to react promptly to each situation. Then, when circumstances dictate a change in plans, prompt reaction builds confidence in them.

CHARACTERISTICS OF DECISION MAKING

The essential characteristics of decision making are given below:

1. It is a process of choosing a course of action from among the alternative courses of action.
2. It is a human process involving to a great extent the application of intellectual abilities.
3. It is the end process preceded by deliberation and reasoning.
4. It is always related to the environment. A manager may take one decision in a particular set of circumstances and another in a different set of circumstances.
5. It involves a time dimension and a time lag.
6. It always has a purpose. Keeping this in view, there may just be a decision not to decide.
7. 7. It involves all actions like defining the problem and probing and analyzing the various alternatives which take place before a final choice is made.

IMPORTANCE OF DECISION MAKING

As a leader, you will make decisions involving not only yourself, but the morale and welfare of others. Some decisions, such as when to take a break or where to hold a meeting, are simple decisions which have little effect on others. Other decisions are often more complex and may have a significant impact on many people. Therefore, having a decision-making, problem- solving process can be a helpful tool.

Such a process can help you to solve these different types of situations. Within business and the military today, leaders at all levels use some form of a decision-making, problem-solving process. There are several different approaches (or models) for decision- making and problem solving. We would briefly discuss it in this lesson as well.

It is beyond doubt that the decision making is an essential part of every function of management. According to Peter F. Drucker, "Whatever a manager does, he does through decision making". Decision making lies deeply embedded in the process of management, spreads over all the managerial functions and covers all the areas of the organization. Management and decision making are bound up and go side by side in every activity performed by manager. Whether knowingly or unknowingly, every manager makes decisions constantly.

Right from the day when the size of the organization used to be very small to the present day huge or mega size of the organization, the importance of decision making has been there. The significant difference is that in today's complex organization structure, the decision making is getting more and more complex.

Whatever a manager does, he does through making decisions. Some of the decisions are of routine and repetitive in nature and it might be that the manager does not realize that he is taking decisions whereas, other decisions which are of strategic nature may require a lot of systematic and scientific analysis. The fact remains that management is always a decision making process.

The most outstanding quality of successful manager is his/her ability to make sound and effective decisions. A manager has to make up his/her mind quickly on certain matters. It is not correct to say that he has to make spur of the moment decisions all the time. For taking many decisions, he gets enough time for careful fact finding, analysis of alternatives and choice of the best alternative. Decision making is a

human process. When one decides, he chooses a course alternative which he thinks is the best.

Decision making is a proper blend of thinking, deciding and action. An important executive decision is only one event in the process which requires a succession of activities and routine decisions all along the way. Decisions also have a time dimension and a time lag. A manager takes time to collect facts and to weigh various alternatives. Moreover, after decides, it takes still more time to carry out a decision and, often, it takes longer before he can judge whether the decision was good or bad. It is also very difficult to isolate the effects of any single decision.

DECISION MAKING PROCESS

The following procedure should be followed in arriving at a correct decision:

1. **Setting objectives :**Rational decision-making involves concrete objectives. So the first step in decision-making is to know one's objectives. An objective is an expected outcome of future actions. So before deciding upon the future course of efforts, it is necessary to know beforehand what we are trying to achieve. Exact knowledge of goals and objectives bring purpose in planning and harmony in efforts. Moreover, objectives are the criteria by which final outcome is to be measured.

2. **Defining the Problem :**It is true to a large extent that a problem well defined is half solved. A lot of bad decisions are made because the person making the decision does not have a good grasp of the problem. It is essential for the decision maker to find and define the problem before he takes any decision.

Sufficient time and energy should be spent on defining the problem as it is not always easy to define the problem and to see the fundamental thing that is causing the trouble and that needs correction. Practically, no problem ever presents itself in a manner that an immediate decision may be taken. It is, therefore, essential to define the problem before any action is taken, otherwise the manager will answer the wrong question rather than the core problem. Clear definition of the problem is very important as the right answer can be found only to a right question.

3. Analyzing the problem : After defining the problem, the next step in decision-making is analyzing it. The problem should be thoroughly analyzed to find out adequate background information and data relating to the situation. The problem

should be divided into many sub-problems and each element of the problem must be investigated thoroughly and systematically.

There can be a number of factors involved with any problem, some of which are pertinent and others are remote. These pertinent factors should be discussed in depth. It will save time as well as money and efforts. In order to classify any problem, we require lot of information. So long as the required information is not available, any classification would be misleading. This will also have an adverse impact on the quality of the decision.

Trying to analyze without facts is like guessing directions at a crossing without reading the highway signboards. Thus, collection of right type of information is very important in decision making. It would not be an exaggeration to say that a decision is as good as the information on which it is based. Collection of facts and figures also requires certain decisions on the part of the manager. He must decide what type of information he requires and how he can obtain this.

4. Developing Alternatives : After defining and analyzing the problem, the next step in the decision making process is the development of alternative courses of action. Without resorting to the process of developing alternatives, a manager is likely to be guided by his limited imagination. It is rare for alternatives to be lacking for any course of action.

But sometimes a manager assumes that there is only one way of doing a thing. In such a case, what the manager has probably not done is to force himself consider other alternatives. Unless he does so, he cannot reach the decision which is the best possible. From this can be derived a key planning principle which may be termed as the principle of alternatives. Alternatives exist for every decision problem.

Effective planning involves a search for the alternatives towards the desired goal. Once the manager starts developing alternatives, various assumptions come to his mind, which he can bring to the conscious level. Nevertheless, development of alternatives cannot provide a person with the imagination, which he lacks. But most of us have definitely more imagination than we generally use. It should also be noted that development of alternatives is no guarantee of finding the best possible decision, but it certainly helps in weighing one alternative against others and, thus, minimizing uncertainties. While developing alternatives, the principle of limiting factor has to be taken care of.

A limiting factor is one which stands in the way of accomplishing the desired goal. It is a key factor in decision making. If such factors are properly identified, manager can confine his search for alternative to those which will overcome the limiting factors. In choosing from among alternatives, the more an individual can recognize those factors which are limiting or critical to the attainment of the desired goal the more clearly and accurately he or she can select the most favourable alternatives.

5. Selecting the Best Alternative : After developing alternatives one will have to evaluate all the possible alternatives in order to select best alternative. There are various ways to evaluate alternatives. The most common method is through intuition, i.e., choosing a solution that seems to be good at that time. There is an inherent danger in this process because a manager's intuition may be wrong on several occasions.

The second way to choose the best alternative is to weigh the consequences of one against those of the others. Peter F. Drucker has laid down four criteria in order to weigh the consequences of various alternatives. They are :

(a) Risk : A manager should weigh the risks of each course of action against the expected gains. As a matter of fact, risks are involved in all the solutions. What matters is the intensity of different types of risks in various solutions.

(b) Economy of Effort : The best manager is one who can mobilize the resources for the achievement of results with the minimum of efforts. The decision to be chosen should ensure the maximum possible economy of efforts, money and time.

(c) Situation or Timing : The choice of a course of an action will depend upon the situation prevailing at a particular point of time. If the situation has great urgency, the preferable course of action is one that alarms the organization that something important is happening. If a long and consistent effort is needed, a slow start gathers momentum approach may be preferable.

(d) Limitation of Resources : In choosing among the alternatives, primary attention must be given to those factors that are limiting or strategic to the decision involved. The search for limiting factors in decision-making should be a never ending process.

Discovery of the limiting factor lies at the basis of selection from the alternatives and hence of planning and decision making. There are three bases which should be

followed for selection of alternatives and these are experience, experimentation and research and analysis which are discussed below :

In making a choice, a manager is influenced to a great extent by his past experience. He can give more reliance to past experience in case of routine decisions; but in case of strategic decisions, he should not rely fully on his past experience to reach at a rational decision.

Under experimentation, the manager tests the solution under actual or simulated conditions. This approach has proved to be of considerable help in many cases in test marketing of a new product. But it is not always possible to put this technique into practice, because it is very expensive.

Research and Analysis is considered to be the most effective technique of selecting among alternatives, where a major decision is involved. It involves a search for relationships among the more critical variables, constraints and premises that bear upon the goal sought.

6. Implementing the Decision : The choice of an alternative will not serve any purpose if it is not put into practice. The manager is not only concerned with taking a decision, but also with its implementation. He should try to ensure that systematic steps are taken to implement the decision.

The main problem which the manager may face at the implementation stage is the resistance by the subordinates who are affected by the decision. If the manager is unable to overcome this resistance, the energy and efforts consumed in decision making will go waste. In order to make the decision acceptable, it is necessary for the manager to make the people understand what the decision involves, what is expected to them and what they should expect from the management.

In order to make the subordinates committed to the decision it is essential that they should be allowed to participate in the decision making process. The managers who discuss problems with their subordinates and give them opportunities to ask questions and make suggestions find more support for their decisions than the managers who don't let the subordinates participate. The area where the subordinates should participate is the development of alternatives. They should be encouraged to suggest alternatives. This may bring to surface certain alternatives which may not be thought of by the manager. Moreover, they will feel attached to the decision. At the same

time, there is also a danger that a group decision may be poorer than the one man decision. Group participation does not necessarily improve the quality of the decision, but sometimes impairs it. Someone has described group decision like a train in which every passenger has a brake. It has also been pointed out that all employees are unable to participate in decision making. Nevertheless, it is desirable if a manager consults his subordinates while making decision.

7. Follow-up the Decisions : Kennetth H. Killer, has emphatically written in his book that it is always better to check the results after putting the decision into practice. He has given reasons for following up of decisions and they are as follows:

(i) If the decision is a good one, one will know what to do if faced with the same problem again.

(ii) If the decision is a bad one, one will know what not to do the next time.

(iii) If the decision is bad and one follows-up soon enough, corrective action may still be possible.

In order to achieve proper follow-up, the management should devise an efficient system of feedback information. This information will be very useful in taking the corrective measures and in taking right decisions in the future.

TYPES OF DECISIONS

Decisions have been classified by various authorities in various ways. The main types of decisions are as follows :
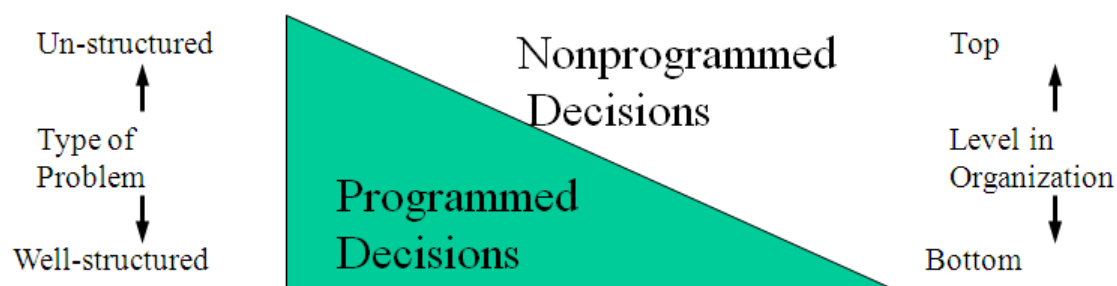
1. Programmed and Non-Programmed Decisions : Professor Herbert Simon has classified all managerial decisions as programmed and non- programmed decisions. He has utilized computer terminology in classifying decisions. The programmed

decisions are the routine and repetitive decisions for which the organization has developed specific processes. Thus, they involve no extraordinary judgement, analysis and authority. They are basically devised so that the problem may not be treated as a unique case each time it arises.

On the other hand, the non-programmed decisions are the one-shot, ill structured, novel policy decisions that are handled by general problem- solving processes. Thus, they are of extraordinary nature and require a thorough study of the problem, its in-depth analysis and the solving the problem. They are basically non-repetitive in nature and may be called as strategic decisions.

2. **Basic and Routine Decisions :**Professor George Katona has made a distinction between basic decision and routine decisions. Routine decisions are of repetitive nature and they involve the application of familiar principles to a situation. Basic or genuine decisions are those which require a good deal of deliberation on new principles through conscious thought process, plant location, distribution are some examples of basic decisions.
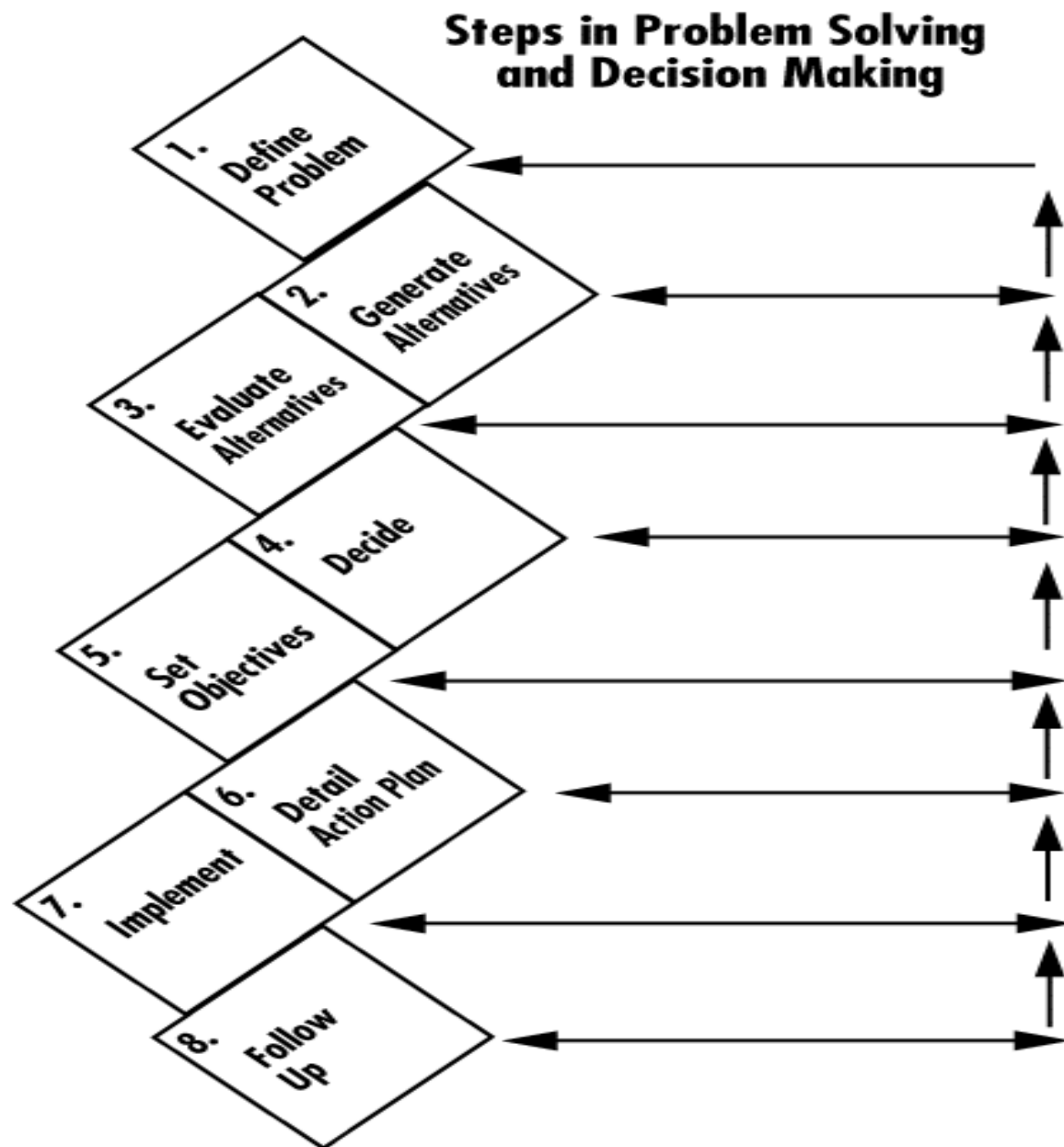
3. **Policy and Operative Decisions :**Policy decisions are important decisions and they involve a change in the procedure, planning or strategy of the organization. Thus, they are of a fundamental character affecting the whole business. Such decisions are taken by the top management. On the contrary, operating decisions are those which are taken by lower levels of management for the purpose of executing policy decisions. They are generally concerned with the routine type of work, hence unimportant for the top management. They mostly relate to the decision-makers own work and behaviour while policy decision influences the work and behaviour of subordinates.

4. **Individual and Group Decisions :**Individual decisions are those decisions which are made by one individual – whether owner of the business or by a top executive. On the other hand, group-decisions are the decisions taken by a group of managers – board, team, committee or a sub-committee.

In India, individual decision-making is still very common because a large number of businesses are small and owned by a single individual. But in joint stock Company's group decisions are common. There are both merits and demerits of each type of decision. Having a logical thought process helps ensure that you will not neglect key factors that could influence the problem, and ultimately your decision. In fact, you should always apply a clear, logical thought process to *all* leadership situations that you encounter.

The seven-step process is an excellent tool that can guide you in solving problems and making those sound and timely decisions.

The seven steps are: 1. Identify (recognize/define) the problem. 2. Gather information (facts/assumptions). 3. Develop courses of action (solutions). 4. Analyze and compare courses of action (alternatives/solutions). 5. Make a decision; select the best course of action (solution). 6. Make a plan. 7. Implement the plan (assess the results).

Steps in Problem Solving and Decision Making

1. Define Problem
2. Generate Alternatives
3. Evaluate Alternatives
4. Decide
5. Set Objectives
6. Detail Action Plan
7. Implement
8. Follow Up

Group Decision Making

Advantages
1) more knowledge through pooling of group resources
2) increased acceptance & commitment due to voice in decisions
3) greater under-standing due to involvement in decision stages

1) pressure in groups to conform
2) domination by one forceful member or dominant clique
3) amount of time required, because group is slower than individual to make a decision

Disadvantages

Decision making Styles :

Approaches to decision making differ in two ways: in the way that people use information and in the number of options they generate. This chart identifies four decision-making styles by mapping low and high use of information against single versus multiple options. Most people use different styles in public than they do in private. For example, a manager may come across as quite task-oriented (decisive) in public, yet use the more creative integrative style when working in private or with close associates.

Decisive:

People using the decisive style value action, speed, efficiency, and consistency. Once a plan is in place, they stick to it and move on to the next decision. In dealing with other people, they value honesty, clarity, loyalty, and, especially, brevity. Time is precious in this mode.

Flexible:

Like the decisive style, the flexible style focuses on speed, but here the emphasis is on adaptability. Faced with a problem, a person working in the flexible mode will get just enough data to choose a line of attack—and quickly change course if need be.

Hierarchic:

People in the hierarchic mode do not rush to judgment. Instead, they analyze a great deal of information and expect others to contribute—and will readily challenge others' views, analyses, and decisions. From the hierarchic perspective, decisions should stand the test of time.

Integrative :

People using integrative usually don't necessarily look for single best solution. Their tendency is to frame any situation broadly, taking into account broad elements that may overlap with other related situations .

INFORMATION USE

	Satisficing (less information)	Maximizing (more information)
Single focus (one option)	**DECISIVE** This decision style is direct, efficient, fast and firm. In public, this *action-focused* style comes across as *task oriented*.	**HIERARCHIC** People using this highly analytical and focused style expect their decisions, once taken, to be final and to stand the test of time. In public, this *complex* style comes across as highly *intellectual*.
Multifocus (many options)	**FLEXIBLE** This style is about speed and adaptability. Managers make decisions quickly and change course just as quickly to keep abreast of immediate, shifting situations. In public, this *flexible* style comes across as highly *social* and *responsive*.	**INTEGRATIVE** In integrative mode, people frame problems broadly, using input from many sources, and make decisions involving multiple courses of action that may evolve over time as circumstances change. In public, this *creative* style comes across as highly *participative*.

NUMBER OF OPTIONS

Summary: In this lesson an attempt has been made to make to understand the importance of decision making in today's context. Decision making has been defined and various characteristics of decision making have also been discussed. The types of decision i.e. Organizational vs. Personal, Routine vs. Strategic, Policy vs. Operating, Programmed vs. non Programmed and Individual vs. Group Decision are discussed. Three phases of decision making deal with identification, evaluation and selection of alternative to a problem.

Chapter 4
MOTIVATION

Motivation

The word motivation is derived from 'motive', which means an active form of a desire,craving or need that must be satisfied. Motivation is the key to organizational effectiveness. The manager in general has to get the work done through others. These 'others' are human resources who need to be motivated to attain organizational objectives.

"A state of mind, desire, energy or interest that translates into action"or"The inner drive that directs a person's behavior toward goals"

Motivation is central to understanding and managing organizational behavior because it influences workers' behaviors, workers' level of effort, and their persistence in the face of obstacles. This chapter discusses the differences between motivation and performance and between intrinsic and extrinsic motivation. Several theories of work motivation are described: need theory, expectancy theory, equity theory, and procedural justice theory.

Defining Motivation

According to George R. Terry, "Motivation is the desire within an individual that stimulates him other to action."

In the words of Robert Dublin, it is "the complex of forces starting and keeping a person at work in an organization". Viteles defines motivation as "an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to move in a goal directed pattern towards restoring a state of equilibrium, by satisfying the need."

"The processes that account for an individual's intensity, direction and persistence ofeffort toward attaining a goal"

Key Elements

Intensity: how hard a person tries. Intensity is concerned with how hard a person tries. This is theelement most of us focus on when we talk about motivation.

Direction: toward beneficial goal. Direction is the orientation that benefits the organization.

Persistence: how long a person tries. Persistence is a measure of how long a person can maintain his/her effort. Motivated individuals stay with a task long enough to achieve their goal.

Features of motivation

The following are the features of motivation:

- It is an internal feeling and forces a person to action.
- It is a continuous activity.
- It varies from person to person and from time to time.
- It may be positive or negative.

Motivation is defined as individual's intention or willingness to put maximum effort in his/her work to reach organizational goals and enhance ones ability to satisfy some individual needs. The cyclic process of motivation starts from

Unsatisfied needs→ Tension→ Drives→ Search Behavior→ Satisfied Need→ to end with Reduced Tension. There are three major elements related to motivation: Effort, Goals and Needs.

Effort:

It refers to an individual's intensity in reaching the stated goal. The intensity varies from individual to individual and also depends upon the extent to which individual assigns importance to various goals. If these efforts are channeled in proper direction consistent with organizational goals, the organization will maximize its profit and reach a state of excellence in their field.

Need:

It refers to some internal state that makes certain outcomes appear attractive. It is also a state of deficiency and the organism tries to restore this deficiency to make it as equilibrium. An unsatisfied need creates tension that stimulates drives within an individual. These drives direct the individual in different directions or searching in different places to find a particular goal, If the goal is attained the organism will satisfy the need and reduce the tension.

Goals:

Human behavior is always goal directed. Once the desired goal is satisfied, individuals will always restate the goals or look for other goals to get satisfied. Goals will always be changing from one level to another. In order to motivate an individual, managers must ensure to set a goal in such a way which stimulates him or her to put more effort in their work. An effective way to set goals is to follow the SMART approach, which states that goals should meet five characteristics:

- Specific

- Measurable

- Achievable

- Relevant

- Timely or Time Limited

If the chosen goal has these characteristics, the employee will have a highest level of motivation.

Motivational Theories

CONTENT THEOREIS OF MOTIVATION

Maslow's Hierarchy of Needs
Maslow Abraham proposed his theory in the 1940s. This theory, popularly known as the Hierarchy of Needs assumes that people are motivated to satisfy five levels of needs: physiological, security,belongingness, esteem and self-actualization needs .Need theory is actually a collection of theories that focus on workers' needs as the sources of motivation.Need theories propose that workers seek to satisfy many of their needs at work, so their behavior at work is oriented toward need satisfaction. A **need** is a requirement for survival and well-being. Maslow suggested that all people seek to satisfy the same five needs—physiological needs, safety needs, need to belong, esteem needs, and self-actualization needs. Maslow proposed that the needs be arranged in a hierarchy of importance, with the most basic or compelling needs—physiological and safety needs—at the bottom. Basic needs must be satisfied before an individual seeks to satisfy higher needs in the hierarchy. Maslow argued that once a need is satisfied, it is no longer a source of motivation.

Maslow's theory helps managers understand that workers' needs differ and that motivation for one worker is not motivation for another. Managers must identify a worker's needs and ensure satisfaction of these needs if desired behaviors are performed.

1. Physiological needs: food, drink, shelter, sexual satisfaction, and other physical requirements.
2. Safety needs: security and protection from physical and emotional harm, as well as assurance that physical needs will continue to be met.
3. Social needs: affection, belongingness, acceptance, and friendship.
4. Esteem needs: internal esteem factors such as self-respect, autonomy, and achievement and external esteem factors such as status, recognition, and attention.
5. Self-actualization needs: growth, achieving one's potential, and self-fulfillment; the drive to become what one is capable of becoming.

In terms of motivation, Maslow argued that each level in the hierarchy must be substantially satisfied before the next is activated and that once a need is substantially satisfied it no longer motivates behavior. In other words, as each need is substantially satisfied, the next need becomes dominant.

In terms of the individual moves up the needs hierarchy. From the standpoint of motivation, Maslow's theory proposed that, although no need is ever fully satisfied, a substantially satisfied need will no longer motivate an individual. If you want to motivate someone, according to Maslow, you need to understand what level that person is on in the hierarchy and focus on satisfying needs at or above that level. Managers who accepted Maslow's

hierarchy attempted to change their organizations andmanagement practices so that employees' needs could be satisfied.

Maslow's Need Hierarchy		
General Factors	Need Level	Organizational Specific Factors
1. Growth 2.Achievement 3.Advancement	Self- Actualization	1. Challenging work 2. Creativity 3. Advancement in organization 4. Achievement in Work
1. Recognition 2. Status 3. Self-esteem 4. Self-respect	Ego, Status and Esteem	1. Job Title 2. Merit Pay Increase 3. Peer/Supervisory Recognition 4. Work Itself 5. Responsibility
1. Companionship 2. Affection 3. Friendship	Social	1. Quality of Supervision 2. Compatible Work Group 3. Professional Friendship
1. Safety 2. Security 3.Competence 4. Stability	Safety and Security	1 Safe Working Conditions 2. Fringe Benefits 3. General Salary Increases 4. Job Security
1. Air 2. Food 3. Shelter 4. Sex	Physiological	1. Heat and conditioning 2. Base Salary 3. Cafeteria 4. Working Conditions

In addition, Maslow separated the five needs into higher and lower levels. Physiological and safety needs were described as lower-order needs; social, esteem, and self-actualization were described as higher-order needs. The difference between the two levels was made on the premise that higher-order needs are satisfied internally while lower-order needs are predominantly satisfied externally. In fact, the natural conclusion from Maslow's

classification is that, in times of economic prosperity, almost all permanently employed workers have their lower-order needs substantially met.

Maslow's need theory received wide recognition, especially among practicing managers during the1960s and 1970s. This recognition can be attributed to the theory's intuitive logic and ease of understanding. Unfortunately, however, research hasn't generally validated the theory. Maslow provided no empirical support for his theory, and several studies that sought to validate it could not.

Frederick Herzberg Two-factor Theory

Herzberg identified two sets of factors responsible for causing either satisfaction or dissatisfaction. The factors influencing satisfaction are called motivation factors or motivators, which are related specifically to the job itself and the factors causing dissatisfaction, are called hygiene factors, which are related to the work environment in which the job is performed.

Motivators
- Achievement
- Recognition
- Advancement
- The work itself
- The possibility of personal growth
- Responsibility

Hygiene or Maintenance Factors
- Company policies
- Technical supervision
- Interpersonal relations with supervisor
- Interpersonal relations with peers
- Interpersonal relations with subordinates
- Salary
- Job security
- Personal life
- Work conditions
- Status

Based on these findings, Herzberg recommended that managers seeking to motivate employees should first make sure that hygiene factors are taken care of and that employees are not dissatisfied with pay, security and working conditions. Once a manager has eliminated employee dissatisfaction, Hertzberg recommends focusing on a different set of factors to increase motivation,by improving opportunities for advancement, recognition, advancement and growth. Specifically,he recommends job enrichment as a means of enhancing the availability of motivation factors.

Alderfer's ERG Theory

Clayton Alderfer's existence-relatedness-growth (ERG) theory is also a need theory of work motivation.Alderfer reduces the number of needs from five to three and states that needs at more than one level can be motivators at any time. Like Maslow, Alderfer proposes a hierarchy of needs. Yet, he believes that when an individual has difficulty satisfying a higher-level need, motivation to satisfy lower-level needs increase

A three-level hierarchical need theory of motivation that allows for movement up and down the hierarchy.

- Existence Needs
- Relatedness Needs
- Growth Needs

The existence needs in this theory refers to the physiological and security needs of Maslow.
Relatedness needs refers to belongingness and esteem needs.
Growth needs refers to both self-esteem and self-actualization needs.

Although ERG Theory assumes that motivated behavior follows a hierarchy in somewhat the same fashion as suggested by Maslow, there are two important differences.

Firstly, ERG theory suggests that more than one kind of need might motivate a person at the same time. For example, it allows for the possibility that people can be motivated by a desire for money (existence); friendship (relatedness), and an opportunity to learn new skills (growth) all at the same time.

Secondly, ERG theory has an element of frustrations-regression that is missing from Maslow's need hierarchy. Maslow maintained that one heed must be satisfied before an individual can progress to needs at a higher level, for example, from security needs to belongingness. This is termed as satisfaction—progression process. Although the ERG theory includes this process, it also suggests that if needs remain unsatisfied at some higher level, the individual will become frustrated, regress to a lower level and will begin to pursue low level needs again. For" example, a workers previously motivated by money (existence needs) is awarded a pay rise to satisfy this needs. Then he attempts to establish more friendship to satisfy relatedness needs. If for some reason an employee finds that it is impossible to become better friends with others in the work place, he may eventually become frustrated and regress to being motivated to earn even more money. This is termed as 'frustration-regression' process.

The ERG theory emphasis on the following key points regarding needs:

- Some needs may be more important than others.
- People may change their behavior after any particular set of needs has been satisfied.

Maslow Needs Hierarchy Theory	Alderfer ERG Theory	Herzberg Two-Factor Theory	McClelland Manifest Needs Theory
Self-actualization	Growth	Motivators	Power
Esteem			Achievement
Social	Relatedness		Affiliation
Safety	Existence	Hygiene	
Physiological			

David McClelland's Theory of Needs

People with a high need for achievement are striving for personal achievement rather than for the trappings and rewards of success. They have a desire to do something better or more efficiently than it's been done before. They prefer jobs that offer personal responsibility for finding solutions to problems,in which they can receive rapid and unambiguous feedback on their performance in order to tell whether they're improving, and in which they can set moderately challenging goals. High achievers aren't gamblers; they dislike succeeding by chance. They are motivated by and prefer the challenge of working at a problem and accepting the personal responsibility for success or failure. An important point is that high achievers avoid what they perceive to be very easy or very difficult tasks. Also, a high need to achieve doesn't necessarily lead to being a good manager, especially in large organizations. A high achievement salesperson at Merck does not necessarily make a good sales manager and good managers in large organizations such as, the other two needs in the three-need theory haven't been researched as extensively as the need for achievement. However, we do know that the needs for affiliation and power are closely related to managerial success.

Need theory is actually a collection of theories that focus on workers' needs as the sources of motivation.Need theories propose that workers seek to satisfy many of their needs at work, so their behavior at work is oriented toward need satisfaction? A **need** is a requirement for survival and well-being. Previous chapters have described two theories, Hertzberg's motivator-hygiene theory and McClelland's descriptions of the needs for achievement, affiliation, and power (. Two other content theories will be discussed, the theories of Abraham Maslow and Clay Alderfer.

Need for Achievement
- The desire to do something better or more efficiently, to solve problems, or to master complex tasks.
- High need for achievement people:
- Prefer individual responsibilities.
- Prefer challenging goals.
- Prefer performance feedback.

Need for Affiliation
- The desire to establish and maintain friendly and warm relations with others.
- High need for affiliation people:
- Are drawn to interpersonal relationships.
- Seek opportunities for communication

Need for Power
- The desire to control others, to influence their behavior, or to be responsible for others.
- High need for power people:
- Seek influence over others.
- Like attention.
- Like recognition.

Hierarchy of Needs (Maslow)	ERG Theory (Alderfer)
Self-Actualization	Growth
Esteem	Growth
Social	Relatedness
Safety	Existence
Physiological	Existence
Needs must be met in a hierarchical order.	Unmet needs can be at any level simultaneously.

Two-Factor Theory (Herzberg)	Acquired Needs Theory (McClelland)
Motivators	Achievement and Power
Motivators	Achievement and Power
Maintenance	Affiliation
Maintenance	Not classified
Maintenance	Not classified
Maintenance factors will not motivate employees.	Motivating needs are developed through experience.

PROCESS THEORIES OF MOTIVATION

The process theories will help understand the dynamics of cognitive aspects such as comparison, probability of maximizing benefits etc. Expectancy theory and equity theories are the two major theories that concern this approach to motivation in organization. Cognitive models of motivation are based on the notion that individual make conscious decision about their job behavior. Thus understanding the process by which individual make decision about how much effort they will put on the job will help manages to motivate people better.

Equity Theory
J. Stacy Adams developed equity theory, based on the premise that workers pay attention to the relationshipbetween the **inputs** they contribute, such as skills, training, education, experience, effort, and time, and the**outcomes** they receive, such as pay, benefits, status, job satisfaction, job security, and promotions. Motivationis based on the perception of one's own

outcome/input ratio compared to that of a similar individual or group,called a **referent**. Equity theory proposes that motivation is based on the worker's *perception* of the work situation.Equity occurs when an individual's outcome/input ratio equals that of the referent. Because the comparison ofthese ratios (rather than absolute levels) determines whether equity is perceived, equity can exist if thereferent receives more than the person making the comparison. When workers perceive ratios to be equal,they are motivated to maintain the status quo or increase inputs to receive greater outcomes.

Inequity: Unequal ratios result in tension and a desire to restore equity. *Overpayment inequity* occurs whenan individual perceives his or her outcome/input ratio is greater than the referent's. *Underpayment inequity*occurs when the individual perceives his or her ratio is less than the referent's. In either case, the individual ismotivated to restore equity, according to equity theory.

Expectancy Theory

Expectancy theory, developed by Victor Vroom, focuses on how workers make choices among alternative behaviors and levels of effort. With its emphasis on choices, expectancy theory focuses on workers' perceptions and thoughts or cognitive processes. By describing how workers make choices, expectancy theory provides managers with valuable insights on how to get workers to perform desired behaviors and how to encourage workers to exert high levels of effort.

Expectancy theory makes two assumptions: (1) workers are motivated to receive positive outcomes andavoid negative outcomes and (2) workers are rational, careful processors of information. Expectancy theory identifies three factors that determine motivation: valence, instrumentality, and expectancy. The most comprehensive and widely accepted explanation of employee motivation to date is VictorVroom's expectancy theory. Although the theory has its critics, most research evidence supports it.

Expectancy theory states that an individual tends to act in a certain way based on the expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual. It includes three variables or relationships.

Reinforcement Theories / Methods of Shaping Behavior

Reinforcement is the process that increases the probability that desired behaviors occur by applying consequences. Managers use reinforcement to increase the likelihood of higher sales, better attendance, or observing safety procedures. Reinforcement begins by selecting a behavior to be encouraged. Correctly identifying the behavior is important, or reinforcement will not lead to the desired response. A manager must decide if attendance at meetings is the desired behavior or attendance *and* participation. The manager would need to reinforce both behaviors if both are desired.

Positive reinforcement increases the probability that a behavior will occur by administering positive consequences (called positive reinforces) following the behavior. Managers determine what consequences a worker considers positive. Potential reinforces include rewards such as pay, bonuses, promotions, job titles, interesting work, and verbal praise. Rewards are positive reinforcements if a worker acts in the desired manner to obtain them. Workers differ in what they consider to be a positive reinforce. For some, titles are rewards, for others it is vacation time. Once the desired behavior is determined, reinforces must follow to increase reoccurrence .Organizations use reinforcement to promote the learning and performance of many behaviors. Some organizations use positive reinforcement for diversity efforts and to retain valuable employees.

Negative reinforcement increases the probability that a desired behavior, then occur by removing a negative consequence (or negative reinforce) when a worker performs the behavior. The negative consequence is faced until a worker performs the desired behavior, then the consequence is removed. A manager's nagging is a negative reinforcement, if the nagging stops when worker performs a task correctly. Negative reinforces differ for various individuals. Nagging may not affect some subordinates. They will not perform the desired behavior, even if the nagging stops .When using negative and positive reinforcement, the magnitude of the consequences must fit the desired behavior. A small bonus may not be sufficient to cause a worker to perform a time-consuming or difficult task.

Extinction: According to operant conditioning, both good and bad behaviors are controlled by reinforced consequences. Identifying behavioral reinforces and removing them can decrease a behavior. An undesired behavior without reinforcement can diminishes until it no longer occurs. This process is called **extinction**. Extinction can modify the behavior of a worker who spends much time talking or telling jokes. The attention of coworkers reinforces this behavior. If coworkers stop talking and laughing, the worker is likely to stop telling jokes. Although extinction is useful, it takes time to eliminate the undesired behavior. When behaviors need to stop immediately, managers may resort to *punishment*.

Punishment consists of administering a negative consequence when the undesired behavior occurs. Punishment is *not* the same as negative reinforcement. It decreases a behavior, whereas negative reinforcement increases the frequency of a behavior. Punishment administers a negative consequence; whereas negative reinforcement removes a negative consequence

Types of Reinforcement Methods:

Types of Reinforcement	Stimulus	Response	Consequences or Reward
Positive Reinforcement:	High performance is rewarded in the organization	Individual performance at a high level (desired behavior)	Pay increase, recognition, praise
Punishment:	Only one hour is given for lunch each day	Individual continually takes more than one hour for lunch	Reprimand by Supervisor
Avoidance	Individuals who take more than one hour for lunch will be reprimanded by supervisor	Individuals take only one hour for lunch	No reprimand
Extinction	Bonus given to sales person for each new customer order Bonus removed for each new customer order	Sales person worked hard to get new orders Sales persons exert only nominal effort to get new orders	Bonus No bonus

Implications of Reinforcement Theory:

The reinforcement of the relationship between behavior and rewards is very important for maintaining motivated behavior on the part of the individual. Employees react positively when they perceive that rewards are contingent on good performance. When individuals are rewarded continually for their good performance, the employees tend to decrease their performance and motivation.

The schedules of reinforcement are found to be very effective in sustaining motivated behavior and make them high productive in their work life. The implications of these results have direct application to the reward system used by organizations. It would be a good idea for manager to reinforce an employee on a continuous basis in the initial stages and after a while, the mangers must switch over to other types of schedules such as fixed interval or fixed ratio, and subsequently the implementation of variable schedules such as variable

interval and variable ratio will be of much help to sustain the learned behavior firmly.

For the manager, the most important factor in the application of operant conditioning is that employees should be rewarded contingent on their performance, not for the factors that are nonperformance based. Managers must learn how to design and implement effective reinforcement programs that will enable employees to be productive and satisfied with their work.

Chapter 5
GROUP / TEAM BEHAVIOR

- Introduction

- Types of groups

- Reasons for joining groups

- Models of group development

- External conditions imposed on the group

- Summary

Group is defined as collection of two or more individuals who are interdependent and interact with one another for the purpose of performing to attain a common goals or objective.

The principal characteristics presented in this definition – goals, interaction and performance are crucial to the study of behavior in organizations. A group is a collection of individuals in which the existence of all (in their given relationships) is necessary to the satisfaction of certain individual needs to each. In order to satisfy certain needs relating to social interactions, employees may informally (or formally) join together to form various social, civic, or recreational groups within organizations.

TYPES OF GROUPS

Various methods are used to classify the types of groups that exist in our organizations. In organizations, the predominant operating groups are the functional groups, task or project groups and interest groups. In addition, groups are also classified as formal and informal groups.

Formal groups:

- Formal groups are collections of employees who are made to work together by the organization to get the job done smoothly and efficiently.

- For example, if five members are put together in a department to attend to customer complaints they would be a formal group. The formal groups are those whose primary purpose is facilitating, through member interactions, the attainment of the goals of the organization.

Informal groups:

- Informal groups are groups that emerge or randomly get formed due to the formal group members' interaction with each other, and thereby develop common interest. For example, members who are showing interest in cricket will join together and share and enjoy taking about the cricket games. Informal groups provide a very important service by satisfying their members' social needs. Because of interactions that result from the close proximity of task interactions, group members play cricket together, spending their tea breaks together etc.

Functional Groups:

- The functional group in an organization is a group generally specified by the structure of the organization. It involves a superior-subordinate relationship and involves the accomplishment of ongoing tasks and generally considered as formal group. Example – Manager of accounting department supported by staff accountants, financial analyst, and computer operators etc.

Task or Project Groups:

- When a number of employees are formally brought together for the purpose of accomplishing a specific task – for a short-term or long term period – such a collection of individuals is called a task or project group. For example, the plant manager of a chemical processing plant may be interested in identifying potential safety problems in the plant.

- To provide a coordinated effort, the manager creates a four-person task force consisting of the production superintendent, maintenance superintendent, director of engineering and the safety engineer. The group members will deliberate these issues bring out suitable remediable measure for those safety problems within a deadline period. If any problems are found, the plant manager may create other task forces to work toward the elimination of the potential problems. These activities create a situation that encourages the members of the task force to communicate, interact and to coordinate activities, if the purpose of the group is to be accomplished.

Interest and Friendship Groups:

- The group members formed relationships based on some common characteristics such as age, political belief, or interests. Generally, it can be considered as formal or informal group. Employees who joined together to have their fringe benefits

continued to have its implementation, to support a peer who has been fired, or to seek more festival holidays etc. they tend to unite together to further their common interest. Groups often develop because the individual members have one or more common characteristics. This is called friendship groups. For example, recreation clubs, social groups etc.

REASONS FOR JOINING GROUPS:

The most popular reasons for joining a group are related to our needs for security, identity, affiliation, power and engaging in common tasks.

- **SECURITY:**

  o By joining a group, members can reduce the insecurity of being alone. The membership will make them feel stronger, gaining resistant to threats, having fewer self-doubts etc. New employees are particularly vulnerable to a sense of isolation and turn to the group for guidance and support.

- **STATUS:**

  o Inclusion in a group that is viewed as important by others provides recognition and status for its members. Being a member of Rotary Club, the members feel pride and gain status and recognition.

- **SELF-ESTEEM:**

  o Groups can provide people with feelings of self-worth. That is, in addition to conveying status to those outside the group, membership can also give increased feelings of worth to the group members themselves. The self-esteem is bolstered when members are accepted by a highly valued group. Being assigned to a task force whose purpose is to review and make recommendations for the location of the company's new corporate head quarters can fulfill one's intrinsic needs for competence and growth.

- **AFFILIATION:**

  o Groups can fulfill social needs. People enjoy the regular interaction that comes with group membership. For many people, these on-the-job interactions at work are the primary source for fulfilling their needs for affiliation.

- **POWER:**

- o For individuals who desire to influence others, groups can offer power without a formal position of authority in the organization. As a group leader he or she may be able to make requests of group members and obtain compliance without any of the responsibilities that traditionally go either formal managerial position.

- **GOAL ACHIEVEMENT:**

  - o There are times when it takes more than one person to accomplish a particular task- there is a need to pool talents, knowledge in order to complete a job. In such instances, management will rely on the use of a formal group.

TUCKMAN AND JENSONS – FIVE STAGESGROUP DEVELOPMENT MODEL

Five Stage Life Cycle Model: Tuckman outline five stages of group development. They are:

i) **Forming:**At this stage, group members try to comprehend where they stand in the group and how they are being perceived by others in the group. The members are very cautious in their interactions with each other and the relationships among the group members are very superficial. Members' seldom express their feelings in the group and the individual members who are trying to understand who they are in the group have concerns about how they will fit in the group as permanent group members. This is characterized by much uncertainty about group's purpose, structure and leadership. Members are 'testing the waters' to determine what types of behavior are acceptable. This stage is complete when members have begun to think of themselves as part of a group.
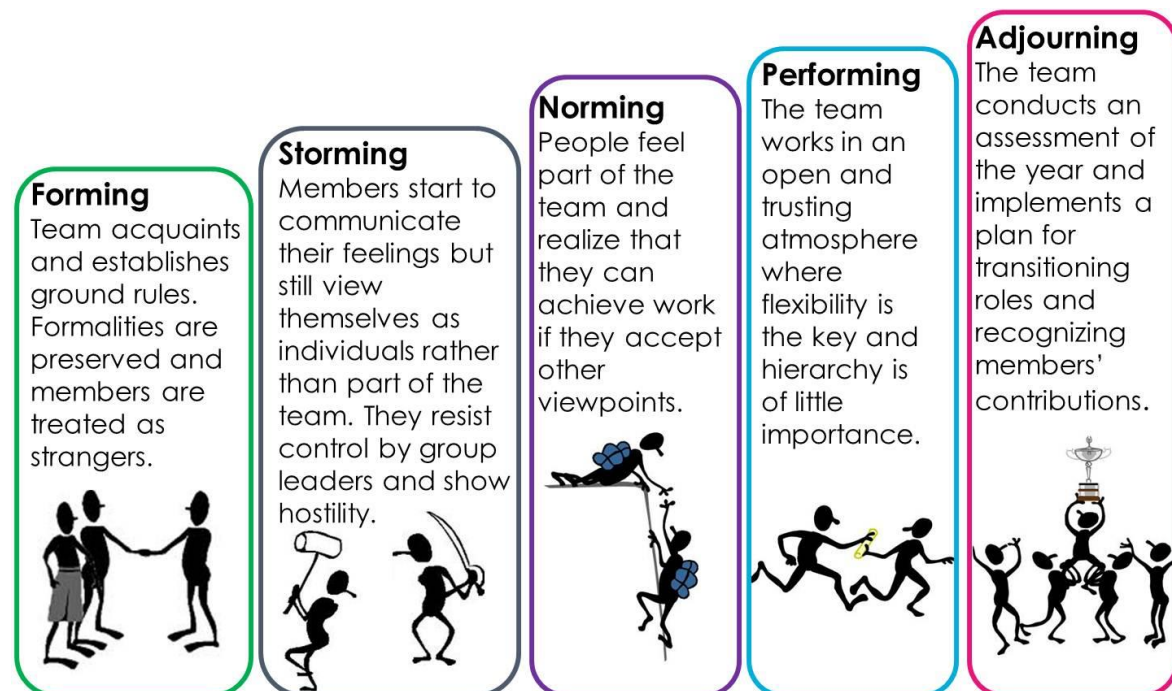
ii) **Storming:**At this stage, disagreement tends to get expressed among the group members, and feelings of anxiety and resentment are also expressed. Some power struggle may ensure at this stage to determine who should assume the informal leadership role in the group. This storming stage is also known as the sub-grouping and confrontation. This group is characterized by intra-group conflict. Members accept the existence of the group, but there is resistance to the control the group imposes on individuality. There is sometimes conflict over who will control the group. When this stage is complete, there will be a relatively clear hierarchy of leadership within the group.

iii) **Norming:**This stage is characterized by close relationships and cohesiveness. The group sets norms, tries to attain some degree of cohesiveness, understands the goals of the group, starts making good decision, expresses feelings openly and makes attempts to resolve problems and attain group effectiveness. At this stage, members' roles get defined, and task and maintenance roles are assumed by group members. Group members' also begin to express satisfaction and confidence about being members of the group.

iv) **Performing:** This stage is characterized by collaboration and integration. The group members evaluate their performance so that the members develop and grow. The group relationships and structures are set and accepted. Group energy has moved from getting to know and understand each other, to performing the task at hand. Feelings are expressed at this stage without fear, leadership roles shared among the members, and the group members' activities are highly co-coordinated. The task and maintenance roles are played very effectively. The task performance levels are high and member satisfaction, pride and commitment to the group also high. Both performance and members' satisfaction are sustained indefinitely;

v) **Adjourning:** This stage is characterized by concern with wrapping up activities rather than task performance. The group prepares for its disbandment. High task performance is no longer the group's top priority. Instead, attention is directed towards finalizing activities. As the group approaches the terminal phase, members break off their bonds of affection and stop interaction with each other. Responses of group members vary in this state. Some feel pride in what the group has accomplished. Others may be negative and critical of the way the organization has treated the group and others may be sad over the loss of friendship gained during the life of the work groups.

These five stages of group development are only a suggestive and not prescriptive. Sometimes, groups do not always proceed clearly from one stage to the next. Some times, several stages go on simultaneously as when groups are storming and performing at the same time. Under some conditions, high levels of conflict are conducive to high group performance.

Forming
Team acquaints and establishes ground rules. Formalities are preserved and members are treated as strangers.

Storming
Members start to communicate their feelings but still view themselves as individuals rather than part of the team. They resist control by group leaders and show hostility.

Norming
People feel part of the team and realize that they can achieve work if they accept other viewpoints.

Performing
The team works in an open and trusting atmosphere where flexibility is the key and hierarchy is of little importance.

Adjourning
The team conducts an assessment of the year and implements a plan for transitioning roles and recognizing members' contributions.

Various types of groups exist within the framework of organizations, from the formal functional and task or project groups, to the generally more informal interest and friendship groups. Whatever the classification– it is Important for the effective functioning of the organization that the goals of such groups be congruent with the overall goals of he organization. Groups with incongruent goals create a situation of conflict, inter personal problems and reduced effectiveness.
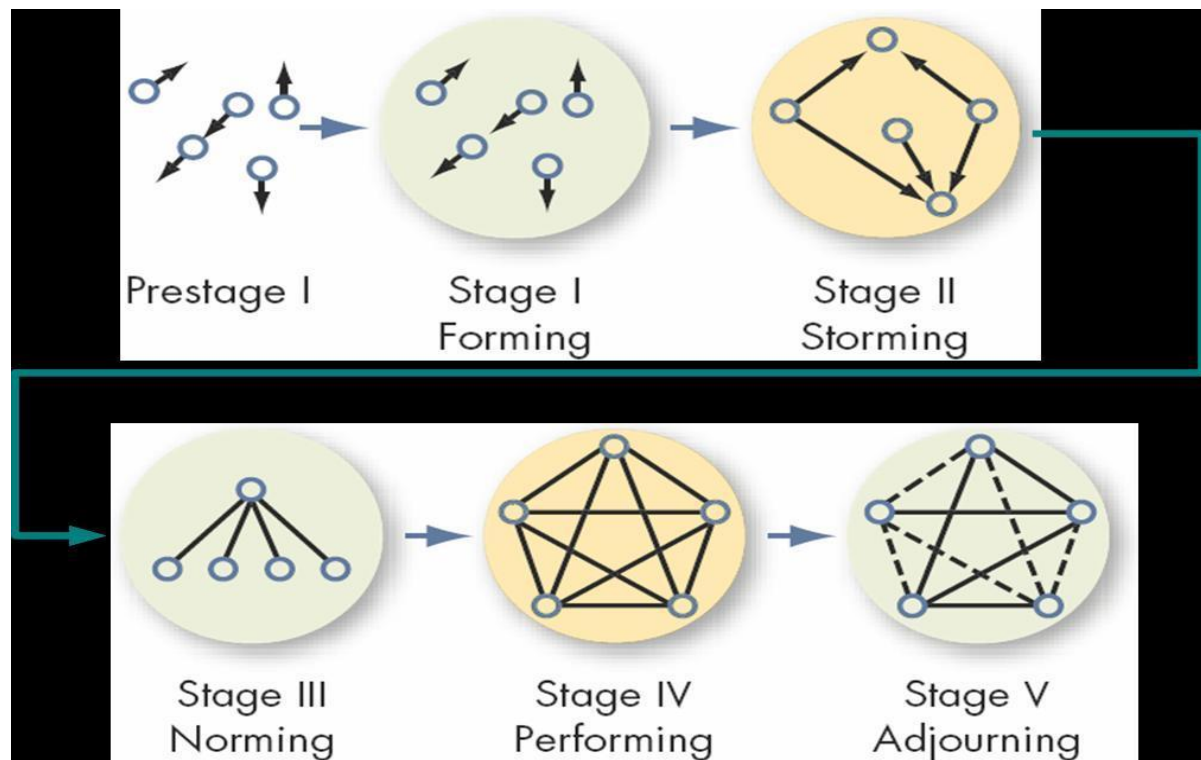
Although different types of groups develop at different rates, they all tend to follow a similar four-stage pattern – orientation, internal problem solving, growth and productivity and evaluation and control. Each of these stages is characterized by different types of behavior required of individual members and of the organization. Changes in eh composition of the group, its task or leadership can result in the group reverting to any earlier stage.

Teams : Teams are a collection of individual member used to manage inter- group activities where there are more than two or three interacting units. The distinguishing aspects of the team concept are that the problem to be solved usually is long term in nature, requiring a relatively permanent formal assignment to the team. Team members maintain a dual responsibility, one to their primary functional unit and the second to the team. When the team has accomplished its task, each member returns full-time to the functional assignment.Teams require individuals with complimentary skill / technical expertise, as well

as problem-solving,decision-making and interpersonal skills and high scores on the personality characteristics of extroversion, agreeableness, conscientious and emotional stability. Effective teams are neither too large nor too small- typically they range in size from five to twelve people. They also have adequate resources, effective leadership and a performance evaluation and reward system that reflect team contribution Effective teams have members committed to a common purpose, specific team goals, member who believe in the team's capabilities, a manageable level of conflicts and a minimal degree of social loafing.

Team Development Stages
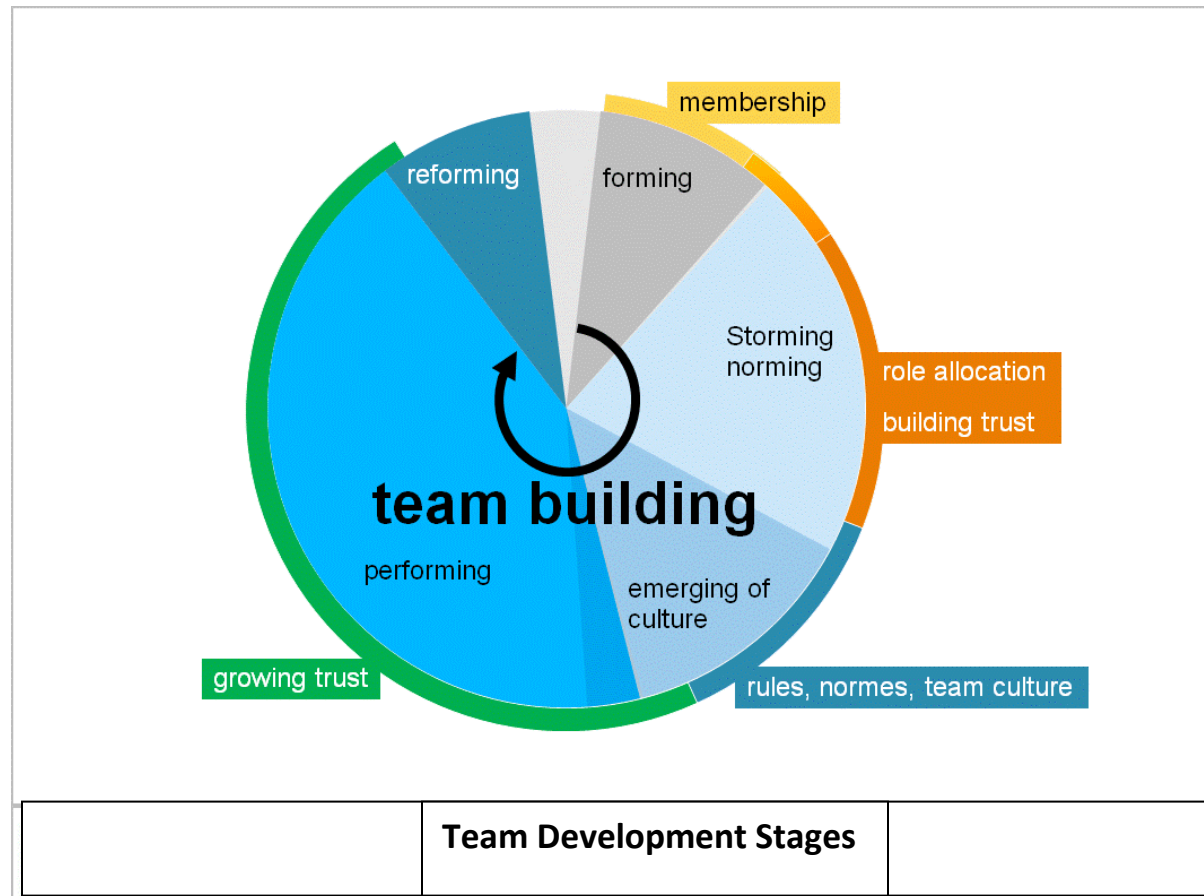
Differences between Group & Teams

Work group: A group that interacts primarily to share information to make decision to help each group member perform within his or her area of responsibility. Work groups have no need or opportunity to engage in collective work that requires joint effort.

Characteristics of Effective Groups

Relaxed, comfortable, informal atmosphere
Task well understood & accepted
Members listen well & participate
People express feelings & ideas
Conflict & disagreement center around ideas or methods
Group aware of its operation & function
Consensus decision making
Clear assignments made & accepted

Work Groups

- Strong leader

- Individual accountability

- Organizational purpose

- Individual work products

- Efficient meetings

- Measures performance by influence on others

- Delegates work

Work team: A group whose individual effort results in a performance that is greater than the sum of the individual inputs. A team gets a greater degree of individual commitment towards the common shared goal. The efforts of the team members result in more synergy and may achieve a better total performance.

Teams

- Shared leadership

- Individual & mutual accountability

- Specific team purpose

- Collective work products

- Open-ended meetings

- Measures performance from work products

- Do real work together

TYPES OF TEAMS

The common types of teams:

Problem-solving Teams: The primary goals of these teams are improving quality, efficiency and the work environment. The members share ideas or offer suggestions about how work process and methods can be improved. Quality circles are one of the problem solving teams where the work group members meet regularly to discuss and solve problems. The team members use tools and techniques to examine these problems and to present to management solutions and the costs and benefits of solving a problem.

Self-managed Teams: This refers to a team of employees who perform highly related or inter-dependent jobs and to take on many of the responsibilities of their former supervisors. Typically this includes planning and scheduling of work, assigning tasks to members, collective control over the pace of work, making operating decisions and taking action on problems. Self- managed teams meet their own goals and measure their own performance once top management sets the overall objectives. Fully self managed work teams even select their own members and have the members evaluate each others performance.

Cross-functional Teams: This refers to a type of teams where employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task. Examples of Cross functional include task force to resolve emergency cases, committee composed of members from across departmental lines etc.

Virtual Teams: Teams that use computer technology to tie together physically dispersed member in order to achieve a common goals. They allow people to collaborate on-lineusing communication links such as wide are networks, video conferencing or e-mail. The three primary factors that differentiate virtual teams from face to face teams are: i) the absence of Para verbal and non-verbal cues, ii) limited social context and iii) the ability to overcome time and space constraints. In virtual teams the members will never have an opportunity to have an access of Para language and non-verbal communication. And also suffer social support and less direct interaction among members.

Multicultural Teams : Teams /Groups represent three or more ethnic backgrounds. Diversity may increase uncertainty, complexity, & inherent confusion in group processes.

Culturally diverse groups may generate more & better ideas & limit groupthink.

Team Task Roles

These group task roles are related to some of the activities relating to achieving the goals of the team, facilitating and coordinating the group problem solving activities. There are twelve categories of group task roles.

i) Initiator-contributor: Team leader takes initiative in giving new ideas or new definition of problem to group members. He/she proposes new procedures, ways of handling some difficulty or forms of organization.

ii) Information Seeker: Team leader solicits more information from the group members to ensure the accuracy of factual information, and those relevant to the problem and also seeks clarification on some critical issues.

iii) Opinion Seeker: Team leader is seeking some critical suggestions and clarification from all the members or outside group's members relating to the group task.

iv) Information Giver: Using his/her experiences in the related field, the leader offers some additional facts and makes worthwhile generalizations, which are more or less correct in those situations.

v) Opinion Giver: The leader expresses his/her belief or opinion very openly to a suggestion given at the meeting and gives some alternative solutions to the problems.

vi) Elaborator: Team leader highlights some specific examples or illustrations for relevant points and offers reasons for suggestions and tries to deduce consequences of following them.

vii) Co-ordinator: The leader attempts to get information from various sources and co-ordinates the activities of those people. Further, clarifies the relationships among various ideas and tries to pull them together to achieve the group results.

viii) Orientor: Team leader delineates the position of the group with respect to its goals and summarizes the past achievements, the present tasks and future goals. The leader often raises some critical questions upon the direction in which the group is taking.

ix) Evaluator-Critic: Team leader sets the standards and critically evaluates the performance of the group against those standards or norms.

x) Energizer: Team leader takes initiative in stimulating or energizing the members to achieve the results in time and arouse the group to 'greater' or high 'quality' activity.

xi) Procedural Technician: Team leader performs the roles as providing necessary information and materials to execute the day-to-day functions such as providing stationary, raw material to the members etc. and perform the routine tasks to achieve the set goals.

xii) Recorder: Team leader prepares a detailed record of group decision and writes down the suggestions given by all the members and acts as group memory.

Team Maintenance Roles

Benne and Sheats highlighted the kinds of behavior necessary for group maintenance and for ensuring effective working as team. These activities can be carried out by the team leader or by any member of the team to facilitate to have an effective team building.

i) Encourager: The team members agrees with and accept the contribution of others by expressing warmth, solidarity in their attitude towards other group members, by understanding and accepting other points of view, ideas and suggestions.

ii) Harmonizer: The team member ensures effective relationships among members and mediates the differences between other members. Also, he/she attempts to reconcile disagreements over the critical issues and relieves tension in conflicting situations through humor or entertainment.

iii) Compromiser: The Team leader admits the shortcomings or limitations of himself/herself and offer compromise by yielding status. Also, he/she disciplines himself/herself to maintain group harmony or by coming halfway in moving along with the group.
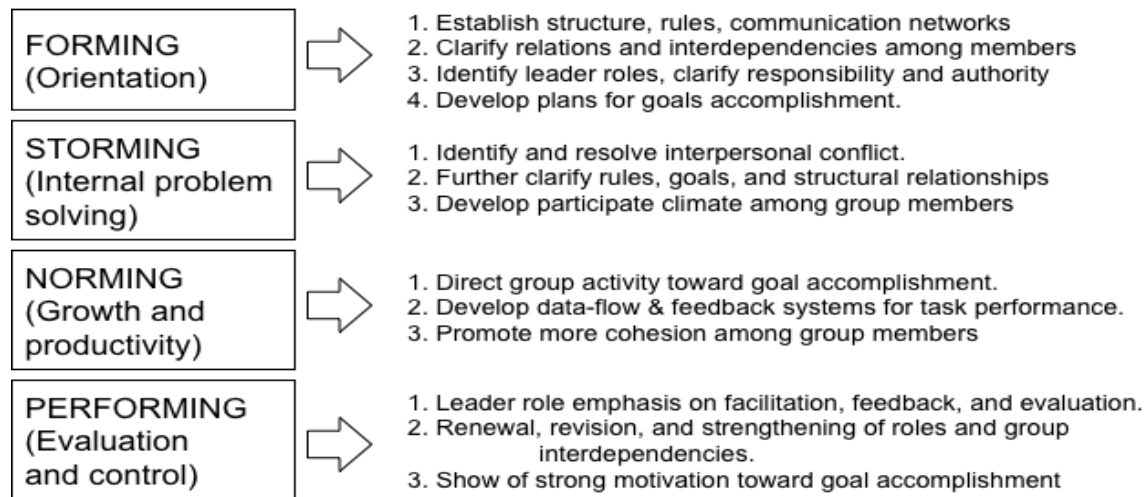
iv) Gatekeeper-expeditor: The team leader keeps the communication channel open by encouraging or facilitating the participation of others regularly. The leader monitors both the incoming and outgoing flow of information with and ensures that the information is not exceeding the limits.

v) Standard Setter: The leader fixes certain limits as standard or bench marking and effectively applies those standards in evaluating the quality of group process.

vi) Group Observer: The leader keeps in touch with the regular progress of the group and keeps a record on their achievements, difficulties, shortcomings etc. The feeding of such a data will be of much help in assessing the overall growth of the group activities.

vii) Follower: Sometimes, the leaders move along with the group by accepting the views of others and serving as audience in-group discussion. The primary reason is to ensure that the group must achieve its goals.

Stages of team development and associated management challenges:

FORMING (Orientation) ⟹	1. Establish structure, rules, communication networks 2. Clarify relations and interdependencies among members 3. Identify leader roles, clarify responsibility and authority 4. Develop plans for goals accomplishment.
STORMING (Internal problem solving) ⟹	1. Identify and resolve interpersonal conflict. 2. Further clarify rules, goals, and structural relationships 3. Develop participate climate among group members
NORMING (Growth and productivity) ⟹	1. Direct group activity toward goal accomplishment. 2. Develop data-flow & feedback systems for task performance. 3. Promote more cohesion among group members
PERFORMING (Evaluation and control) ⟹	1. Leader role emphasis on facilitation, feedback, and evaluation. 2. Renewal, revision, and strengthening of roles and group interdependencies. 3. Show of strong motivation toward goal accomplishment

Relationship of team maturity and performance:
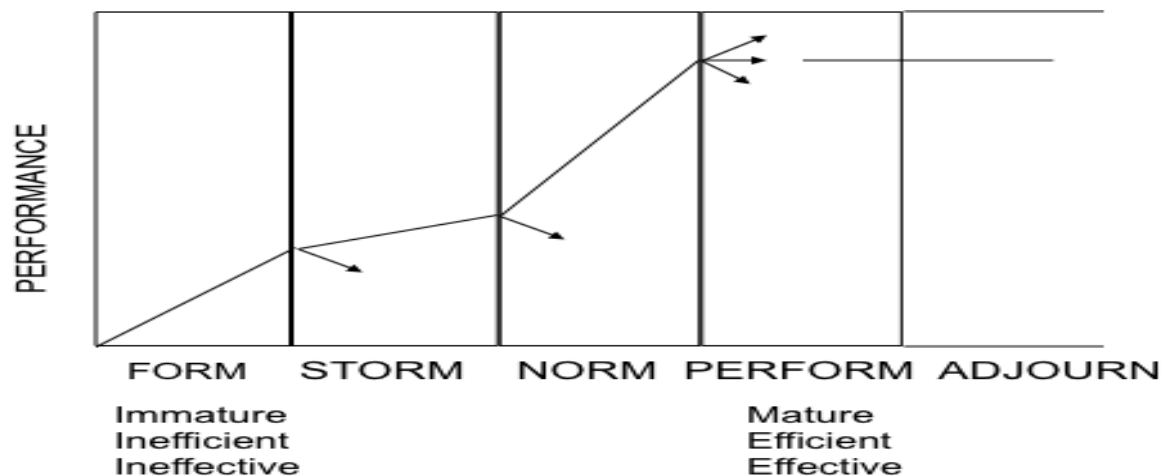
Checklist for Team Performance : 6 additional elements/questions to ask about your team:

1. Goals: What constitutes success for us in a particular situation and overall?

2. Roles: What are our expectations and what do we expect from each other?

3. Rules: What are our agreements on decision making, work ethic, and follow-through?

4. Relationships: How do we handle conflict, ambiguity, rumor, secrecy, trust, etc?

5. Results: How do we determine performance day to day? What are our dials?

6. Rewards: What is in it for us individually and collectively? Are we ok with that?

Chapter 6
ORGANIZATIONAL STRUCTURE

Key elements of Organization Structure

Work Specialization: It deals with division of labor. The whole job is not done by one person but instead is broken down into steps and each step is completed by a different persons. Some Key characteristics are:

i) It increases employees skill and efficiency at performing a task,

ii) Generates higher employee productivity

iii) In some jobs employees are likely to get boredom, fatigue, stress, poor quality work, increased absenteeism, higher turnover due to repetitive nature of work.
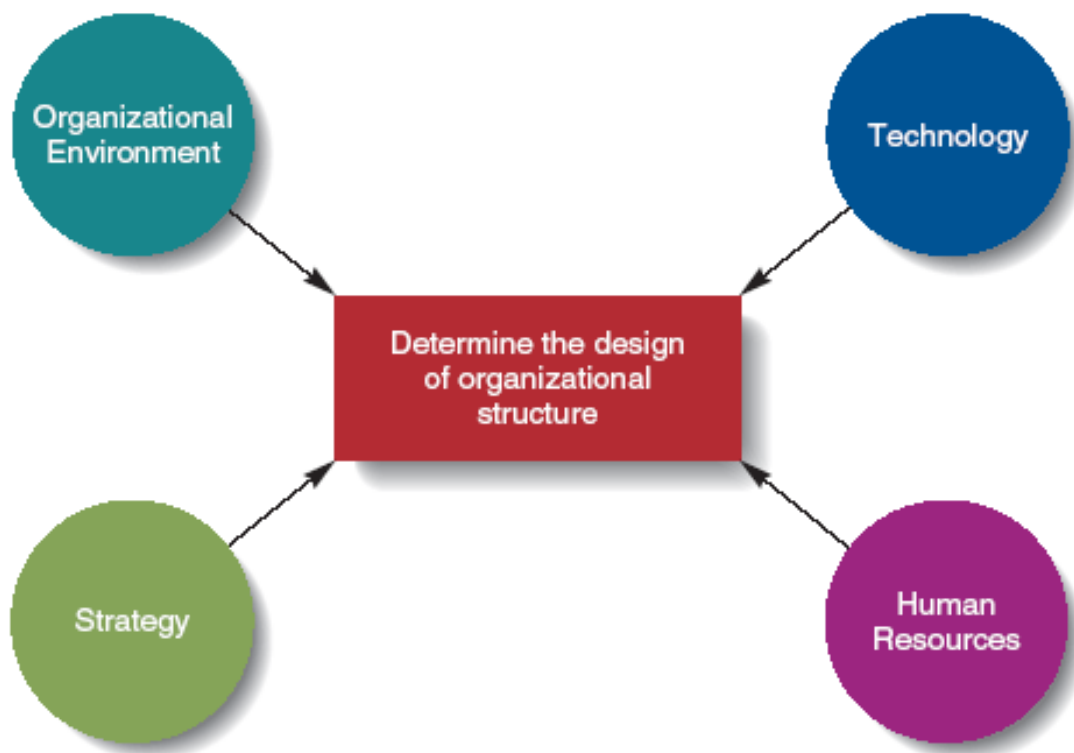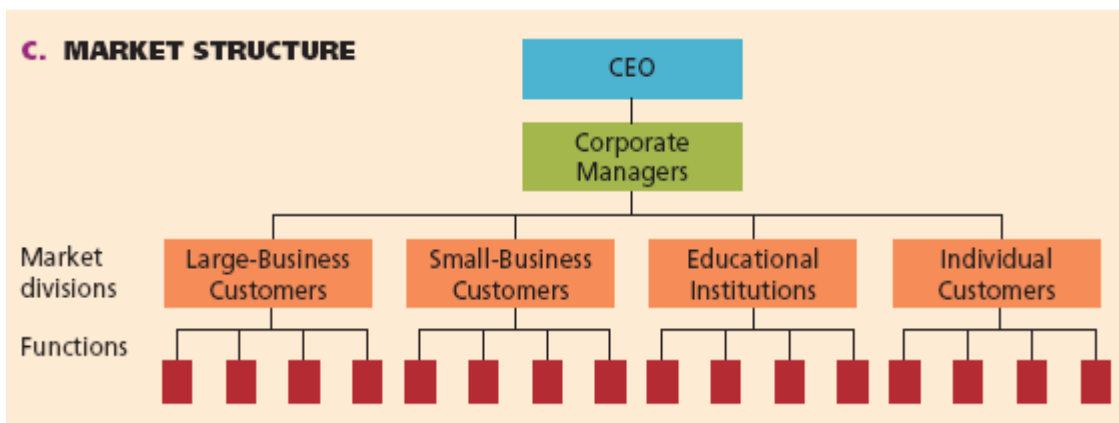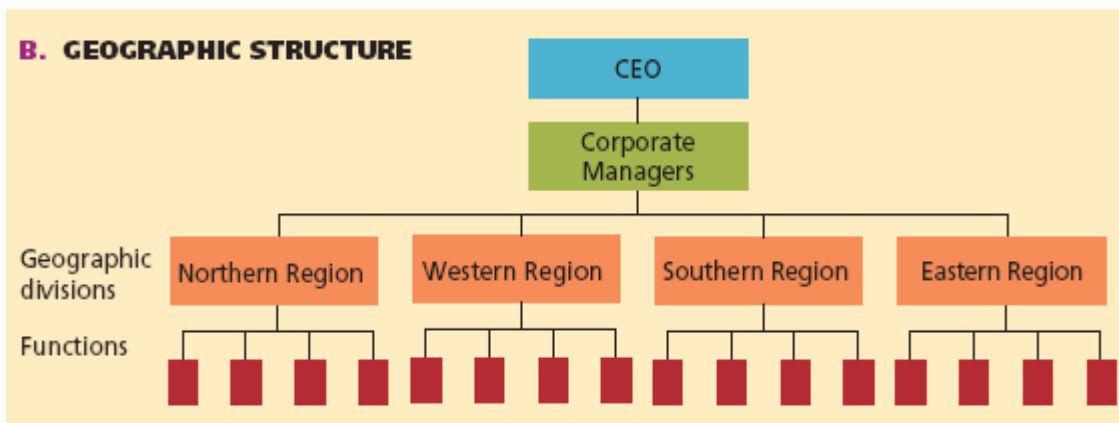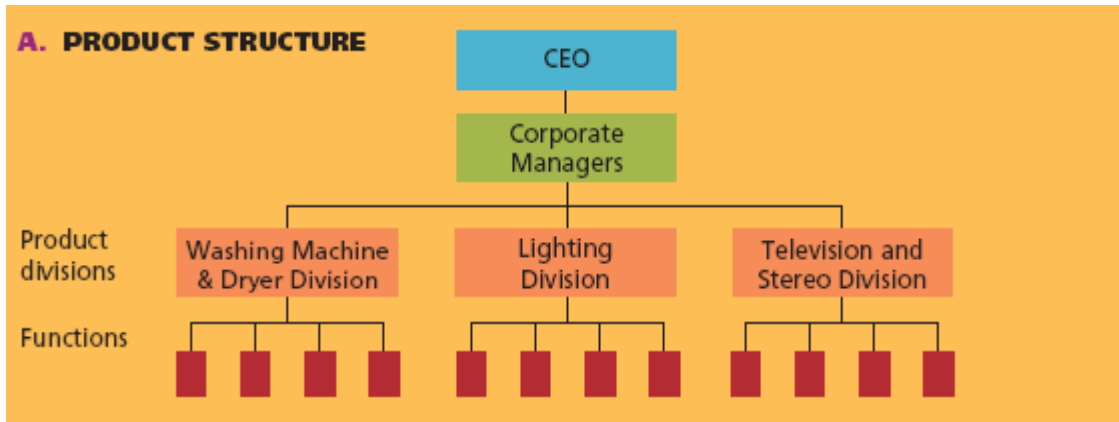

Departmentalization: It refers to the basis on which jobs are grouped in order to accomplish organizational goals. Some key characteristics are:

i) Grouping can be done by the homogeneity of tasks (Functional departmentalization),

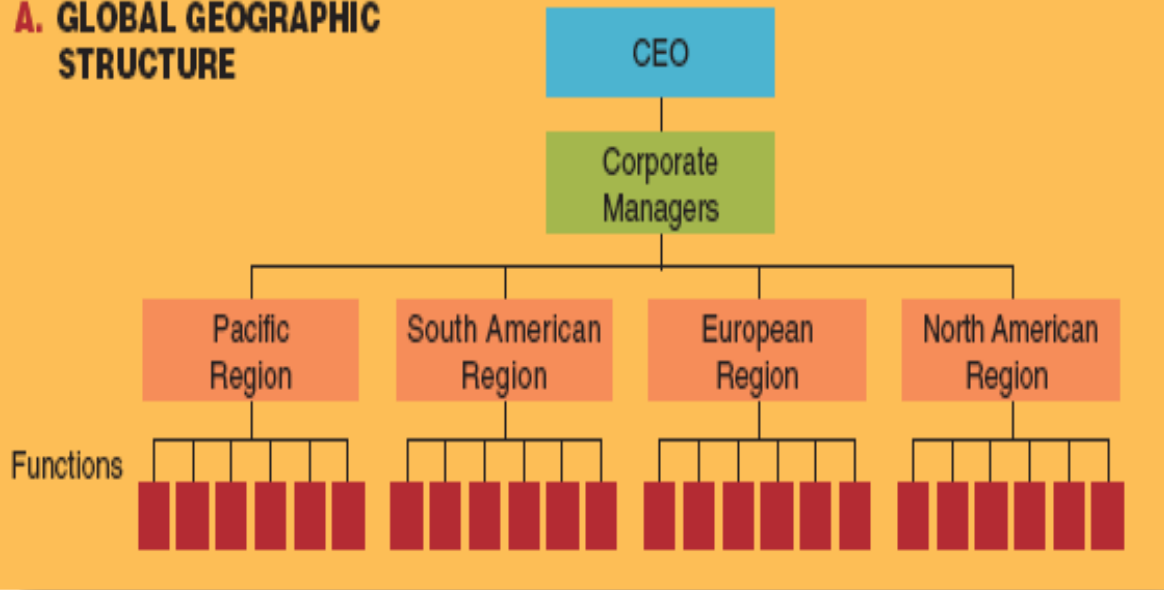ii) Grouping jobs by product line (Product departmentalization)

iii) Grouping jobs on the basis of territory or geography (Geographic departmentalization)

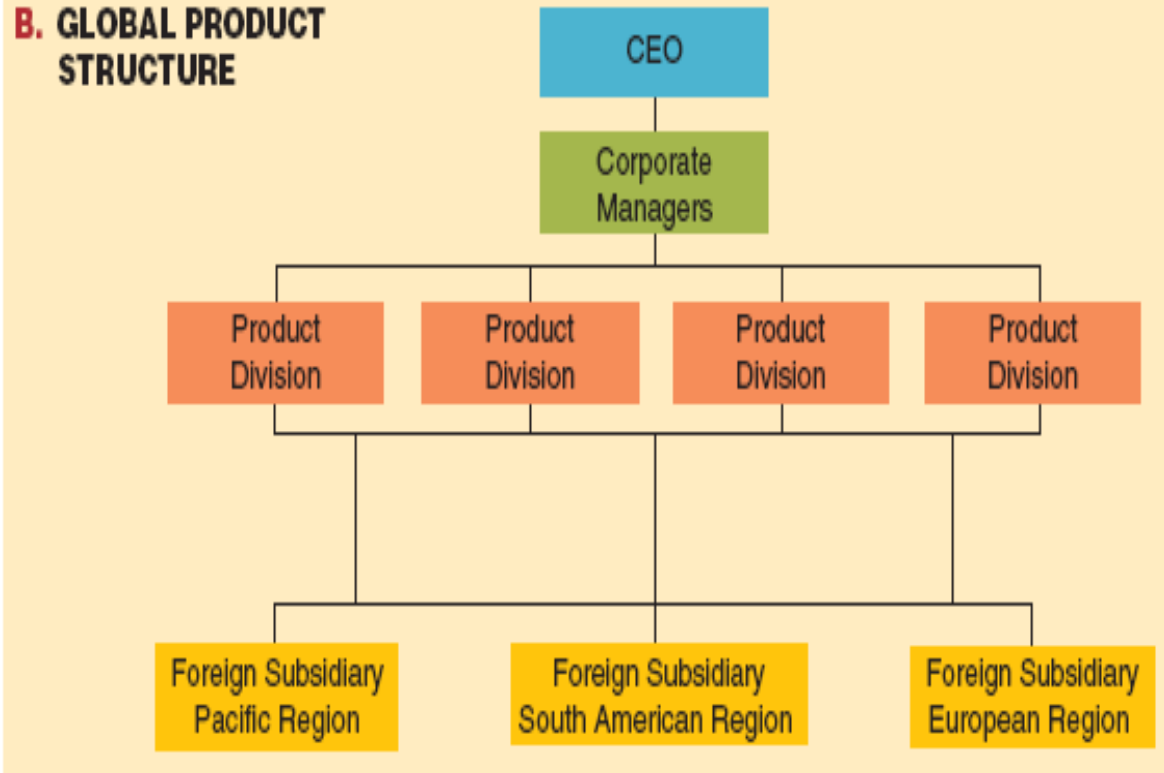iv) Grouping jobs on the basis of product or customer flow

v) Facilitates utilization of common skills, knowledge and orientation together into common units.

A. PRODUCT STRUCTURE

```
                              CEO
                               │
                         Corporate
                          Managers
          ┌───────────────────┼───────────────────┐
Product   Washing Machine    Lighting          Television and
divisions  & Dryer Division   Division         Stereo Division

Functions  ▮ ▮ ▮ ▮           ▮ ▮ ▮ ▮            ▮ ▮ ▮ ▮
```

B. GEOGRAPHIC STRUCTURE

```
                              CEO
                               │
                         Corporate
                          Managers
        ┌──────────────┬───────┼───────────┬──────────────┐
Geographic Northern      Western      Southern      Eastern
divisions  Region        Region       Region        Region

Functions  ▮ ▮ ▮ ▮      ▮ ▮ ▮ ▮     ▮ ▮ ▮ ▮      ▮ ▮ ▮ ▮
```

C. MARKET STRUCTURE

```
                              CEO
                               │
                         Corporate
                          Managers
        ┌──────────────┬───────┼───────────┬──────────────┐
Market    Large-Business  Small-Business  Educational    Individual
divisions Customers       Customers       Institutions   Customers

Functions  ▮ ▮ ▮ ▮      ▮ ▮ ▮ ▮     ▮ ▮ ▮ ▮      ▮ ▮ ▮ ▮
```

A. GLOBAL GEOGRAPHIC STRUCTURE

CEO → Corporate Managers → Pacific Region, South American Region, European Region, North American Region → Functions

B. GLOBAL PRODUCT STRUCTURE

CEO → Corporate Managers → Product Division, Product Division, Product Division, Product Division → Foreign Subsidiary Pacific Region, Foreign Subsidiary South American Region, Foreign Subsidiary European Region

Chain of command: This shows the flow of authority directed from the upper levels of the organization to the lowest levels and delineates who reports to whom. This concept incorporates three key elements:

i) Authority (right to issue order and expecting the orders to be obeyed),

ii) Responsibility (obligation to perform assigned duties)

iii) Unity of command (reporting authority to whom they are responsible)

Span of control: This deals with how many subordinates one can effectively manage under his/her control. There are two types of span of control.

i) Wider span of control which has fewer levels and each level managers are controlling more people

ii) Narrow span of control has more levels and in each level managers have limited number of people to supervise.

iii) The effectiveness of narrow or wider span of control depends upon task structure, employee's maturity, environmental uncertainty, technology, work culture etc.

Centralization and decentralization: The decision making latitude given at the top or lower level determines whether the organization is centralized or decentralized.

i) If top management makes key decisions with no input from lower level employees, then the organization is centralized.

ii) If lower level employees are provided more input and given more discretion to make decision, it is decentralized.

iii) The effectiveness of centralization or decentralization depends upon so many factors such as environment, technology, employees, size of the company, strategies etc.

Formalization: This refers to the extent to which the employees are governed by rules, regulations and standardized operating procedures to maintain consistency and uniformity in maintaining the output.

i) In a highly formalized organization, there are explicit job descriptions, lots of rules and clearly defined procedures covering work process.

ii) This eliminates flexibility, innovativeness and freedom in discharging the duties and responsibilities.

Chapter 7
LEADERSHIP

INTRODUCTION

Leadership is defined as the process of influencing others to get the job done more effectively over a sustained period of time. Leaders play a critical role in influencing the work behavior of others in the system. For example, Marketing managers influence their sales force personnel to influence to meet the targeted sales volume. If he is more influential, his style will have an impact on the behavior of the subordinates. There are three processes by which people can be influenced-compliance, identification and internalization or some combinations of these.

THEORIES OF LEADERSHIP:

There are three major approaches to leadership: a) trait theories, b) behavioral theories, c) situational theories. Trait theories highlight that there exists a finite set of individual traits or characteristics that distinguish successful from unsuccessful leaders. Behavioral theories highlight that the most important aspect of leadership is not the traits of the leader, but what the leader does in various situations. Successful leaders are distinguished form unsuccessful leaders by their particular style of leadership. Situational theories outlines that the effectiveness of the leader is not only determined by his or her style of behavior, but also by the situation surrounding the leadership environment. Situational factors include the characteristics of the leader and the subordinates, the nature of the task and the structure of the group.

Trait Theories: Some of the significant characteristics of leaders are categorized as follows:

- Physical Characteristics – age, appearance, height, weight

- Social Background – Education, social status, mobility

- Intelligence – Intelligence, ability, judgment, knowledge, decisiveness, fluency of speech

- Personality – Aggressiveness, alertness, dominance, enthusiasm, extroversion, independence, creativity, personal integrity, self-confidence

- Task-related Characteristics – Achievement drive, drive for responsibility, initiative, persistence, enterprise, task orientation

- Social Characteristics– Administrative ability, attractiveness,

cooperativeness, popularity, prestige, sociability, interpersonal skill, tack and diplomacy

There are six traits associated with effective leadership include drive, the desire to lead,honesty and integrity, self-confidence, intelligence and job-relevant knowledge.

Drive: Leaders exhibit a high effort level. They have arelatively high desire for achievement, they are ambitious, they have a lot of energy, they are tirelessly persistent in their activities and they show initiative.

Desire to lead: Leaders have a strong desire to influence and lead others. They demonstrate the willingness to take responsibility

Honesty and Integrity: Leaders build trusting relationship between themselves and followers by being truthful and non-deceitful and by showing high consistency between word and deed.

Self-confidence: Followers look to leaders for an absence of self-doubt.Leaders therefore need to show self-confidence in order to convince followers of the rightness of goals and decisions.

Intelligence: Leaders need to be intelligent enough to gather synthesize and interpret large amounts of information; and to be able to create vision, solve problems and make correct decision.

Job-relevant knowledge: Effective leaders have a high degree of knowledge about the company, the industry and technical matters. In-depth knowledge allows leaders to make well- informed decision and to understand the implications of those decisions.

Behavioral Theories:

They identified behaviors that differentiated effective leaders' from ineffective leaders. Based on these people could be trained to be leaders. The following are three types of behavioral styles of leadership

1. **Autocratic Style:** A leader who tended to centralize authority, dictate work methods, make unilateral decision and limit employee participation

2. **Democratic Style:** A leader who tended to involve employees in decision making to delegate authority, to encourage participation in deciding work methods and goals, and to use feedback as an opportunity for coaching employees

3. **Laissez-faire style:** A leader who generally gave the group complete freedom to make decision and complete the work in whatever way it saw fit.

Ohio State Studies: Initiating Structures and Consideration: They identified two independent leadership dimensions.

- **Initiating Structure:** This concerned the degree to which the leader organized and defined the task, assigned the work to be done, established communication networks and evaluated work- group performance.

- **Consideration**, which was defined as behavior that involves trust, mutual respect, friendship; support and concern for the welfare of the employee. Consideration refers to an emphasis on an employee orientation leadership style. Their findings indicated that a mixture of initiating-structure and consideration leader behavior, which are achieved the highest effectiveness, depends largely on situational factors.

Michigan State Studies: Two distinct styles of leadership were developed from their studies:

Job-centered leadership's style, which focused on the use of close supervision, legitimate and coercive power, meeting schedules and evaluating work performance.

Employee-centered style, which is people oriented and emphasis delegation of responsibility and a concern for employee welfare, needs, advancement and personal growth. Their findings reported that employee centered and job centered styles result in productivity increase. However, job centered behavior created tension and pressure and resulted in lower satisfaction and increased turnover and absenteeism. Employee- centered style is the best leadership style.

Managerial Grid:

The five basic approaches to management identified by Black and Mouton are based on the two dimensions of concern of people and concern for production that are associated with leaders. A managerial grid is formed based on these two dimensions which are rated on 9 point scale. If manager is securing the lowest score on these two dimensions I,I is identified as **impoverished style** of managers who are low on both their concern of people and production, 1,9 or **country club style** is designated to those managers who are having high concern for people but low concern for production. The 5, 5 or the **middle-of-the- road** style concerns the moderate levels of concern for both people and production. The 9,1 or **task management style** is one where there is a high concern for production but very little concern for people and finally, 9,9 or **team management style** is one where the manager has high concern for both people and production. According to Black and Mouton the one best

style for all mangers is the 9,9 or team management style.

Situational Theories:

Situational theories of leadership studies revealed that choosing the appropriate style of leadership depends upon the situation will yield more effective results than following same type of leadership style across all the time.

Among various situational theories of leadership Fiedler's contingency model and Hersey and Blanchard's Life Cycle Model outlined the importance of situational factors while choosing the appropriate style of leadership.

Hersey and Blanchard model reported that if the employees are highly matured psychologically and possess job competency, the enforcing delegating style will be more effective. Similarly if the employees are not adequately possessing job competency and very low in psychological maturity, the enforcing directing style will be more effective.

Situational leadership uses the same two leadership dimensions – task and relationship behavior. However, the situational leadership approach goes a step further by considering each as either high or low and then combining them into for specific leadership styles: Directing, Coaching, Supporting and Delegating.

i) **Directing:** (high directive – low supportive): The leader defines roles and tells people what tasks to do and how, when and where to do them. It emphasis directive behavior.

ii) **Coaching:** (high directive – high supportive): The leader provides both directive behavior and supportive behavior)

iii) **Supporting** (low directive-high supportive): The leader and follower share in decision-making, with the main role of the leader being facilitating and communicating.

iv) **Delegating:** (low directive-lowsupportive): The leader provides little direction or support.

Leader Behavior	Decision Style	Follower Behavior
Delegating	Made by Follower	Willing, confident, able

Participating	Made by leader and follower	Unwilling, insecure, able
Coaching	Made by leader in consultation with follower	Willing, confident, unable
Directing	Made by Leader	Unwilling, insecure, unable

Charismatic, Transformational, Transformation Leadership:

It is exercised when the leader intellectually stimulates the subordinates, excites, arouses and inspires them to perform far beyond what they would have thought themselves capable of. By providing a new vision, the transformational leader transforms thefollowers into people who self-actualize. Charismatic leadership is central to transformational leaderships. These kinds of leaders guide or motivate their follower's in the direction of established goals by clarifying role and task requirements. There exists a kind of understanding between the leader and the follower that if the goals are achieved, the follower's own interests and desires will be rewarded.

This type of leader also pays attention to the concerns and developmental needs of individual followers: they change follower's awareness of issues by helping them to look at old problems in new ways; and they are able to excite, arouse and inspire followers to put extra effort in order to achieve group goals. In essence, most transformational leaders are also charismatic leaders because they are seen as heroic and as having a profound and extraordinary effect on their followers.

The following are the typical characteristics of Transformational Leader:

i) Charisma: Provides vision, and sense of mission, instills pride , gains respect and trust

ii) Inspiration: Communicates high expectations, use symbols to focus efforts, expresses important purposes in simple way

iii) Intellectual stimulation: Promotes intelligence, rationality and careful problem solving

iv) Individual Consideration: Gives personal attention, treats each employee individually, coaches, advises.

The following are the typical characteristics of Transactional leaders.

i) Contingent Reward: Contracts exchange of rewards for effort, promises rewards for good performance, recognizes accomplishments

ii) Management by exception: Watches and searches for deviations, form rules and standards, take corrective action

iii) Laisser-faire: Abdicates responsibilities, avoided making directions.

ROLES

Role refers to a set of expected behavior patterns attributed to someone occupying a given position in a social unit. Roles are classified into three ways:

Expected Role:

It refers to the expectations of supervisors towards their subordinates on the type of behavior or actions in their job. This expected role can be specified by giving a detailed job description, position, title or by other directions from the organizations.

Perceived Role:

This concerns the set of activities or behaviors of the group that an individual believes he or she should do. Most of the time, the perceived role corresponds to the expected role. Many factors may be present in a situation that can distort the individual's perception and thus make the perceived role inaccurate.

Enacted Role:

This refers to the way in which the individual group member actually behaves. The enacted role is generally dependent on the perceived role

If there is any differences exist between or among these roles, a considerable level of role ambiguity or role conflict exists. Role ambiguity is the lack of clarity regarding job duties, authority and responsibility that the individual perceives in his role. It can be caused by a number of factors such as lack of clear job description, occupational levels with complex

Chapter 8
ORGANIZATION DEVELOPMENT

INTRODUCTION

Organization Development refers to all on-going developmental efforts which are oriented towards making the organization and its members effective.Organization Development connotes the continuous planned efforts that are made to enhance the structural, processual and people aspects of the system. Such systematic efforts ensure the organization's survival and growth by enhancing the quality of work life and the quality of life of the employees in general. In a sense, OD makes the difference between being and becoming. Being aspect reflects a static state of things as they currently are and the becoming aspect denotes a developmental aspect of constantly experiencing a state of growing, developing and reaching new heights. Organizations develop and grow and so do individuals, groups, and society itself. Thus, OD signifies a planned growth and developmental strategy for organization, making use of behavioral science, organization theory, comparative management, and other fields of scientific knowledge. Currentlymore behavioral science knowledge and techniques are used as intervention mechanisms, that is, techniques to bring about the desired changes

Organisation Development

The OD paradigm values human and organizational growth, collaborative and participative process and a spirit of enquiry. The change agent may be directive in OD; however, there is a strong emphasis on collaboration. Concepts such as power, authority, control, conflict and coercion are held in relatively low esteem among OD change agents.

The following are some of the key values in most OD efforts:

- Respect for people: Individuals are perceived as being responsible, conscientious and caring. They should be treated with dignity and respect

- Trust and support: The effective and healthy organizations is characterized by trust, authenticity, openness and supportive climate

- Power equalization: Effective organizations de-emphasize hierarchical authority and control.

- Confrontation: Problems should not be swept under the carpet. They should be openly confronted

- Participation: The more the people who will be affected by a change are involved in the decisions surrounding that change, the more they will be committed to implementing

those decisions.

Interventions	Individual	Group	Organization
HUMAN PROCESS			
T-groups	x	x	
Process consultation		x	
Third-party intervention	x	x	
Team building		x	
Organizational confrontation meeting		x	x
Intergroup relations		x	x
TECHNOSTRUCTURAL			
Formal structural change			x
Differentiation and integration			x
Cooperative union-management projects	x	x	x
Quality circles	x	x	
Total quality management		x	x
Work design	x	x	

OD Interventions

Potential Areas for OD Interventions: OD efforts are useful wherever problems and tensions exist. Areas where OD interventions help encompasses the people side of the organization, the technical and job related aspects and the structural aspects. Certain OD techniques are also available to obtain information about how effective the organization is perceived to be by significant others and how its effectiveness can be increased. All these areas are interrelated.

OD interventions can be at the

    i)   individual or intra-personal level,

    ii) dyadic level,

   iii) group level,

  iv) Family level.

Some of the OD interventions to address "people concern" are sensitivity training, transactional analysis, process consultation and third party peace making, team building, individual counseling, life and career planning, role clarification. Areas for interventions in the technical and job related aspects include the examination of workflow interdependencies, job evaluation job redesigning. OD intervention aimed at socio- technical systems cover

flexible work hour's for better productivity, offering job sharing, job evaluation and role analysis techniques..

INDIVIDUAL INTERVENTION ACTIVITIES: There are numerous individually oriented interventions techniques and activities available to managers. Among them are life and career planning programs, various training activities and sensitivity training.
Sensitivity or laboratory Training

Sensitivity training or T-groups is unstructured small group interaction form which participants learn about their personal styles, how they communicate and how they are perceived by others. This information is obtained from the feedback that group members offer. A group is initially formed and left to them to interact with each other as they sit in a circle. The primary objectives of T- group training are as follows:

- To increase understanding, insight and self-awareness about one's behavior and its impact on others.

- To increase understanding and sensitivity about the behavior of others

- To improve understanding and awareness of group and inter-group processes

- To improve diagnostic skills in interpersonal and inter- group situations

- To increase ability to transform learning into action

- To improve an individual's ability to analyze his or her own interpersonal behavior.

There are three types of sensitivity groups such as stranger, cousin and family.

The stranger's group would include members who do not know each other.

The cousin group consists of members of the same organization who do not work together. The family group includes member who belong to the same work unit.

These groups meet with a trainer. The trainer may structure the content and discuss or may decide to follow an informal or nonstructural format, allowing the group to proceed as they desire.

It stresses 'the process rather than the content of training and focuses upon emotional rather conceptual training. The group meets away from the job and engages in an intense exchange of ideas, opinion, beliefs and philosophy. The group members then become open and talk about themselves and get feedback on how others perceive them. As the group members

meet more often, they become more comfortable in opening themselves up and in giving and receiving feedback.

The T-group leader or trainer simply facilitate the agenda less group sessions when the group gets struck or stays away from the main goal of learning about themselves. Different individual react differently to the T- group or sensitivity training sessions. People, who are more open to feedback, learn more about themselves in several of the lab sessions and acquire increased self-awareness. They become more attentive to the feelings of others and more sensitive to cues from others.

Life and Career Planning: According to Super, there are five identifiable life stages that a person moves through in his life:

       i) Growth (from conception to 15 years),

      ii) Exploration (115 to 25 years

     iii) Establishment (25 to 40 years)

     iv) Maintenance (45 to retirement form a job)

      v) Decline

The organizational career involves primarily the establishment and maintenance stage. It is during these stages that individuals utilize their sills and abilities to perform certain job related tasks. Organization can develop life and career planning programs to develop

GROUP AND TEAM INTERVENTION ACTIVITIES

In order to consistently accomplish organization and individual goals, it is necessary for people to work together. Probably the single most important interventions approach that is concerned with the effective function in groups is team-building activities. Other intervention such as survey feedback, process consultation etc are aimed at improving the team effectiveness.

Team Building:

Team building as an OD intervention strategy is aimed at improving intra and inter-group effectiveness. The team building activities may revolve around enhancing between interaction modes, sharing resources more effectively, forming temporary task forces, and acquiring skills for accomplishing the task as a team or teams of interacting members. The intra-group as well as inter-group efforts focus on such aspects as problems solving, role clarification, goal setting, improving boss-subordinates relationships,conflict resolutions,

managing group process and understating the organizational culture. Extensive clarifications take place in role expectations, goals to be accomplished and resources sharing among members of a team or between them.

The consultant role in team building includes interviewing the group members in advance before working with them as a group, creating the environment to make it a constructive and psychologically safe place for members to interact and to help the group to examine itsnorms. Team building is both a time-consuming and exhausting interventions technique, but very useful if skillfully managed. Team building can be applied within groups or at the inter-group level where activities are interdependent. The objective is to improve coordinative efforts of members, which will result in an increase in the team's performance. Team building can also address itself to clarifying each member's role on each team. Each role can be identified and clarified. Previous ambiguities can be brought to the surface. For some individuals, it may offer one of the few opportunities they have had to think through thoroughly what their jobs is all about and what specific tasks types are expected to carry out if the team is to optimize its effectiveness.

Survey Feedback:

Survey feedback research involves the process of systematically collecting data about a group or the organization primarily through self-report questionnaire. Occasionally, interviews and records of the unit being studied are used. The collected data are analyzed and feed back to the group for analysis, interpretation and corrective action if needed. The entire process has two major components: the attitude survey and small discussion workshops. Three significant steps are involved in survey feedback.

i) Members holding primary position in the organization plan what data need to be collected

ii) Data are collected from all the members of the organization

iii) Data are analyzed and feed back to the top executives and down the hierarchy in team.

These feedback sessions are done by a consultant who serves as a resource person and prepares the superior to share the data with his immediate subordinates. The group members are asked to interpret the data, what constructive changes seem necessary, and how they should be brought about. Based on these discussions with each group, the commonly recurring them are dealt with through the help of a reconstituted group of members.

The survey feedback is a good diagnostic tool which can be used for several types of intervention such as team building. The survey technique provides useful data about the system. The feedback technique helps the organization to work with the data in a manner which helps the system. The survey feedback is an effective intervention strategy since

people realize that they are working with data that they themselves have provided.

Process Consultation:

The purpose of process consultation is for an outside consultant to assist a client, usually a manager to perceive, understand and act upon process events with which they must deal. These might include workflow, informal relationships among unit members and formal communication channels.

For instance, it is certainly important to specify the channels of communication in an organization system so that people know whether they can communicate only through hierarchical levels or whether they can pass on information horizontally. However, having laid down the structure, the manager cannot always expect that the expected behaviors and results will automatically follow. Attentions have to be paid to the process by which communication takes place. Are people friendly with each other in communication or do they take adversative positions? How do they understand each other?

Process consultation requires a combination of skills in establishing helping relationships, knowing what kinds of process to look for an organizations and intervening in ways to improve organizational process. The essence of processes consultation is that a skilled consultant works with the mangers, individual and groups in the system to develop their process skills – that is, diagnose, understand, and resolve process-related problem. This involves sensitizing the individual about issues such as how people get along with each other, how conflicts are resolved, styles of interactions among departments and so on. The members of the organization are made aware of organization process that enhance and obstruct their effectiveness. They also then learn how to bring about necessary changes so that the organization becomes a more effective system.

Process consultation is similar to sensitivity training in its assumption that organizational effectiveness can be improved by dealing with interpersonal problems and its emphasizes on involvement. But process consultant is more task-directed than sensitivity training.

Third-Party Peacemaking:

Third-party peacemaking focuses on interventions by a third party to resolve conflict situations. The fundamental aspect of third-party peacemaking is for the consultant (third party) to make the two disagreeing parties to confront or face up to the fact that a conflict does not exist and that it is impairing the effectiveness of both. The consultant facilitates the significant issues involved in the conflict to surface by using the right intervention strategies.

By wisely choosing the place, selecting the proper environment, using effective interventions strategies, and setting an appropriate agenda for the meeting, the third party can help the

parties in conflict to own up to their problems and find solutions. In case there is a dispute over for scarce resources sharing, the consultant will concentrate on the parties engaging in problem solving through rational bargaining behaviors Ifthe conflicting situation is based on emotional issues, the consultant might have to work hard at restructuring the perceptions and facilitate understanding between the parties involved.

ORGANIZATIONAL INTERVENTION ACTIVITIES:

These are organizational change and development intervention that can have an organization-wide impact. Two of the most popular and widely used interventions are management by objectives (goal setting) and the managerial grid. Both these interventions have a common sense appeal to manage and are generally considered worthwhile endeavors for improving behavior and performance.

Management by Objectives:

Peter Drucker defines MBO is process whereby the superior and subordinate manager of an organization jointly identify its common goals, define each individual's major areas of responsibilities, interest of the results expected of him and use these measures as guides for operating the unit and assessing the contributions of each of its members.

The following are the series of interrelated and interdependent steps of **MBO Process**.

Step I:Diagnosis for MBO Readiness: A thorough analysis of its people, the history of change, jobs, technology, mission, plan and strategy of the company will be carried out in advance to make the organization in a readiness state

Step II: Preparation for MBO: Initiative has to be taken to involve all the members to participate in this exercise through active interaction. Certain facilities such as proper communication system, formal training and development, establishing action plans, developing criteria for assessing effectiveness have to be created.

Step III: Objective Setting: Special attention has to be paid to clarify the objectives of individuals, departments, division and organization. The superiors and subordinates must participate and jointly set the goals and objectives and prioritizes those objectives based on the importance and weight ages
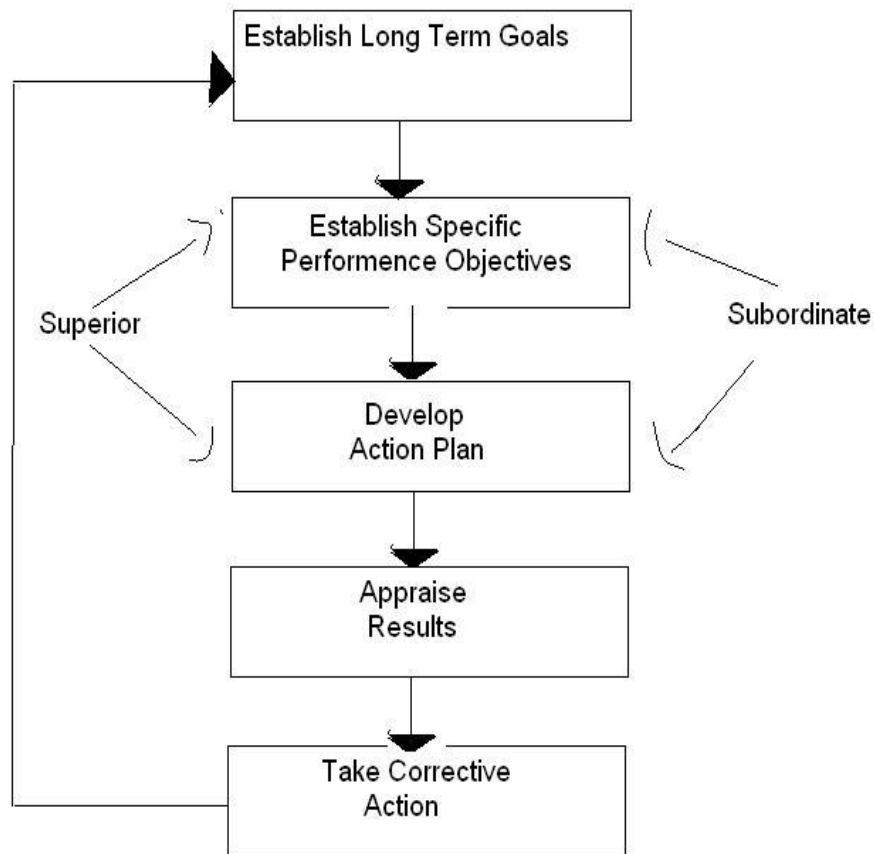
Step IV: Intermediate Review: This review will facilitate to modify the original objectives considering the limitations or getting feedback on the process. Step V: Final Review and Analysis of Results: An intensive analysis is taken up to review its results and initiate the next complete cycle of objective setting

Step VI: Achieving Results: The accomplishment of better planning, control, and

organization through motivated involvement, based on achieved results instead of personality and popularity.

There are four key **principles of MBO**:

i) MBO requires the involvement of superiors and subordinates. The subordinates may be involved in a dyadic relationship, one superior-one subordinate, or in group arrangements of one superior and more than one subordinate.

ii) MBO relies heavily on feedback, with needs to focus on results and should be as closely connected to behavior and performance as possible

iii) The crucial first step in any MBO program should be a thorough diagnosis of here job, the participants and the needs of the organization.

iv) The superior must be competent in counseling the subordinate on the achieved results and the expected or agreed to results for the next cycle.

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         ┌─────────▶│ Establish Long Term Goals│
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         │     ╮    │   Establish Specific    │    ╭
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Benefits of MBO:

The following are some of the benefits of MBO program:

i) Increased short and long range planning,

ii) A procedure for monitoring work progress and results

iii) Improved commitment to the organization because of increased motivation, loyalty and participation of employees

iv) Improved communication between superiors and subordinates

v) An improved organizational climate in general that encourages improvements in performance.
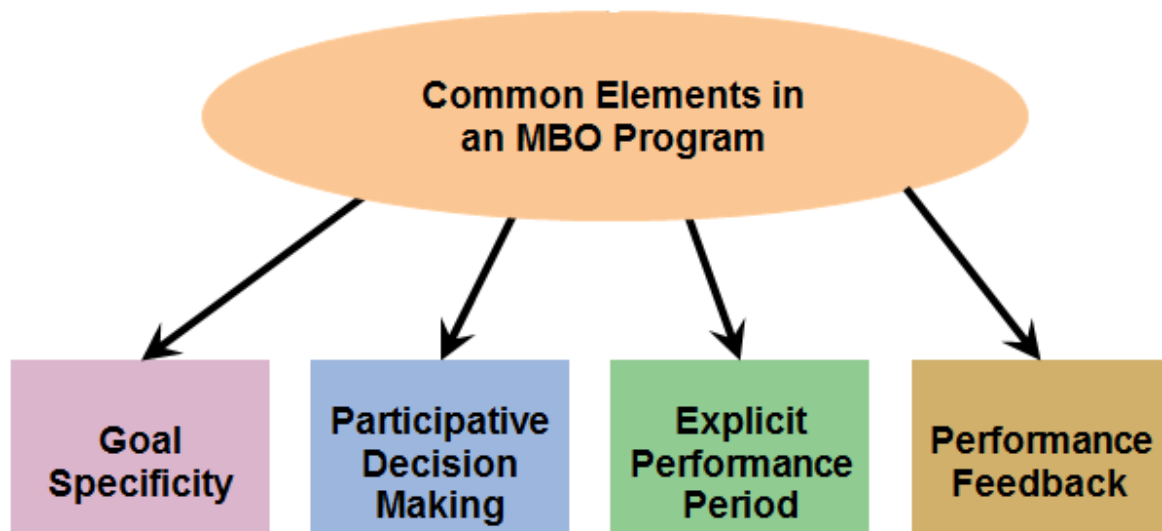
Managerial Grid:

The managerial grid model proposes two assumptions about managerial behavior (i) concern for production specifies a manager's concern for accomplishing productive task, such as quality, quantity and efficiency of output, and (2) concern for people designates a manager's interest and concern for the personal worth of subordinates, the equity of the reward and evaluation systems, and the nurturing of social relationships. In the managerial grid framework, the manager who shows a high concern for both production and people is the most effective manager in an organizational setting. Blake and Mouton display the relationship between the production and people concerns on a 9 by 9 grid, which enables them to plot eighty one possible combinations of managerial concern.

The managerial style of an executive can be assessed by a questionnaire which measures the concern for production and people. By scoring the questionnaire responses, it is assumed that where a manger fits in the eighty one cell grid can be determined. But the emphasis is given on five major dimensions:

i) **Impoverished Management (1, 1) –** This style displays little concern for either production or people. Exertion of minimum effort to get required work done is appropriate to sustain organization membership.

ii) **Task Management (9, 1)** –This emphasizes completing jobs within time, quality and budgetary constraints. Efficiency in operations results from arranging conditions of work in such a way that human elements interfere to a minimum degree.

iii) **Middle-of-the-road Management (5, 5) –** The manager attempts show at least a moderate amount of concern for both production and people. Adequate organization

performance is possible thorough balancing the necessity to get out work with maintaining morale of people at a satisfactory level.

iv) Country Club Management (1, 9) –Manager gives much attention to people while production tasks are overshadowed. Thoughtful attention to needs of people for satisfying relationships leads to a friendly organizational atmosphere and work tempo.

v) Team Management (9, 9) – The manager using this style attempts to help subordinates satisfy self-actualization, autonomy and esteem needs; develops an atmosphere of trust and supportiveness and emphasis task accomplishment. Work accomplished from committed people, interdependence through a common stake in organization purpose leads to relationships of trust and respect.

Conclusion:

Although most OD efforts are not carefully evaluated, two large-scale reviews of a wide variety of OD techniques reached the following conclusions:

- Most OD techniques have a positive impact on productivity, job satisfaction, or other work attitudes.
- OD seems to work better for supervisors or managers than for blue-collar workers.
- Changes that use more than one technique seem to have more impact.
- There are great differences across sites in the success of OD interventions.

ORGANIZATIONAL CONFLICT

INTRODUCTION

The manner in which organizations view and treat inter-group conflict has changed measurably during the last three decades. There are two different views – traditional and contemporary views of inter-group conflict to deal with the conflicting situations. The old line, traditional approach views inter-group conflict is dysfunctional to the organization and should be avoided. This view emphasizes that conflict is caused by personality differences and a failure of leadership. Further, it reiterates that conflict is resolved by physical separation or the intervention by higher management levels. The contemporary approach views inter-group conflict as an inevitable consequence of organizational interactions, caused by primarily by the complexities of our organizational systems. Through such mechanisms, the solutions of conflict may help to bring about positive organizational change.

OUTCOMES: Functional and Dysfunctional Conflict
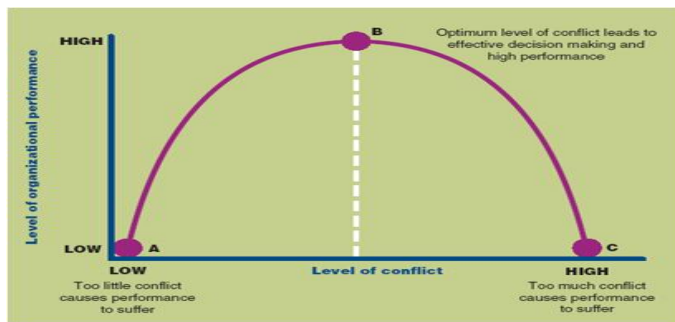
The outcomes of conflict may be functional or dysfunctional. Conflict is constructive when it improves the quality of decision, stimulates creativity and innovation, encourages interest and curiosity among group members, provides the medium through which problems can be aired and tensions released and fosters an environment of self-evaluation and change. The evidence suggest that conflict can improve the quality of decision making allowing all points particularly the ones that are unusual or held by a minority people. The dysfunctional consequences of conflict on a group or organization's performance are generally well known. Among the more undesirable consequences are retarding of communication, reduction in group cohesiveness and subordination of group goals to the primacy of infighting between members. At the extreme, conflict can bring group functioning to a halt and potentially threaten the group's survival.

CONFLICT MANAGEMENT TECHNIQUES

The various strategies for minimizing and resolving conflicts can be classified into five categories: i) Avoidance, ii) Accommodating, iii) Compromise, iv) Competition and v) Collaboration.
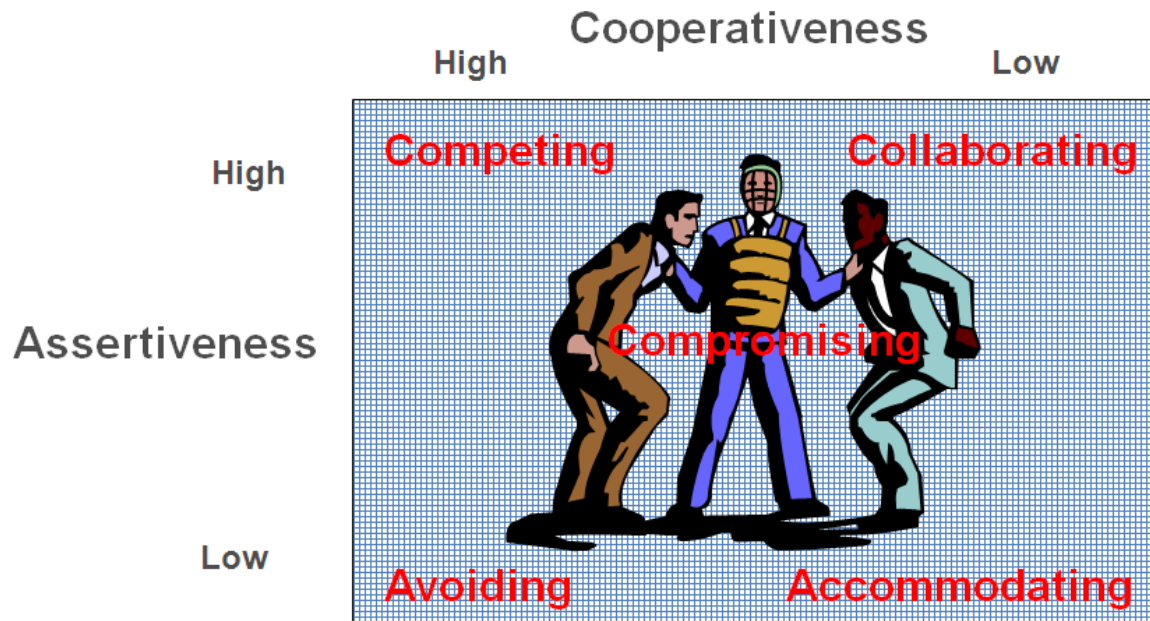
Avoidance:

This strategy involves a general disregard for the causes of the conflict and the person might diplomatically sidestep a conflicting issue, postpone addressing it till later, or withdraw physically or psychologically from a threatening situation. Avoiding mode is used when the individual is both unassertive and uncooperative – that is, the person has a very low concern for his own and his opponent's needs.The individual followsthe following three methods

i) Non-attention: The manager totally avoids or ignores the dysfunctional situation. Individuals tend to "look the other way" or disregard hostile action in hopes that the situation will resolve itself in time

ii) Physical separation: It involves moving conflicting groups physically apart from each other. The rationale is that if the groups cannot interact, conflict will diminish.

iii) Limited interaction: Groups are allowed to interact only on formal situations.

Avoidance style can be very beneficial under the following conditions:

- When the issue involved in the conflict is trivial,

- When more pressing issues are to be handled by the individual with a limited time frame.

- When one's power is very low and there is no chance of satisfying one's concern

- When more information is needed to make a good decision

- When someone else can resolve the conflict more effectively

- When you require time to regain more strength and look into different perspective

Accommodation: Accommodation is a negotiation style where one party is willing to oblige or adapt to meet the needs of the other party. That party that accommodates loses and the other party wins. Accommodation is useful for negotiation on minor matters. The negotiation parties may not look for creative, new solutions. Accommodation might take the form of selfless generosity, or obeying another's order rather unwillingly or giving in to another person's point of view. In all these cases, the individual neglects his or her own concern to satisfy the concerns of their other party. There is an element of self- sacrifice.

Accommodating is useful in the following situations:

- Where the individual realizes that he or she is wrong

- By yielding, the person indicates to the other conflicting person that he is reasonable

- When an issue is much more important to the other person than to the individual

- By being accommodating, the person maintains good will and a cooperative relationship and also build social credits so that the other person gives in when a later issue becomes important to this individual.

- When preserving harmony and avoiding disruption are especially more important

- When continued competition would only damage one's cause because one is outmatched and is losing.

Competition: Competition occurs when one party negotiates to maximize its results at he expense of the other party's needs. Competition leads to one party gaining the advantage over the other. One party wins while the other party loses. Although it is quick and can be used as counter against another person, this option usually produces a win-lose result. Competing is a power oriented mode of resolving tensions and one uses whatever power one has or can muster such skills, knowledge, abilities, rank being well-connected etc to win.

Competing is useful in the following situations:

- When the resources are limited and the system has to be pruned

- When quick and decisive action has to be taken during emergencies

- When one has to take unpopular decision such as enforcing discipline, unpopular rules, cost cutting measures

- When issues are vital to the survival of the company where one is aware of the right solutions. Thus, while competing mode is useful in certain situations, people have to be careful not to surround themselves with yes-men and not to foster ignorance and duplicity in the system. People low on this mode can learn to use their power more and enhance their own as well as their organization's effectiveness.

Compromising: Compromise is the settlement of differences through concessions of one or both parties. In compromising, the party tries to find some expedient, mutually acceptable solutions with partially satisfies both parties, though neither is fully satisfied. A compromising stance addresses the issue without avoiding it, but does not explore the alternative in a way that would be completely satisfying to both parties as in the case of collaboration.

Compromising involves "splitting the difference", exchanging concessions and seeking quick middle-ground solutions.

Compromising is a useful mode in the following situations:

- When the goals pursued are important, but not so important that it is worth potential disruptions by taking very assertive or unyielding positions.

- When two parties with equal power are strongly committed to mutually exclusive goals such as in labor- management bargaining situations

- When interim solutions are required till a more thorough and permanent solutions to the problem can be found.

- When solutions have to be arrived at under extreme time pressures

- When both collaboration and competition fail to work effectively in resolving conflicts. Thus, compromise as a conflict resolution mode might offer an easy way out, but is also likely to produce adverse overall effects for the organization if that is the main or only approach to conflict resolutions taken by managers in the organization.

Collaboration: Collaboration occurs when people cooperate to produce a solution satisfactory to both. Collaborating involves an attempt to work with the other person to find solutions that would be satisfying to both parties. Here, the underlying concerns of both parties are explored in depth, the disagreements examine in detail and resolutions arrived atby combining the insights of both the parties. A creative solution usually emerges because of the joint efforts of both the parties who are keen on both gaining from the situation without hurting the other. Collaboration is useful in the following situations:

- When two goals of the two parties are both too important to be compromised

- When the commitment of both parties is essential for important projects to succeed

- When the objectives of the parties are i) to learn ii) to merge insights that different people bring to a problem because of their backgrounds, training, discipline or orientations iii) to work through hard feelings which are interfering with a desired interpersonal relationship

Thus, in collaborating, the intention of the parties is to solve the problem by clarifying differences rather than by accommodating various points of view. Examples include attempting to find win-win solutions that allow both parties' goal to be completely achieved and seeking a conclusion that incorporates the valid insights of both parties.

POWER

Introduction:

Power is defined as the capacity to influence, the possession of delegated authority or an ability to act. According to French and Raven, individuals have five different social bases of power depending upon how they position their relationship with others. They are reward power, coercive power, legitimate power, referent power and expert power. The first three types of power can be exercised because of the position in which one finds oneself in the organization and can be referred to as position power and the last two can be attributed more to the characteristics of the individual and referred to as personal power.

Sources of Power:

Legitimate Power: It is held because the organization has given power and authority to the position held by the leader. This stems from the belief that the superior has the right to command the subordinate and expect that his or her orders will be obeyed. The employees accept the rights of persons holding higher offices to command because of the legitimate authority bestowed on the individual by the organization.

Reward Power: It is held because the leader has the opportunity through the control of resources, either to give or withhold things wanted by others. A leader can use reward power well to reinforce effective behavior or badly to manipulate the behavior of others. The greater the rewards that the leader is perceived as having within his or her control to dispense to others, the greater will be the individual's ability to influence others through reward power.

Coercive Power: It can be described as power which is exercised to manipulate the behavior of another by threatening to withhold desired rewards or punish the individual if the latter fails to comply with the wishes of the leader. In order to avoid the negative consequences, the individual will unwillingly obey the orders of the superior and perhaps develop a hostile attitude towards their leader. The strong presence of unions in organizations will restrict or weaken this power base.

Referent Power: Its base is identification with a person who has desirable resources or personal traits. If a person has admirable, charismatic, attractive, and extraordinary characteristics, he can exercise power over others to get things done. The followers identify with the leader and more attracted towards his or personal charisma and they are pleased to act in ways desired by their leader.

Expert Power: It is held because of the leader's knowledge, aptitude and ability. It comes from an individual's ability to direct another's behavior because of special knowledge or expertise that one person may be perceived to possess which others need and look for. An experienced software engineer will be able to influence his colleagues to things in a particular way because the staff members will look up to this software engineer as some one possess the knowledge, experience and judgment that the staff member lacks.

Expert power is based the credibility accorded to the leader for his expertise whereas informational influence is based on the characteristics of the type of information. Reward and coercive power will both lead to compliance. The former would result in satisfaction for person who complies if rewards are dispensed, and the latter will result in dissatisfaction. Referent power will lead to identification with these sources of influence and both parties are likely to experience satisfaction. Expert and legitimate power, on the other hand, help individuals to internalize the desired values. The behavior of individual will then be sustained even when the leader is not present in the setting.

Sources of Power

- Legitimate
- Coercive
- Reward
- Expert
- Referent
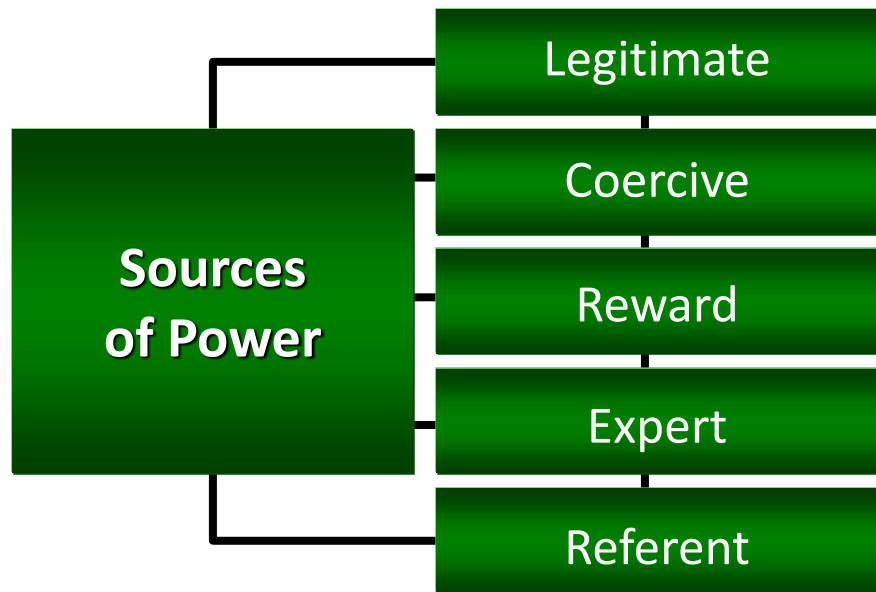
Which do leaders use?

ORGANIZATIONAL CHANGE

INTRODUCTION

Changes are constantly taking place in our environment. Changes occur outside organization that requires internal adaptation. The manager has to ensure that individual and groups in organizations, and structures, process and behaviors of sub-systems must adapt to the changing external and internal environments. In effect, the manager is a change agent who facilities changes to occur in the various subsystems of the organization needed.

Changes at the individual level can be facilitated by offering special training to particular employees to handle a new assignment. At group level, team building efforts can be initiated to operate interactively in a smooth and harmonious fashion so as to increase their effectiveness. Changes can be brought at the technological level through implementation of sophisticated and more effective machines or by better ways of doing things. At the structural level, job can be redesigned or new policies initiated which serve the needs of both employees and the organization. Changes at the perceptual, attitudinal and behavioral levels can be brought about by changing the organizational climate. By being able to scan the internal and external environment of the organization and deciphering how changes in these environments are likely to widen the gap between desired and actual state of affairs (performance, productivity, customer satisfaction, employee satisfaction etc, the manager can become an effective change agent for introducing planned changes.

FORCES FOR CHANGE

There are both external and internal forces that result in pressure for change,

External Forces: The external forces that create the need for change come from various sources. Some of them are as follows:

Competitive Market Force: Competition is changing. The global economy means that competitors are as likely to come from across the ocean as from across town. Heightened competition also means the established organizations need to defend themselves against both traditional competitors that develop new products and services and small, entrepreneurial firms with innovative offers. Successful organizations will be the ones that can change in response to the competitor.

Government laws and regulations: These are frequent impetus for change. Creation of special economic zones and foreign direct investment in India sparked off major changes in the IT Industries, Insurance, and Car manufacturing industries. More foreign automobile industries are setting up manufacturing plants and generating more employment opportunities in India.

Technology: It creates the need for change. For example, technological developments in

sophisticated and extremely expensive diagnostic equipment have created significant economy of scale for hospitals and medical centers. Assembly-line technology is under going dramatic change as organizations replace human labor with robots. Even in the greetings card industry, electronic mail and internet have influenced the way people send greetings.

Labor Markets: The fluctuation in labor markets forces managers to change. For instance, the demand for webpage designers and website managers made it necessary for organizations that need those kinds of employees to change their human resources management activities to attract and retain skilled employees in the areas of greatest need.

Economic Changes: Economic changes affect almost all organization. The appreciation of rupee value against the US dollar affects the export prospects of knitwear products from India to America as those products cost more to Americans. But even in strong economy, uncertainties about interest rates, government budgets deficits and current exchange rates create conditions that may force organizations to change.

Internal Forces: Internal forces can also stimulate the need for change. These internal forces tend to originate primarily from the internal operations of the organizations or from the impact of external changes.

Structural factors: A structural force would be the inability to transmit important information from the top of the organization to the lower level cadre. Because of numerous layers in the hierarchy, information moves slowly from one level to the next. This could be viewed as a process or a behavioral problem involving a failure to communicate effectively.

Strategy: A redefinition or modification of an organization's strategy often introduces a host of change. The strategic move of Reliance Industries in getting into retail business in urban and rural markets made them to introduce a change in the managerial approach as well as the human relations approach to gain acceptance from the different cross section of the customers.

Organizations Workforce: In recent times, the work force composition is varied and is not very static. Its composition changes in terms of age, education, sex and so forth. In a stable organization with a large pool of seasoned executives, there might be a need to restructure jobs in order to retain younger managers who occupy lower ranks. The compensation and benefit system might also need to be adapted to reflect the needs of an older work force

Technology: The introduction of new equipment represents another internal force for change. Employees may have their jobs redesigned, they need to undergo training on how to operate the new equipment or they may be required to establish new interactions patterns with their work group.

Employee Attitudes: Employee attitudes such as increased job satisfaction may lead to increased absenteeism, more voluntary resignations, and even labor strikes. Such events will often lead to changes in management policies and practices.

RESISTANCE TO CHANGE

In planning for change, the team leaders must take into consideration the various factors on which the members exhibit their resistance to implement the change process. For example, the company wanted to install a new software program in cash counter computer terminals to facilitate the fast movement. But some employees may not respond favorably and display their refusal to cooperate by increasing absenteeism, sub-standardwork, joining of union increased labor turn over etc. Resistance to change can also be a source of functional conflict. For example, resistance to a reorganization plan or a change in a product line can stimulate a healthy debate over the merits of the idea and result in a better decision.

Resistance can be overt, implicit, immediate or deferred. It is the easiest for management to deal with resistance when it is overt and immediate such as employees strike, work slowdown etc. The greater challenge is managing resistance that is implicit or deferred. Such as loss of loyalty to the organization, loss of motivation to work, increased errors or mistakes increased absenteeism etc. .

Stages of resistance to Change
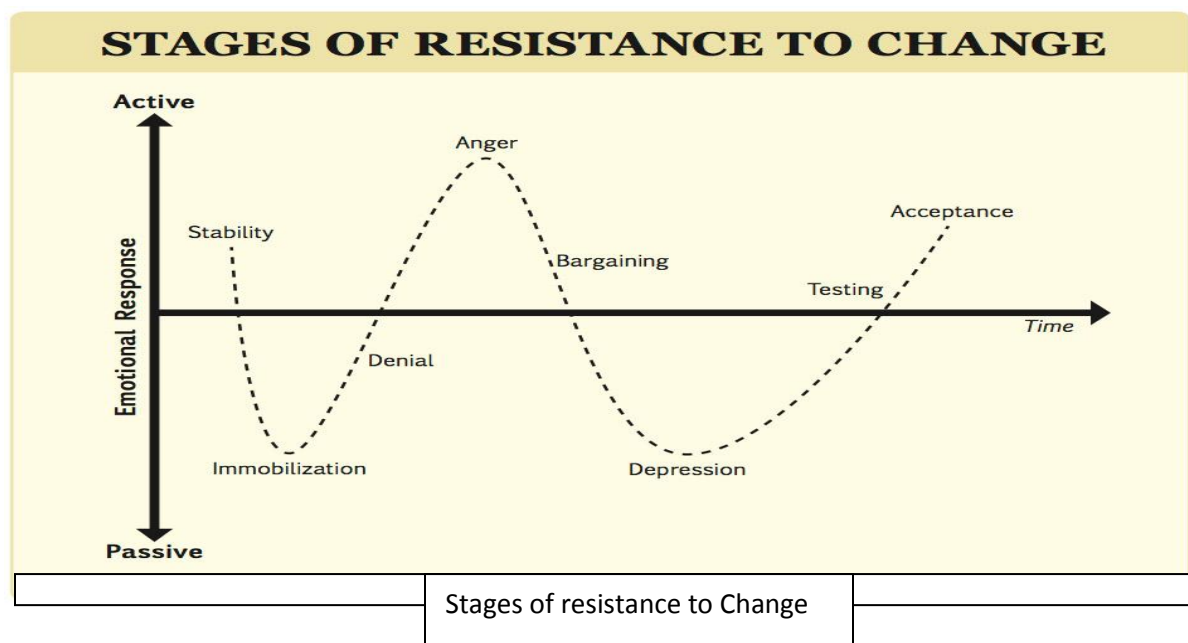
Individual Resistance: Individual sources of resistance to change lie in basic human characteristics such as perceptions, personalities and needs.

• **Habit:** The team members are habituated or conditioned to do their job or activity in a particular way. When they are asked to do differently, they tend to respond to resist change. When employees are asked to move to new office building across the town, they are likely to change their routine habits like waking up ten minutes earlier, finding new parking place, adjusting to new office layout, developing new lunch time routine etc.

• **Security:** The team members with a high need for security are likely to resist change because it threatens their feelings of safety. When Indian Railway introduced new online booking for their reservations, employees may have similar fears.

• **Economic Factors:** If the members feel that the new changes result in lower pay, they may likely to resist change process. Changes in jobs or established work routine can also arouse economic fears if people are concerned that they won't be able to perform the new tasks or routines to their previous standards, especially when the pay is closely tied to productivity.

• **Fear of the Unknown:** The cashiers or secretaries might fear the new activities due to lack of knowledge in operating the new software program. They might develop a negative attitude towards working with new programs or behave dysfunctional if required to use them. Employees in organizations hold the same dislike for uncertainty. For example, if an organization introduced TQM, the production employees will have to learn statistical process control techniques. Therefore, they may develop a negative attitude towards TQM or behavior dysfunctionally if required to use statistical techniques.

• **Selective Information Processing:** Once the team members shape their world through their own way, they prefer to do their work based on their perceptions. If the change process demands to follow the new method, the members tend to resist. So individuals are guilty of selectively processing information in order to keep their perception intact. They hear what they want to hear. They ignore information that challenges the world they have created.

Organizational Resistance

Some organizations prefer to follow their routine and reluctant to venture new things or follow any new methods of doing. Government agencies want to continue doing what they have been doing for years, whether the need for their service changes or remains the same. Six major sources of organizational resistance have been identified. They are as follows:

• **Structural Inertia:** Organizations have built in mechanisms to produce stability. For

instance, the training and orientation programs reinforce specific role requirements andskills. Formalization provides job descriptions, rules and procedures for employees to follow. Once the routine has been established, organization is very reluctant to adapt to new changes. When an organization is confronted with the change process, the team members tend to resist.

- **Limited Focus of Change:** The change process is interlinked. One activity cannot be changed without affecting the others. If change is introduced in technology without considering the structural changes, the change in technology is not likely to be accepted. Organizations are made up of number of interdependent subsystems.

- **Group Inertia:** Sometimes the group norm or standards could act as a constraint. For example, the union norms may dictate resistance to change process.

- **Threat to Expertise:** The change process could threaten the expertise of team members of the groups. Once the members feel that they are forced to learn something new, they tend to resist. The introduction of decentralized personal computers, which allow managers to gain access to information directly from a company's mainframe, is an example of a change that was strongly resisted by many information system departments in the 1980s. Because of decentralized end-user computing was a threat to the specialized skills held by those in the centralized information system departments

- **Threat to Established Power Relationship:** The change process can threaten long-established power relationships within the organization. Due to this reason, the members can resist the change.

- **Threat to established resource allocation:** The group, which enjoys sizable resources, may not like to accept the change process that facilitates reduction in their budget.

OVERCOMING RESISTANCE TO CHANGE John Kotter and Leonard Schlesinger offered six ways of overcoming resistance to change, which are highly situation dependent. More than one of these techniques may be used in any given situations.

- **Education and Communication:** If the logic and advantages of the change are explained early to the team members, resistance can be reduced. This can be achieved through one-to-one discussions, memos, group presentations, or reports. This tactics assumes that the source of resistance lies in misinformed or poor communication. If the team members received the full facts and have their misunderstanding cleared up, their resistance will subside. Once people have bought into the idea, they will implement the change. The only problem is that this could be very time consuming process, if too many people are to be communicated with.

- **Participation and Involvement:** Resistance to change can be reduced or eliminated by having those involved participate in the decision of the change through meetings and induction. It is difficult for individuals to resist a change decision in which they participated. Once people have had an opportunity to contribute ideas and become a part of the change process, they will be less inclined to see it fail. However, working in committees or task forces is a time consuming activity, and hence it will take a longer time to bring about changes.

- **Facilitation and Support:** Easing the change process and providing support for those caught up in it is another way managers can deal with resistance. Retraining programs, allowing time off after a difficult period, and offering emotional support and understanding may help. This emotional support can be given through empathic listening, offering training and other types of help. Such facilitation and emotional support help individual to deal more effectively with their adjustment problems. This process can be time consuming and there is no guarantee that it will always work.

- **Negotiation and Agreement:** It is sometimes necessary for a team leader to negotiate with potential resistance or exchange something of value for a lessening the resistance. For instance, if the resistance is from a few powerful individuals in the team, a specific reward package can be negotiated that will meet their individual needs. Though in some instances this may be the relatively easy way to gain acceptance, it is possible that this could be an expensive way of effecting changes as well. Also, if the use of this strategy becomes public knowledge, others might also want to try to negotiate before they accept the change.
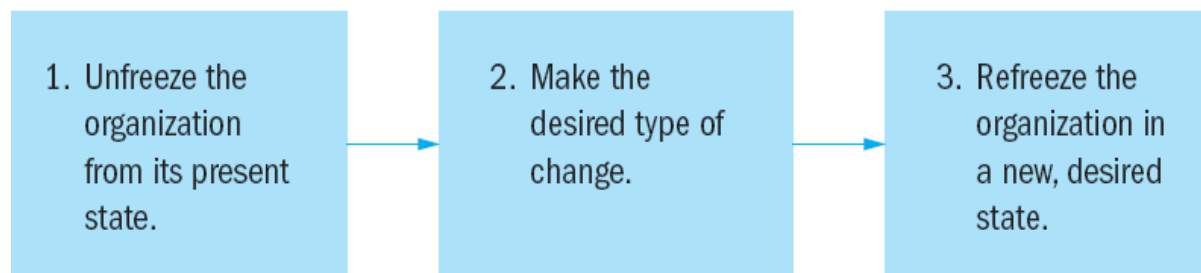
- **Manipulation and Co-optation:** The team leader seeks to 'buy off' the key members who are resisting by giving them an important role in the change decision. The team leader's advice is sought, not to arrive at a better decision but to get their endorsement. Some of the co-opting tactics include selectively sharing information and consciously structuring certain types of events that would win support. This can be a quick and relatively easy and inexpensive strategy to gain support. However, the purpose will be defeated if people feel they are being manipulated.

• **Explicit and Implicit Coercion:** The team leaders can force the members to go along with changes by threats involving loss or transfers of jobs, lack of promotion, etc. Such methods, though not uncommon, is more difficult to gain support for future change efforts. This strategy can be particularly resorted to when changes have to be speedily enforced or when changes are of a temporary nature. Though speedy and effective in the short run, it may make people angry and resort to all kinds of mean behaviors in the long run.

APPROACHES TO MANAGING ORGANIZATIONCHANGE

Kurt Lewin argued that successful change in organizations should follow three steps

i) Unfreezing the status quo

ii) Movement to a new state

iii) Refreezing the new change to make it permanent.

1. Unfreeze the organization from its present state. → 2. Make the desired type of change. → 3. Refreeze the organization in a new, desired state.

Unfreezing:

It is actually the process of preparing the system for change through disconfirmation of the old practices, attitudes, tendencies, or behaviors. This is the initial phase where those involved in the change experience a need for something different and a sense of restlessness with the status quo. In essence, the feeling that the system is hurting itself badly now and desperately requires a change to survive, is sensed by all. Initiative for changes efforts are taken to overcome the pressures of both individual resistance and group conformity.

Movement to a new state:

Changing or moving is the phase where the changes that have been planned are actually initiated and carried out. Changes could relate to the mission, strategy, objectives, people, tasks, work roles, technology, structure, corporate culture, or any other aspects of the organization. Well thought out changes have to be carefully implemented with participation of the members who will be affected by the change. Changes incorporated too quickly

without adequate preparation will result in resistance to change.

Refreezing:

It is the last phase of the planned change process. Refreezing ensures that the planned changes that have been introduced are working satisfactorily, that any modifications, extra considerations, or support needed for making the changes operational are attended to, and that there is reasonable guarantee that the changes will indeed fill the gap and bring the system to the new, desired state of equilibrium. This necessarily implies that the results are monitored and evaluated, and wherever necessary corrective measures are taken up to reach the new goal. If the refreezing phase is neglected or temporarily attended to, the desired results will not ensure and the change may even be total disaster.

Forced Field Analysis:

Kurt Lewin stated that there are two types of forces operating in the change process. i) Those forces which prepare or make the system ready for changes to occur, are called as driving forces, ii) Those forces which oppose or operate against changes taking place in the system, are called as restraining forces. If the two sets of forces are equal in strength, then the systems is in a state of equilibrium and changes will not occur. If the driving forces are stronger than the restraining forces, then the system will be changing to find a new equilibrium as the gap to be filled gets narrowed down. A more viable option is to reduce existing resistance by dealing with and minimizing the forces that resist the change. In practice, a combination of both strategies – reducing the restraining factors and increasing the driving forces often ensures best results.

EMOTIONAL RESPONSES TO CHANGE:

The four emotional phases people experience when going through change are as follows: denial, resistance, exploration and commitment.

Denial:

During the initial stages, the members deny the need for change and remain in a state of numbness. They work as usual and there is no progress exists. Employees focus on the known and neglecting themselves future. The way or need to change is not explored. Employees have ignored the signals of the new changes and managers have not given them a real chance to register their worries and reaction. During the denial phase, managers need to provide information, to communicate clearly the details and reasons for the change, and to encourage employees to ask questions.

Resistance:

The employees experience the self-doubt, anger, depression, anxiety, frustration, fear and uncertainty that accompany major changes. They think about leaving the organization, availing sick leave, accidents occur and work-related illness increase etc. During this phase, managers need to allow people to express their negativity, their personal fears and worries and to encourage them to share their problems with other colleagues.

Exploration:

During this phase, the employees begin to think things are improving and show a renewed interest in work and cooperation begin to happen, which results in more creativity and more positive feelings within the group. Employees focus the external environment and less on internal conflict and worries. Exciting creative ideas and new bonds can emerge among employees who work together on new and powerful ideas.

Commitment:

In the commitment phase, employees often create or revitalize their mission and develop action plan to make it work. People identify with their objectives and are willing to put in extra effort to achieve them. In this final stage, it is important to develop point in systems and structures which reinforce these changes and make them permanent.

Advantages of this Model:

This model can help to predict and to understand employees' reactions during changes. It can be used to assess where individuals and teams stand in relation to the change grid. Sometimes it can be useful for top manages who are in the exploration phase to become aware that many colleagues in the organization might be in the resistance or denial phase. This model can also be used to help design a strategy to implement change.

IMPLEMENTING SUCCESSFUL CHANGE

In order to implement a successful change, a due care musts be taken for the following factors.

i) **Pressure for Change:** Pressure for change is necessary otherwise employees will never place a high priority on the desired change. Pressure to perform can come from external sources such as government legislation, political requirements, funding constraints, or increased competition. Major problems such as customer dissatisfaction or poor quality can result in pressure to change. Internal pressure can come about from CEO setting new directions or employees indicating dissatisfaction by leaving the organization. Without this pressure, the change will become low priority change.

ii) **A clear, shared vision:** This helps the employees to understand the purpose for the change and to gain a commitment to it. Employees need to feel a sense of involvement and to identify with the vision, rather than just being dictated to them Managers must find ways to communicate the vision clearly to all employees. If the vision is not understood or shared, employees may not be able to focus their effort in the intended direction.

iii) **Actionable first steps:** This facilitates the employees to start the change process immediately. Even a small wins attained by the employees will be encouraged and allows employees to feel a positive sense of achievement and the beginning of the problem. They are then willing to invest more time and energy.

iv) **Capacity for change:** This refers to the resources and skills necessary to implement the change adequately. Managers need to plan and budget for the implementation of the change. Adequate time is allowed to the employees to participate in the change program.

v) **Model the way:** This refers to the leader and manager of the organization putting into practice the values and behavior that reflect the vision. The managers' action must be consistent with his works; otherwise the employees will become cynical and distrustful. Managers need to operate with integrity and sincerity so that employees see the actions of their managers as example of what is expected of them

vi) Reinforce /solidify the change: Management must offer adequate rewards and appreciation to their employees for successful implementation of the changes and process and getting the expected results. These can also involve solidifying the change by changing the procedure and process so that change becomes a regular part of the operation.

vii) Evaluate and improve: The program must be evaluated thoroughly and improve the change program after it has been under way for a time. Due to negligence of this process, the change programs are sloppy or superficial. As result, programs are discontinued or abandoned based on the personal feelings or lack of budget. Surveys and baseline measure should be gathered at the beginning of the program and repeated once the program has been running for one to two years.

--ALL the Best--