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Education for All

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DIPLOMA IN BUSSINESS ADMINISTRATION

DBAR-204
Individual and Organisational Behaviour

Individual and Organisational Behaviour

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ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self–instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self–instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual– skills objectives may be met by designing instructions that make use of students'prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face–to–face method of teaching. This is particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this. Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self–instructional materials, be they print or otherwise. These materials are designed to achieve certain pre–determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure student's performance (continuous assessment).

PREFACE

We have put in lots of hard work to make this book as user–friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect.

All the best for your studies from our team!

Individual and Organisational Behaviour

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Individual and Organisational Behaviour

BLOCK-1 UNDERSTANDING INDIVIDUAL BEHAVIOUR

UNIT 1

FOUNDATIONS OF INDIVIDUAL BEHAVIOUR – ORGANIZATION AS AN ICEBERG, MEANING

UNIT 2

DISCIPLINES, A FIELD FOR MANAGERS BECAUSE….

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BLOCK 1 : Understanding Individual Behaviour

Block Introduction

Interpersonal skills are very important in a workplace. They are based on individual behavior. Individual behaviour is actions of people. Individual behaviour is generally guided by attitude, values, emotions, perception, creativity, informal interactions, group norms, interpersonal and intergroup conflicts, artificial boundaries, defense mechanisms, splitting, projections and introjections. These underpinned aspects guide the way relational phenomena add to individual dynamics to have an additional impact on group, organization and institutional dynamics.

Traditionally, by developing formal structures, policies and strategies, and providing management training for organizational members there is a belief that the organization will be successful. But some organizations have still not been successful and some may have failed completely. Even when firms have selected those that they perceived to be the best personnel and provided them with attractive terms and conditions and some of the best working conditions, many firms still didn't get the success they planned for. This means there is a need to understand beneath–the–surface phenomena that occur in organizations.

By exposing and exploring the way that beneath–the–surface processes and dynamics concerning individuals will have an impact on group, organizational, and institutional dynamics. One can discover that the individual is a primary building block in all human activity concerning relationships or groups. Starting with the individual, as is the case in real life, provides a base from which we can explore relationships and groups. And, without an understanding of the beneath–the–surface activities of the individual one cannot begin to understand groups, organizations, or institutions.

Thus, the current block covers the meaning of individual behaviour and its role in impact on group, organizational, and institutional dynamics.

Block Objectives

After learning this block, you will be able to understand

- The importance of interpersonal skills in the workplace.
- Define individual behaviour in workplace and define organizational behaviour.
- Identify the major behavioural science disciplines that contribute to OB and finally understand the relevance of individual traits and characteristics to OB.
- There is a need to understand beneath–the–surface phenomena that occur in organizations.
- To strive to explore the meaning of individual behaviour and its role in impact on group, organizational, and institutional dynamics.

Block Structure

Unit 1: Foundations of Individual Behaviour – Organization as an ceberg, Meaning

Unit 2: Disciplines, A field for managers because….

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Unit 1

FOUNDATIONS OF INDIVIDUAL BEHAVIOUR – ORGANIZATION AS AN ICEBERG, MEANING

: UNIT STRUCTURE :

1.0 Learning Objectives :

At the end of the unit, the leaner will be able to understand :

- the definition of organizational behaviour
- the value of OB as a systematic study and
- identify the major behavioural science disciplines that contribute to OB.

1.1 Introduction :

Since the time of use of psychoanalysis as a social science, there have been many developments and clarifications that have resulted in individual and organizational behavior becoming a largely accepted discipline. It has proved its value as a theory and practice that is beneficial to understanding human behaviour. But there is notion that there is no such thing as "just an individual". Since birth onwards, there is a constant state of relatedness of an individual to various other individuals and groups (example, a child is related to mother and family). Thus, individuals are related to others by the virtue of a whole host of reasons. For example, an individual could be related as a fellow professional or work colleague or could be related as a member of an association or some social group. This social relatedness brings about mutual influence between individual and individual, between individual and group, group and group and group and organization.

1.2 Individual Behaviour in organizations :

Individual behaviour is actions of people. The focus and goals of individual behaviour within organizations vary from one person to another. Generally this individual behaviour is guided by attitude, values, emotions, perception, creativity, informal interactions, group norms, interpersonal and intergroup conflicts, artificial boundaries, defense mechanisms, splitting, projections and introjections. These underpinned aspects guide the way relational phenomena add to individual dynamics to have an additional impact on group, organization and institutional dynamics. Thus, when an individual enters into relationships with another individual or group, further beneath–the–surface phenomena are evoked that, unless they are exposed and understood, may create the unhelpful formation of firm boundaries that prevent progression. This behavior needs to be analysed at individual, group and firm level.

At the individual level of analysis, organizational behavior includes the study of learning, perception, creativity, motivation, and personality. In addition, it also includes the study of turnover, task performance and evaluation, coordinated behavior, deviant work behavior, ethics, and cognition.

The behavior of individuals within an organization can either mar the organization or aid in its overall improvement. For instance, certain employees may be compassionate and helpful towards their co–workers which helps to create a supportive work culture. This selfless attitude can be a result of the employee's faith in the management and their satisfaction and commitment towards the organization. It is necessary to first understand the behavior of people constituting the organization in order to figure out how these work. The first and foremost importance of organizational behavior lies in understanding human behavior.

If the management can interpret properly the human needs within an organization, it can work towards fulfilling those needs and also chalk out new plans and incentives to satisfy the employees and boost them. In addition, the management has to understand also the reason for problematic behavior within organizations and take measures to eliminate the causes.

Influencing human behavior is another important aspect of studying organizational behavior. It helps the management to assess the reaction of employees beforehand, prior to making any changes in policies or schemes.

But one needs to know that human behavior itself is influenced by certain factors. Major elements that imprint a person's behavior inside and outside the organization are factors that include abilities, gender, race and culture, perception, attribution and attitude. Thus, individual behavior is a mix of responses to external and internal stimuli.

1.3 Organization :

1.3.1 Need for Organization :

In today's competitive and demanding workplace, managers can't succeed on their technical skills alone. They also have to exhibit good people skills. Though managers get things done through other people, they make decisions, allocate resources, and direct the activities of others to attain the common goals. They do their work in an organization, which is a consciously coordinated social unit, composed of two or more people that functions on a relatively continuous basis to achieve a common goal or set of goals. This will not be possible without the existence of an organization. For example, manufacturing and service firms are organizations, and so are schools, hospitals, temples, military units, non–profits, police departments, and local, state, and central government agencies.

When it comes to people, an organization generally has goals related to increasing employee productivity, reducing absenteeism, low employee turnover, promoting organization citizenship behaviour, increasing job satisfaction and avoiding and prohibiting workplace misbehaviour. But all these goals can be achieved only when people management is done in organizations by taking into consideration actions of individuals guided by their attitude, values, emotions, perception, creativity, informal interactions, norms, conflicts and the like.

1.3.2 Process of Organizing :

Organizing involves assigning tasks, grouping tasks into departments, delegating authority, and allocating resources across the organization. During the organizing process, managers coordinate employees, resources, policies, and procedures to facilitate the goals identified in the plan.

The process of organizing consists of following steps

(1) Identification and Division of Work :

The organising function begins with the division of total work into smaller units. Each unit of total work is called a job. And an individual in the organisation is assigned one job only (unless they're found to be capable of multitasking). The division of work into smaller jobs leads to specialization because jobs are assigned to individuals according to their qualifications and capabilities. The division of work leads to systematic working. For example, in a bank every individual is assigned a job. One cashier accepts cash, one cashier makes payments, one person issues cheque books, one person receives cheques, etc. With this division of work into jobs, the banks work very smoothly and systematically.

(2) Grouping the Jobs and Departmentalisation :

After dividing the work in smaller jobs, related and similar jobs are grouped together and put under one department. The departmentation or grouping of jobs can be done by the organisation in different ways. But the most common two ways are :

(a) Functional departmentation :

Under this method jobs related to common function are grouped under one department. For example, all the jobs related to production are grouped under production department; jobs related to sales are grouped under sales department and so on.

(b) Divisional departmentation :

When an organisation is producing more than one type of products then they prefer divisional departmentation. Under this, jobs related to one product are grouped under one department For example, if an organisation is producing cosmetics, textile and medicines then jobs related to production, sale and marketing of cosmetics are grouped under one department, jobs related to textile under one and so on.

(3) Assignment of Duties :

After dividing the organisation into specialised departments each individual working in different departments is assigned a duty matching to his skill and qualifications. The work is assigned according to the ability of individuals. Employees are assigned duties by giving them a document called job description. This document clearly defines the contents and responsibilities related to the job.

(4) Establishing Reporting Relationship :

After grouping the activities in different departments, the employees have to perform the job and to perform the job every individual needs some authority. So, in the fourth step of organising process all the individuals are assigned some authority matching to the job they have to perform.

The assignment of the authority results in creation of superior–subordinate relationship and the question of who reports to whom is clarified. The individual of higher authority becomes the superior and the one with less authority becomes the subordinate.

With the establishment of authority, managerial hierarchy gets created (chain of command) and principle of scalar chain follows this hierarchy. The establishment of authority also helps in creation of managerial level.

The managers with maximum authority are considered as top–level managers, managers with little less authority become part of middle level management and managers with minimum authority are grouped in lower level management. So, with establishment of the authority the individuals can perform their jobs and everyone knows who will report to whom.

1.4 Concept of Organizational Behaviour :

1.4.1 Introduction :

We need to study organization behaviour to study the actions of people at work.

Organizational behaviour (OB) is a field of study that investigates the impact individuals, groups, and structure have on behaviour within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness. It is a field of study, meaning that it is a distinct area of expertise with a common body of knowledge. It studies three determinants of behaviour in organizations : individuals, groups, and structure. Moreover, OB applies the knowledge gained about individuals, groups, and the effect of structure on behaviour in order to make organizations work more effectively.

To sum it up, OB is the study of what people do in an organization and the way their behaviour affects the organization's performance. Because OB is concerned specifically with employment–related situations, it examines behaviour in the context of job satisfaction, absenteeism, employment turnover, productivity, human performance, and management. It generally includes these core topics :

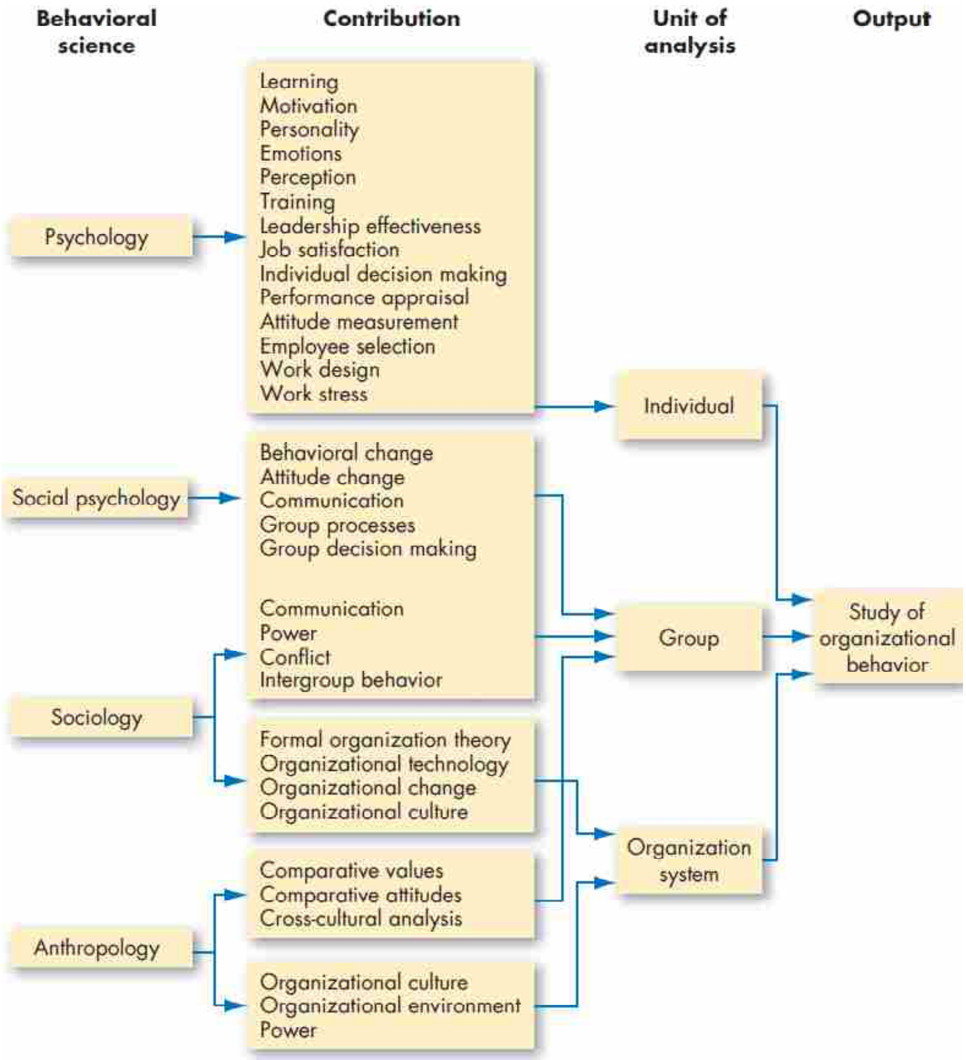
- Attitude development and perception
- Motivation
- Interpersonal communication
- Leader behaviour and power
- Work design
- Group structure and processes
- Conflict and negotiation
- Change processes

1.4.2 Organization Behaviour – A systematic study :

Behaviour of people plays a critical role in a manager's decision making. There is the belief that behaviour is not random. Rather, it is possible to identify fundamental consistencies underlying the behaviour of all individuals and modify them to reflect individual differences. OB is a systematic study, as it looks for relationships, attempts to attribute causes and effects, and base conclusions on scientific evidence on data gathered under controlled conditions and measured and interpreted in a rigorous manner. Evidence–based management (EBM) complements systematic study by basing managerial decisions on the best available scientific evidence. Systematic study and EBM add to intuition. But all decisions cannot be made with intuition and therefore, there is the need to apply a systematic approach to management decision making.

1.4.3 Contributing fields of Organization Behaviour :

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



Source : Robbins and Judge (2017). Organization Behaviour

1.5 Disciplines that Contribute to the OB Field :

As discussed above, the major behavioural science disciplines that contribute to OB include psychology and social psychology, sociology, and anthropology. Let us understand each in detail.

1.5.1 Psychology :

Psychology seeks to measure, explain, and sometimes change the behaviour of humans and other animals. Contributors to the knowledge of OB are learning theorists, personality theorists, counselling psychologists and, most important, industrial and organizational psychologists. Early industrial/organizational psychologists studied the problems of fatigue, boredom, and other working conditions that could impede efficient work performance. More recently, their contributions have expanded to include learning, perception, personality, emotions, training, leadership effectiveness, needs and motivational forces, job satisfaction, decision–making processes, performance appraisals, attitude measurement, employee–selection techniques, work design, and job stress.

1.5.2 Social Psychology :

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

1.5.3 Sociology :

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

1.5.4 Anthropology :

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

The point is laws in the physical sciences–chemistry, astronomy, physics–are consistent and apply in a wide range of situations. But human beings are complex, and few, if any, simple and universal principles explain organizational behaviour. Because we are not alike, our ability to make simple, accurate, and sweeping generalizations about ourselves is limited. Two people often act very differently in the same situation, and the same person's behaviour changes in different situations. Therefore, one can't offer reasonably accurate explanations of human behaviour or make valid predictions. And thus, these OB concepts should be applied situationally.

Check Your Progress :

1. The study of individual behavior and group dynamics in organizational settings describes the content of study in :

   (a) organization theory (b) organization design

   (c) organizational behavior (d) organizational development

2. The science of human behavior and individual differences is :

   (a) Anthropology (b) Sociology

   (c) Engineering (d) Psychology

3. Research focusing on the variety of roles within a society or culture highlights which disciplines' contribution to organizational behavior ?

   (a) Psychology (b) Sociology

   (c) Anthropology (d) Medicine

4. All of the following are aspects of the organization except :

   (a) job descriptions

   (b) the friendship/relationship between two employees

   (c) the hierarchical superior–subordinate authority relationship

   (d) the workflow sequence between two departments

5. As an effective learner of organizational behavior knowledge and skills, the student :

   (a) must rely primarily on the group process

   (b) should not experiment with new ideas and information

   (c) must passively accept the direction of others with more knowledge

   (d) must accept responsibility for his or her own behavior, actions, and learning

1.6 Let Us Sum Up :

Individual behaviour is actions of people guided by attitude, values, emotions, perception, creativity, informal interactions, group norms, interpersonal and intergroup conflicts, artificial boundaries, defense mechanisms, splitting, projections and introjections. Organization is a consciously coordinated social unit, composed of two or more people that functions on a relatively continuous basis to achieve a common goal or set of goals. **Organizing** involves assigning tasks, grouping tasks into departments, delegating authority, and allocating resources across the organization. During the organizing process, managers coordinate employees, resources, policies, and procedures to facilitate the goals identified in the plan.

Organizational behaviour (OB) is a field of study that investigates the impact individuals, groups, and structure have on behaviour within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness. It is a field of study, meaning that it is a distinct area of expertise with a common body of knowledge. It studies three determinants of behaviour in organizations : individuals, groups, and structure. The major behavioural science disciplines that contribute to OB include psychology and social psychology, sociology, and anthropology.

1.7 Answers for Check Your Progress :

1. c	**2.** d	**3.** b	**4.** b	**5.** d

1.8 Glossary :

Individual behaviour – actions of people

Manager – An individual who achieves goals through other people.

Scalar chain – Chain of supervisors ranging from the ultimate authority to the lowest rank to enable constant communication between the supervisors and the employees.

Organization – A consciously coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals.

Organizational behavior (OB) – A field of study that investigates the impact individuals, groups, and structure have on behavior within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness.

Systematic study – Looking at relationships, attempting to attribute causes and effects, and drawing conclusions based on scientific evidence.

Intuition – An instinctive feeling not necessarily supported by research.

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

Social psychology – An area of psychology that blends concepts from psychology and sociology to focus on the influence of people on one another.

Sociology – The study of people in relation to their social environment or culture.

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

1.9 Assignment :

1. Describe the step involved in the process of organizing.
2. What is organizational behavior (OB) ?
3. Explain any 3 contributing fields to the study of organizational behavior.
4. Why does organizational behavior matter ?
5. What challenges and opportunities exist for OB ?

1.10 Activities :

1. Is OB just common sense ?

   Please answer the following 10 questions by noting whether you believe the sentence is *true* or *false*.

1. Brainstorming in a group is more effective than brainstorming alone. _____
2. The first 5 minutes of a negotiation are just a warm–up to the actual negotiation and don't matter much. _____
3. The best way to help someone reach their goals is to tell them to do their best. _____
4. If you pay someone to do a task they routinely enjoy, they'll do it even more often in the future. _____
5. Pay is a major determinant of how hard someone will work. _____
6. If a person fails the first time, they try harder the next time. _____
7. People perform better if goals are easier. _____
8. Most people within organizations make effective decisions. _____
9. Positive people are more likely to withdraw from their jobs when they are dissatisfied. _____
10. Teams with one smart person outperform teams in which everyone is average in intelligence. ______

1.11 Case Study :

Managing the OB Way….

The company has no specific policy regarding facial hair. Tom, a pharmaceutical sales rep with a little more than a year's experience and an average (but declining) sales record, has grown a very long and ragged beard that detracts significantly from his appearance. His hobby is playing bass in an amateur bluegrass. band, and he feels that a ragged beard is an important part of the act. Tom says his beard is a personal fashion statement that has to do with his individual freedom.

There have been numerous complaints about Tom's appearance from both doctors and pharmacists. The manager has talked to him on many occasions about the impact his appearance could have on his sales. Nevertheless, Tom still has the beard. The manager is concerned about Tom's decreasing sales as well as the professional image of the sales force in the medical community. Tom says his sales decrease has nothing to do with his beard. However, sales in the other territories in the district are significantly better than they were last year.

Q. : What do you think are the concerns for the company regarding Tom's facial hair ? Should they care about his appearance ?

1.12 Further Readings :

1. M. Warner, "Organizational Behavior Revisited," Human Relations 47 (October 1994), pp. 1151–1166 ;
2. R. Westwood and S. Clegg, "The Discourse of Organization Studies : Dissensus, Politics, and Paradigms," in Debating Organization : Point–Counterpoint in Organization Studies, ed. R. Westwood and S. Clegg (Malden, MA : Blackwood, 2003), pp. 1–42 .
3. L. E. Greiner, "A Recent History of Organizational Behavior," in Organizational Behaviour, ed. S. Kerr (Columbus, OH : Grid, 1979), pp. 3–14 ; J

Unit 2

ORGANIZATIONAL BEHAVIOR – A FIELD FOR MANAGERS BECAUSE....

: UNIT STRUCTURE :

2.0 Learning Objectives :

This unit will help the learner to understand :

- the importance of interpersonal skills in the workplace.
- it will also help to identify managers' challenges and opportunities in applying OB concepts.

2.1 Introduction :

Organizational Behavior is concerned with the study of what people do in an organization and how that behavior affects the performance of the organization. Organizational Behavior (OB) is the study of human behavior in organizational settings, the interface between human behavior and the organization, and the organization itself. OB helps the managers to understand the basis of motivation and what he should do to motivate his subordinates.

Organizational Behaviour researchers study the behavior of individuals primarily in their organizational roles. One of the main goals of organizational behavior is to revitalize organizational theory and develop a better conceptualization of organizational life. As a multi–disciplinary field, organizational behavior has been influenced by developments in a number of allied disciplines including sociology, psychology, economics, and engineering as well as by the experience of practitioners.

2.2 A Field for Managers :

Organizational behavior has a lot of importance in management. Understanding why people behave the way they do and studying the complex nature of human being in an organisation is important to better manage and increase the value of the human capital in an organisation. Organisational behaviour helps us understand this by studying the cause and effect of human behaviour within an organisation.

Some of the reasons why organisational behaviour is an integral part of most management programmes is as follows :

1. **Understanding the relationship between an organisation and its employees :** The study of Organisational Behaviour helps in the better understanding of the relationship between an organisation and its employees thereby helping in the development of better Human Resource strategies in creating a better work environment, employee loyalty and increasing the overall value of the human capital for the organisation.
2. **Motivating employees :** Studying Organisational Behaviour help managers to better understand their employees and motivate them, applying different motivational tools as per individual requirements resulting in the better performance of the organisation as a whole.
3. **Improving industrial/labour relations :** Organisational Behaviour help in understanding the cause of a problem, predict its future course and control its consequences. As a result, managers are able to maintain better relations with their employees by nipping any problem in the bud.
4. **Effective utilisation of Human Resource :** Knowledge of Organisational Behaviour help managers to effectively and efficiently manage their employees, inspiring and motivating them to higher efficiency and productivity through a better understanding and analysis of human behaviour.
5. **Predicting human behaviour :** This is probably the most important reason for studying Organisational Behaviour in management. Knowledge of Organisational Behaviour prepares students to become better managers by becoming a student of human behaviour from a management perspective and thereby contributing to organisational effectiveness and profitability.

OB is a field for managers as it provides them opportunities for applying OB concepts. Understanding and applying organizational behaviour concepts is important for managers due to the dramatic changes in organizations. And these challenges bring opportunities for managers to use OB concepts.

Since organizational behavior is the study of how people act in an organization or workplace, it is important for a manager to remain thoughtful about what motivates them to act that way. Given the importance of hiring, training and developing employees, a new manager needs to understand key aspects of organizational behavior. Motivating workers help optimize business success. This can be done in various following ways :

1. **Relationship Building :** Your role as a manager isn't to boss people around or exercise power. Instead, the manager has responsibilities to develop one–on–one relationships with each of his employees and to create an environment where employees within the work unit develop rapport as well. This relationship emphasis allows the supervisor to develop a connection with employees that helps in coaching, offering constructive feedback and challenging workers to reach new heights.

2. **Goal Setting Benefits :** Motivating employees to high levels of performance is an important element of organizational behavior for new managers. The key point of delineation between a manager and a regular employee is the leader's role in pushing employees to greater production. Goals provide employees a target to shoot for in carrying out work activities. Collaborating with workers to set goals – and then monitoring progress, rewarding achievements and addressing deficiencies – all contribute to building and maintaining high levels of performance.

3. **Managing a Diverse Workforce :** Diversity has become a prominent theme in the field of organizational behavior. As the typical workplace becomes more diverse in areas like ethnicity, race, age and gender, the manager's duties to manage diversity increase. Hiring for diversity helps in creating work units with varying backgrounds and perspectives on projects and tasks. As a manager, you have to develop a culture of tolerance, acceptance of differences and open communication. Without these cultural values, diversity can lead to personal conflicts, tension and potentially discrimination allegations.

4. **Management Style :** Your management style impacts the behaviors of your workers. Traditional managers were often controlling, monitored employee task performance closely and directed routine activities. Contemporary managers often do better with a coaching style approach, where you value employee input, treat employees as key assets to the organization and rely on the talent you hire and develop. If you hire the right people, create a positive culture and develop workers, you have more potential to develop a high–performing workplace.

Thus, managers typically use OB concepts while responding to economic pressures, responding to globalization, managing workforce diversity, improving customer service, improving people skills, stimulating innovation and change, copying with "temporariness", working in networked organizations, helping employees balance work–life conflicts, creating a positive work environment and improving ethical behaviour.

2.3 Managerial Roles :

Henry Mintzberg, a prominent management scholar, based on his observation, concluded that managers perform 10 different, highly interrelated roles, or sets of behaviors, and serve a critical function in organizations. These 10 roles are primarily (1) interpersonal, (2) informational, or (3) decisional.

Figure : Minztberg's Managerial Roles

Role	Description
Interpersonal	
Figurehead	Symbolic head; required to perform a number of routine duties of a legal or social nature
Leader	Responsible for the motivation and direction of employees
Liaison	Maintains a network of outside contacts who provide favors and information
Informational	
Monitor	Receives a wide variety of information; serves as nerve center of internal and external information of the organization
Disseminator	Transmits information received from outsiders or from other employees to members of the organization
Spokesperson	Transmits information to outsiders on organization's plans, policies, actions, and results; serves as expert on organization's industry
Decisional	
Entrepreneur	Searches organization and its environment for opportunities and initiates projects to bring about change
Disturbance handler	Responsible for corrective action when organization faces important, unexpected disturbances
Resource allocator	Makes or approves significant organizational decisions
Negotiator	Responsible for representing the organization at major negotiations

Source: Mintzberg, Henry, *The Nature of Managerial Work*, 1st Ed., © 1973, pp. 92–93. Reprinted and Electronically reproduced by permission of Pearson Education, Inc., New York, NY.

interpersonal roles All managers are required to perform duties that are ceremonial and symbolic in nature. For instance, when the president of a college hands out diplomas at commencement or a factory supervisor gives a group of high school students a tour of the plant, they are acting in a *figurehead* role. Another key interpersonal role all managers have is a *leadership* role.

This role includes hiring, training, motivating, and disciplining employees. The third role within the interpersonal grouping is the liaison role, or contacting and fostering relationships with others who provide valuable information. The sales manager who obtains information from the quality–control manager in his own company has an internal liaison relationship. When that sales manager has contact with other sales executives through a marketing trade association, he has external liaison relationships.

informational roles All managers, to some degree, collect information from outside organizations and institutions, typically by scanning the news media and talking with other people to learn of changes in the public's tastes, what competitors may be planning, and the like. Mintzberg called this the *monitor* role.

Managers also act as a conduit to transmit information to organizational members. This is the *disseminator* role. In addition, managers perform a *spokesperson* role when they represent the organization to outsiders.

decisional roles Mintzberg identified four roles that require making choices. In the *entrepreneur* role, managers initiate and oversee new projects that will improve their organization's performance. As *disturbance handlers*, managers take corrective action in response to unforeseen problems. As *resource allocators*, managers are responsible for allocating human, physical, and monetary resources.

Finally, managers perform a **negotiator role**, in which they discuss issues and bargain with other units (internal or external) to gain advantages for their own unit.

2.4 Management Skills :

Still another way of considering what managers do is to look at the skills or competencies they need to achieve their goals. Researchers have identified a number of skills that differentiate effective from ineffective managers. Each of these skills is important, and all are needed to become a well–rounded and effective manager. Robert Katz identifies three types of skills that are essential for a successful management process. These skills are :

Technical Skills – Technical skills encompass the ability to apply specialized knowledge or expertise. When you think of the skills of professionals such as civil engineers or dental surgeons, you typically focus on the technical skills they have learned through extensive formal education. Preparing a financial statement, programming a computer, designing an office building, and analyzing market research are also all examples of technical skills. Of course, professionals don't have a monopoly on technical skills, and not all technical skills have to be learned in schools or other formal training programs. All jobs require some specialized expertise, and many people develop their technical skills on the job. Managers help to equip people with such skills. These types of skills are especially important for supervisory managers because they work closely with employees who are producing the goods and/or services of the firm.

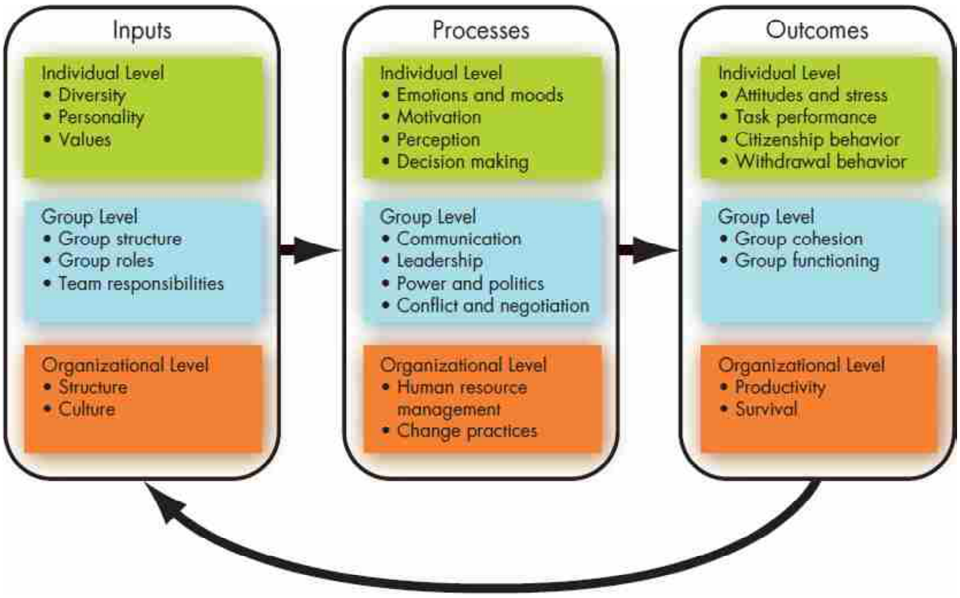
Human Skills – The ability to understand, communicate with, motivate, and support other people, both individually and in groups, defines human skills. Human relations skills are the interpersonal skills managers use to accomplish goals through the use of human resources. This set of skills includes the ability to understand human behavior, to communicate effectively with others, and to motivate individuals to accomplish their objectives. Giving positive feedback to employees, being sensitive to their individual needs, and showing a willingness to empower subordinates are all examples of good human relations skills. Identifying and promoting managers with human relations skills are important for companies. A manager with little or no people skills can end up using an authoritarian leadership style and alienating employees. Many people may be technically proficient but poor listeners, unable to understand the needs of others, or weak at managing conflicts. Because managers get things done through other people, they must have good human skills.

Conceptual skills – Managers must have the mental ability to analyze and diagnose complex situations. These tasks require conceptual skills. Decision making, for instance, requires managers to identify problems, develop alternative solutions to correct those problems, evaluate those alternative solutions, and select the best one. After they have selected a course of action, managers must be able to organize a plan of action and then execute it. Conceptual skills include the ability to view the organization as a whole, understand how the various parts are interdependent, and assess how the organization relates to its external environment. These skills allow managers to evaluate situations and develop alternative courses of action. Good conceptual skills are especially necessary for managers at the top of the management pyramid, where strategic planning takes place. The ability to integrate new ideas with existing processes and innovate on the job are also crucial conceptual skills for today's managers.

2.5 OB Model :

The OB model explains an approach to management issues and opportunities. The model proposes three types of variables (inputs, processes, and outcomes) at three levels of analysis (individual, group, and organizational). It illustrates that inputs lead to processes, which lead to outcomes.

OB Model :



Inputs are the variables like personality, group structure, and organizational culture that lead to processes. These variables set the stage for what will occur in an organization later. Many are determined in advance of the employment relationship. For example, individual diversity characteristics, personality, and values are shaped by a combination of an individual's genetic inheritance and childhood environment. Group structure, roles, and team responsibilities are typically assigned immediately before or after a group is formed. Finally, organizational structure and culture are usually the result of years of development and change as the organization adapts to its environment and builds up customs and norms.

Processes are actions that individuals, groups, and organizations engage in as a result of inputs and that lead to certain outcomes. At the individual level, processes include emotions and moods, motivation, perception, and decision making. At the group level, they include communication, leadership, power and politics, and conflict and negotiation. Finally, at the organizational level, processes include human resource management and change practices.

Outcomes are the key variables that you want to explain or predict, and that are affected by some other variables. Primary outcomes in OB are individual–level outcomes, such as attitudes and stress, task performance, citizenship behaviour, and withdrawal behaviour. At the group level, cohesion and functioning are the dependent variables. While, at the organizational level, overall productivity and survival are the main outcome concerns.

Thus, the model also shows that outcomes can influence inputs in the future, which highlights the broad–reaching effect OB initiatives can have on an organization's future.

Check Your Progress :

1. Which of the following is NOT one of the major challenges that managers must deal with in order to remain competitive ?

   (a) globalizing the firm's operations to compete in the global village

   (b) managing ethical behavior, good character, and personal integrity

   (c) managing a diverse workforce

   (d) anticipating changes in foreign currency valuations

2. One of the key interpersonal role all managers have is ?

   (a) Leadership (b) Directing (c) Controlling (d) Co–operating

3. When a manager states, "Mary is an outstanding employee because she has a high need for achievement," the manager is using which explanation for Mary's behavior ?

   (a) Internal (b) External (c) Interactive (d) Cultural

4. The first discipline to take the modern corporation as the unit of analysis and emphasize the design, implementation, and coordination of various administrative and organization systems was :

   (a) Psychology (b) Sociology (c) Management (d) Anthropology

5. In the OB model, the human and informational material and resources of an organization system would be considered :

   (a) Inputs (b) Throughputs

   (c) the transformation (d) Outputs

2.6 Let Us Sum Up :

OB is field for managers as it provides them opportunities for applying OB concepts. Understanding and applying organizational behaviour concepts is important for managers due to the dramatic changes in organizations. Henry Mintzberg, a prominent management scholar, proposed 10 managerial roles. These were divided under (1) interpersonal, (2) informational, or (3) decisional. Interpersonal included figurehead role, leader role and liaison role of manager, informational included monitor role, disemminator role and spokesperson role. While, decisional role included entrepreneur role, disturbance handler, resource allocator and negotiator role.

Effective managers can be differentiated from ineffective managers based on the technical skills, human skills and conceptual skills that they adorn.

The OB model explains an approach to management issues and opportunities. The model proposes three types of variables (inputs, processes, and outcomes) at three levels of analysis (individual, group, and organizational). It illustrates that inputs lead to processes, which lead to outcomes. Inputs are the variables like personality, group structure, and organizational culture that lead to processing the actions that individuals, groups, and organizations engage in to bring outcomes at individual, group, and organization level. Individual level outcomes, are attitudes, stress, task performance, citizenship behaviour, and withdrawal behaviour. At the group level, outcomes are in the form of cohesion and functioning, while, at organizational level, overall productivity and survival are the outcomes concerns.

2.7 Answers for Check Your Progress :

1. d **2.** a **3.** a **4.** c **5.** a

2.8 Glossary :

Processes – Actions that individuals, groups, and organizations engage in as a result of inputs and that lead to certain outcomes.

Outcomes Key factors that are affected by some other variables.

Organizational Citizenship Behavior (OCB) – Discretionary behavior that contributes to the psychological and social environment of the workplace.

2.9 Assignment :

Explain with the help of an example how individual level inputs lead to individual as well as organizational level outcomes.

2.10 Activities :

The typical employee is getting older; the workforce is becoming increasingly diverse; and global competition requires employees to become more flexible and cope with rapid change. As a result of these changes and others, employment options have adapted to include new opportunities for workers. For instance, at one point in your career you may find yourself employed full time in an office in a localized, nonunion setting with a salary and bonus compensation package, while at another point you may wish to negotiate for a flextime, virtual. position and choose to work from overseas for a combination of salary and extra paid time off.

In short, today's challenges bring opportunities for managers to use OB concepts. Review some of the most critical issues confronting managers for which OB offers solutions–or at least meaningful insights toward solutions.

2.11 Case Study :

Ajay, 23 year old, fresh MBA with HR, starts his career has a junior HR executive at Raj Manufacting House. His boss is a simple B.Com. degree holder with 4 years of handy experience. He does not like Ajay's joining the company and therefore tortures him by different ways. He wants Ajay to resign so he almost harasses him by playing politics in background. Ajay comes to know about this.

(1) If you were a consultant, what advice would you give Ajay ?

(2) What is the reason for the boss' negative behavior ?

2.12 Further Readings :

(1) H. A. Simon, The New Science of Management Decision (New York : Harper & Row, 1960)

(2) H. Mintzberg, D. Raisinghani, and A. Théorét, “The Structure of ‘Unstructured’ Decision Processes,” Administrative Science Quarterly 21 (1976), pp. 246–275

Unit 3

THE INDIVIDUAL – DIVERSITY, PERSONALITY AND VALUES (INPUTS)

: UNIT STRUCTURE :

3.0 Learning Objectives :

Here, one will be able to understand :

- major forms of workplace diversity.
- how discrimination due to diverse workforce undermines organizational effectiveness.
- check methods and ways through which organizations can manage diversity effectively.
- describe personality, the way it is measured, and the factors that shape it,

- various personality models in brief and describe how the situation affects personality
- how values lay the foundation for understanding attitudes and motivation, and how they influence our perceptions.

3.1 Introduction :

Here, one will be able to understand major forms of workplace diversity, how discrimination due to diverse workforce undermines organizational effectiveness, and check methods and ways through which organizations can manage diversity effectively. Followed with diversity, the next topic of personality will help one to describe personality, the way it is measured, and the factors that shape it. Understand various personality models in brief and describe how the situation affects whether personality predicts behaviour. **Values** represent basic convictions and tend to be relatively stable and enduring. There is also evidence linking personality to values, implying our values may be partly determined by genetically transmitted traits. organization of values is important as values lay the foundation for understanding attitudes and motivation, and they influence our perceptions.

3.2 Diversity :

Each individual is unique, but, managers sometimes forget they need to recognize and capitalize on individual differences to get the most from their employees. Individual characteristics like age, gender, race, ethnicity, and abilities can influence employee performance. Thus, managers must develop awareness about these characteristics and manage a diverse workforce effectively. In today's economic environment, the changing workforce brings changes that are increasingly reflected in the makeup of managerial and professional jobs. These changes also mean organizations must make diversity management a central component of their policies and practices.

3.1.1 Meaning of Diversity :

Although much has been said about diversity in age, race, gender, ethnicity, religion, and disability status, experts now recognize that these demographic characteristics are just the tip of the iceberg. Demographics mostly reflect **surface–level** diversity, not thoughts and feelings, and can lead employees to perceive one another through stereotypes and assumptions. However, evidence has shown that people are less concerned about demographic differences if they see themselves as sharing more important characteristics, such as personality and values, that represent **deep–level** diversity. For example, co–workers may notice their surface–level differences in education, ethnicity, regional background, and gender. However, as they get to know one another, they may find they are both deeply committed to their families, share a common way of thinking about important work problems, like to work collaboratively, and are interested in international assignments. These deep–level similarities can overshadow the more superficial differences between them and may enable them to work well together.

3.1.2 Discrimination in the Workplace Undermines Organizational Effectiveness :

Although diversity presents many opportunities for organizations, diversity management includes working to eliminate unfair discrimination. To discriminate is to note a difference between things, which in itself isn't necessarily bad. Noticing one employee is more qualified is necessary for making hiring decisions; noticing another is taking on leadership responsibilities exceptionally well is necessary for making promotion decisions. But rather than looking at individual characteristics, unfair discrimination is often very harmful for employees. Discrimination can occur in many ways, and its effects can vary depending on organizational context and the personal biases of employees. Figure below provides definitions and examples of some forms of discrimination in organizations.

Type of Discrimination	Definition	Examples from Organizations
Discriminatory policies or practices	Actions taken by representatives of the organization that deny equal opportunity to perform or unequal rewards for performance.	Older workers may be targeted for layoffs because they are highly paid and have lucrative benefits.
Sexual harassment	Unwanted sexual advances and other verbal or physical conduct of a sexual nature that create a hostile or offensive work environment.	Salespeople at one company went on company-paid visits to strip clubs, brought strippers into the office to celebrate promotions, and fostered pervasive sexual rumors.
Intimidation	Overt threats or bullying directed at members of specific groups of employees.	African-American employees at some companies have found nooses hanging over their work stations.
Mockery and insults	Jokes or negative stereotypes; sometimes the result of jokes taken too far.	Arab-Americans have been asked at work whether they were carrying bombs or were members of terrorist organizations.
Exclusion	Exclusion of certain people from job opportunities, social events, discussions, or informal mentoring; can occur unintentionally.	Many women in finance claim they are assigned to marginal job roles or are given light workloads that don't lead to promotion.
Incivility	Disrespectful treatment, including behaving in an aggressive manner, interrupting the person, or ignoring his or her opinions.	Female lawyers note that male attorneys frequently cut them off or do not adequately address their comments.

Sources: J. Levitz and P. Shishkin, "More Workers Cite Age Bias after Layoffs," *The Wall Street Journal*, March 11, 2009, D1–D2; W. M. Bulkeley, "A Data-Storage Titan Confronts Bias Claims," *The Wall Street Journal*, September 12, 2007, A1, A16; D. Walker, "Incident with Noose Stirs Old Memories," *McClatchy-Tribune Business News*, June 29, 2008; D. Solis, "Racial Horror Stories Keep EEOC Busy," *Knight-Ridder Tribune Business News*, July 30, 2005, 1; H. Ibish and A. Stewart, *Report on Hate Crimes and Discrimination against Arab Americans: The Post-September 11 Backlash, September 11, 2001–October 11, 2002* (Washington, DC: American-Arab Anti-Discrimination Committee, 2003); A. Raghavan, "Wall Street's Disappearing Women," *Forbes*, March 16, 2009, 72–78; and L. M. Cortina, "Unseen Injustice: Incivility as Modern Discrimination in Organizations," *Academy of Management Review* 33, no. 1 (2008): 55–75.

Although many of them are prohibited by law and therefore are not a part of organizations' official policies, but the practices persist.

3.1.3 Managing Diversity Effectively :

Discrimination – for any reason–leads to increased turnover, which is detrimental to organizational performance. While better representation of all racial groups in organizations remains a goal, an individual of minority status is much less likely to leave the organization if there is a feeling of inclusiveness, known as a positive diversity climate. A positive climate for diversity can also lead to increased sales, suggesting there are organizational performance gains associated with reducing racial and ethnic discrimination. Organizations can move beyond the destructiveness of discrimination by understanding one another's viewpoint. Some people find interacting with other racial groups uncomfortable unless there are clear behavioural scripts to guide their behaviour, so creating diverse work groups focused on mutual goals could be helpful, along with developing a positive diversity climate.

Thus, **diversity management is the process and programs by which managers** makes everyone more aware of and sensitive to the needs and differences of others.

3.2 Personality :

Personality is indeed a strong factor for many life and work outcomes. It plays a major role in success. Personality is indeed a strong factor for many life and work outcomes.

3.2.1 Meaning of Personality :

When we speak of someone's personality, we use many adjectives to describe how they act and seem to think. Personality can be defined as the sum of ways in which an individual reacts to and interacts with others. Personality is described in terms of the measurable traits a person exhibits. Personality tests are useful in hiring decisions and help managers forecast who is best for a job. The most common means of measuring personality is through self–report surveys in which individuals evaluate themselves on a series of factors revolving their behaviour around their work and people. And another one is observer–ratings survey. Observer –ratings surveys predict job success more than self–ratings alone. However, a combination of both is useful when making important employment decisions. An individual's personality is the result of either heredity or environment or both. Heredity refers to factors determined at conception. Physical stature, facial features, gender, temperament, muscle composition and reflexes, energy level, and biological rhythms are either completely or substantially influenced by parentage–by your biological parents' biological, physiological, and inherent psychological makeup. But these may change with age. Personality traits are enduring characteristics that describe an individual's behaviour. For example, shy, aggressive, submissive, lazy, ambitious, loyal, and timid. When someone exhibits these characteristics in a large number of situations and they are relatively enduring over time, they are called personality traits. The more consistent the characteristic over time, and the more frequently it occurs in diverse situations, the more important the trait is in describing the individual.

3.2.2 Personality Models – Frameworks that Describe an Individual's Personality and Tendencies :

Personality predicts behaviour. Efforts to establish frameworks have been made by past researchers and people who have sought to understand what makes individuals behave in myriad ways. Important theoretical frameworks and assessment tools help us categorize and study the dimensions of personality. The most widely used and best–known personality frameworks are the Myers–Briggs Type Indicator (MBTI) and the Big Five Personality Model. Let us understand each one of it.

3.2.2.1 The Myers–Briggs Type Indicator :

Myers–Briggs type Indicator (MBIT) is a personality test that taps four characteristics and classifies people into one of 16 personality types.

The MBTI describes the following personality types by identifying one trait from each of the four pairs.

- Extraverted (E) versus Introverted (I). Extraverted individuals are outgoing, sociable, and assertive. Introverts are quiet and shy.
- Sensing (S) versus Intuitive (N). Sensing types are practical and prefer routine and order, and they focus on details. Intuitive rely on unconscious processes and look at the "big picture."
- Thinking (T) versus Feeling (F). Thinking types use reason and logic to handle problems. Feeling types rely on their personal values and emotions.
- Judging (J) versus Perceiving (P). Judging types want control and prefer order and structure. Perceiving types are flexible and spontaneous.

The MBTI is used in a variety of organizational settings. However, one problem with the MBTI is that the model forces a person into one type or another; that is, you're either introverted or extraverted. There is no in–between. Another problem is with the reliability of the measure : When people retake the assessment, they often receive different results. An additional problem is in the difficulty of interpretation.

3.2.2.2 The Big Five Personality Model :

The MBTI may lack strong supporting evidence, but an impressive body of research supports the **Big Five Model**, which proposes that five basic dimensions underlie all others and encompass most of the significant variation in human personality. This model helps in predicting how people behave in a variety of real–life situations and remain relatively stable for an individual over time, with some daily variations. These are the Big Five factors :

- **Conscientiousness.** The conscientiousness dimension is a measure of reliability. A highly conscientious person is responsible, organized, dependable, and persistent. Those who score low on this dimension are easily distracted, disorganized, and unreliable.
- **Emotional stability.** The emotional stability dimension taps a person's ability to withstand stress. People with emotional stability tend to be calm, self–confident, and secure. High scorers are more likely to be positive and optimistic and experience fewer negative emotions; they are generally happier than low scorers. Emotional stability is sometimes discussed as its converse, neuroticism. Low scorers (those with high neuroticism) are hypervigilant and vulnerable to the physical and psychological effects of stress. Those with high neuroticism tend to be nervous, anxious, depressed, and insecure.
- **Extraversion.** The extraversion dimension captures our comfort level with relationships. Extraverts tend to be gregarious, assertive, and sociable. They are generally happier and are often ambitious. They experience more positive emotions than do introverts, and they

more freely express these feelings. On the other hand, introverts (low extraversion) tend to be more thoughtful, reserved, timid, and quiet.

- **Openness to experience.** The openness to experience dimension addresses the range of interests and fascination with novelty. Open people are creative, curious, and artistically sensitive. Those at the low end of the category are conventional and find comfort in the familiar.
- **Agreeableness.** The agreeableness dimension refers to an individual's propensity to defer to others. Agreeable people are cooperative, warm, and trusting. You might expect agreeable people to be happier than disagreeable people. They are, but only slightly. When people choose organizational team members, agreeable individuals are usually their first choice. In contrast, people who score low on agreeableness are cold and antagonistic.

These Big Five traits help in predicting work behaviour in various ways. For example, Conscientiousness is the best predictor of job performance, emotional stability is most strongly related to life satisfaction, job satisfaction, and low stress levels, Extraverts perform better in jobs with significant interpersonal interaction, Open people are more likely to be effective leaders–and more comfortable with ambiguity and Agreeable individuals are better liked than disagreeable people; they tend to do better in interpersonally–oriented jobs such as customer service.

Other personality attributes relevant to OB include core self–evaluations (CSEs) that are bottomline conclusions individuals have about their capabilities, competence, and worth as a person, self–monitoring that describes a personality trait that measures an individual's ability to adjust his or her behaviour to external, situational factors, and also, proactive personality are people who identify opportunities, show initiative, take action, and persevere until meaningful change occurs.

3.3 Values :

Values represent basic convictions that "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."[1] Values contain a judgmental element because they carry an individual's ideas about what is right, good, or desirable. They have both **content** and **intensity** attributes. The content attribute says a mode of conduct or end–state of existence is important. While, the intensity attribute specifies how important it is. When values are ranked in terms of intensity, one can obtain a person's **value system**. Values tend to be relatively stable and enduring. Many of the values we hold are established in our early years–by parents, teachers, friends, and others. If we question our values, they may change, but more often they are reinforced. There is also evidence linking personality to values,

1. G. R. Maio, J. M. Olson, M. M. Bernard, and M. A. Luke, "Ideologies, Values, Attitudes, and Behavior," in J. Delamater (ed.), Handbook of Social Psychology (New York: Springer, 2003), 283-308 implying our values may be partly determined by genetically transmitted traits. Open people, for example, may be more politically liberal, whereas conscientious people may place a greater value on safe and ethical conduct.

3.3.1 Importance of Values in Organization :

Values lay the foundation for understanding attitudes and motivation, and they influence a person's perceptions. When an employee enters an organization, he/she enters with preconceived notions of what "ought" and "ought not" to be. These notions contain their interpretations of right and wrong and their preferences for certain behaviours or outcomes. Regardless of whether these notions clarify or bias an employee's judgment, their values influence their attitudes and behaviours at work.

3.3.2 Dominant Work Values :

Milton Rokeach has organized values based on two categories. One set, called terminal values, refers to desirable end–states. These are the goals a person would like to achieve during a lifetime. The other set, called instrumental values, refers to preferable modes of behaviour, or means of achieving the terminal values. Some examples of terminal values are prosperity and economic success, freedom, health and well–being, world peace, and meaning in life. Examples of instrumental values are autonomy and self–reliance, personal discipline, kindness, and goal–orientation. Every person places value on both the ends (terminal values) and the means (instrumental values). A balance between the two is important, as well as an understanding of how to strike this balance. Values have also been categorised based on various cohorts or generations. The following figure reflects trends (and not beliefs) of values in individuals belonging to various generations.

Figure : Dominant Work Values in today's Workforce

Cohort	Entered the Workforce	Approximate Current Age	Dominant Work Values
Boomers	1965–1985	50s to 70s	Success, achievement, ambition, dislike of authority; loyalty to career
Xers	1985–2000	Mid-30s to 50s	Work-life balance, team-oriented, dislike of rules; loyalty to relationships
Millennials	2000 to present	To mid-30s	Confident, financial success, self-reliant but team-oriented; loyalty to both self and relationships

The limitation here is that differences across generations often do not support popular conceptions of how generations differ. For example, the value placed on leisure has increased over generations from the baby boomers to the Millennials and work centrality has declined, but research did not find that Millennials had more altruistic work values. However, the benefit is that personality and values are linked to workplace to understand the difference between person–job fit and person–organization fit. Personality–job fit theory identifies six personality types and proposes that the fit between personality type and occupational environment determines satisfaction and turnover. While, person–organization fit is a theory that people are attracted to and selected by organizations that match their values, and leave when there is no compatibility.

Thus, though values often underlie and explain attitudes, behaviours, and perceptions, they tend to vary internationally along dimensions that can predict organizational outcomes.

Check Your Progress :

1. A relatively stable set of characteristics that influence an individual's behavior defines :

   (a) behavioral predispositions

   (b) Personality

   (c) the integrative approach to behavior

   (d) the approach emphasizing the perceptual process

2. Personality is shaped by :

   (a) consequences of behavior and the environment

   (b) the person and the situation

   (c) thinking and feelings

   (d) heredity and environment

3. Increasing workforce diversity is likely to reduce ___________ as a barrier to social perception.

   (a) the primacy effect (b) first–impression error

   (c) selective perception (d) Stereotyping

4. The way in which factors such as skills, abilities, personalities, perceptions, attitudes, values, and ethics differ from one individual to another is referred to as :

   (a) Personality

   (b) individual differences

   (c) the basis for group differences

   (d) variation in traits

5. Individuals possessing an internal locus of control :

   (a) display high anxiety

   (b) tend to be dissatisfied on the job

   (c) prefer participative management styles

   (d) avoid greater responsibility

3.4 Let Us Sum Up :

This unit looked at diversity from many perspectives. It paid particular attention to three variables–biographical characteristics, abilities, and diversity programs. Diversity management must be an ongoing commitment that crosses all levels of the organization. Policies to improve the climate for diversity can be effective, and diversity management can be learned. Personality matters to organizational behavior. It does not explain all behavior, but it sets the stage.

The Big Five has been a particularly important advancement, though the other traits matter as well. Every trait has advantages and disadvantages for work behavior, and there is no perfect constellation of traits that is ideal in every situation. Personality can help to understand why people act, think, and feel the way they do, and the manager can put that understanding to use by taking care to place employees in situations that best fit their personalities.

Values often underlie and explain attitudes, behaviors, and perceptions. Values tend to vary along dimensions that can predict organizational outcomes; however, an individual may or may not hold values that are consistent with the values of the national culture.

3.5 Answers for Check Your Progress :

1. b	**2.** d	**3.** d	**4.** b	**5.** c

3.6 Glossary :

surface–level diversity Differences in easily perceived characteristics, such as gender, race, ethnicity, age, or disability, that do not necessarily reflect the ways people think or feel but that may activate certain stereotypes.

deep–level diversity Differences in values, personality, and work preferences that become progressively more important for determining similarity as people get to know one another better.

discrimination Noting of a difference between things; often we refer to unfair discrimination, which means making judgments about individuals based on stereotypes regarding their demographic group.

Values Basic convictions that 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.

Value System a hierarchy based on a ranking of an individual's values in terms of their intensity.

personality–job fit theory a theory that identifies six personality types and proposes that the fit between personality type and occupational environment determines satisfaction and turnover.

personality traits enduring characteristics that describe an individual's behavior.

Myers–Briggs Type Indicator (MBTI) a personality test that taps four characteristics and classifies people into one of 16 personality types.

Big Five Model a personality assessment model that taps five basic dimensions.

conscientiousness a personality dimension that describes someone who is responsible, dependable, persistent, and organized.

emotional stability a personality dimension that characterizes someone as calm, self–confident, and secure (positive) versus nervous, depressed, and insecure (negative).

extraversion a personality dimension describing someone who is sociable, gregarious, and assertive.

openness to experience a personality dimension that characterizes someone in terms of imagination, sensitivity, and curiosity.

agreeableness a personality dimension that describes someone of being courteous, good–natured, empathic, and caring.

3.7 Assignment :

1. What is personality ? How do we typically measure it ? What factors determine personality ?
2. What are the differences between person–job fit and person–organization fit ?
3. How can diversity support group effectiveness ?

3.8 Activities :

Fill up the Personality BIG FIVE tool from website and check your personality traits.

https ://www.truity.com/test/big–five–personality–test

3.9 Case Study :

Personal Values and Ethics in the Workplace

Sipho Dlamini was born in a small rural village in Swaziland. He spent his childhood years looking after his family's livestock. The community upheld high values, such as honesty and respect, but the people were desperately poor. He realized that he would have to go to South Africa and apply for a job at a gold mine.

As a young man Sipho left his village in the mountains and took on the difficult job of getting to South Africa. He went in search of one of his distant family members who were working for a gold mine near Johannesburg. He managed to find his relative, who was engaged as a personnel assistant. Sipho's relative managed to find him a job as a general mine worker and accommodation in one of the mine hostels. Sipho was dedicated to his work, and time passed quickly. Every month, he forwarded most of his wages to his family in Swaziland.

One day Sipho's family member called him into his office and informed him that he was due for promotion. He also told Sipho that he would be required to pay him Rs. 500/- (about $60) for his "efforts." This arrangement seemed strange to Sipho since he knew that it was not in line with company procedures. When Sipho asked about this, the personnel assistant replied that he had the authority to do so and that Sipho would not be promoted if he did not pay the Rs. 500/-. Sipho returned to his room and wrestled in his mind that night with the options before him. He had grown up with strong personal values that included honesty and hard work, but his family needed the extra income. What was he to do ?

After a restless night, he returned the next day to the personnel assistant's office and handed him the R500.00. He was immediately promoted, but he returned to his room with a troubled mind. A few weeks later, the personnel assistant was reported and investigated for fraudulent behavior. He was suspended from work, and the investigation revealed all his corrupt activities. The record he had kept on all employees who paid bribes to him was also found. All employees on this list were called in and charged with fraud. Sipho's name was on the list, and he was found guilty and dismissed from the service of the company along with all the others.

Questions :

1. What should Sipho have done differently ?
2. In what way could the mine management have provided support to him prior to his wrongful act ?
3. How would you have acted had you been in a similar situation ?

3.10 Further Readings :

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R. M. Capraro and M. M. Capraro, "Myers–Briggs Type Indicator Score Reliability across Studies : A Meta–Analytic Reliability Generalization Study," Educational & Psychological Measurement 62, no. 4 (2002) : 590–602

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Unit 4

THE INDIVIDUAL – EMOTIONS, MOTIVATION, PERCEPTION, DECISION–MAKING (PROCESSES)

: UNIT STRUCTURE :

4.0 Learning Objectives :

At the end of the unit, one will be able to

- Differentiate between emotions and moods.
- Identify sources of emotions, describe emotional intelligence and identify strategies for emotion regulation at workplace and otherwise.
- To describe the key elements of motivation, compare the early theories of motivation and describe how the contemporary theories complement one another.

- Explain the meaning and factors that influence perception, know what is attribution theory, explain the link between perception and decision making and explain how individual differences and organizational constraints affect decision making.

4.1 Introduction :

Psychologists have found that emotions and moods are similar in a way both are affective in nature. But they're also different – moods are more general and less contextual than emotions. The time of day, stressful events, and sleep patterns are some of the many factors that influence emotions and moods. Emotional intelligence, and emotional regulation helps us understand how people deal with emotions. Emotions and moods have proven relevant for virtually every aspect of organizational behavior, with implications for managerial practices.

Like emotions and mood, motivation also affects individual behavior. Individuals or employees in organizations are motivated to make sure that extrinsic rewards for employees are not viewed as coercive, but instead provide information about competence and relatedness. For example, consider goal–setting theory through which clear and difficult goals often lead to higher levels of employee productivity. On the other hand, reinforcement theory is regarding quality and quantity of work, persistence of effort, absenteeism, tardiness, and accident rates. Consulting equity theory helps to understand productivity, satisfaction, absence, and turnover variables. While, expectancy theory offers a powerful explanation of performance variables such as employee productivity, absenteeism, and turnover.

Apart from these factors, perception also plays an important role in the study of individual and organizational behavior. Individuals base their behavior not on the way their external environment actually is, but rather on the way they see it or believe it to be. Behavior follows perception, so to influence behavior at work, managers assess how people perceive their work. Often behaviors that are found to be puzzling can be explained by understanding the initiating perceptions. Managers make better decisions by recognizing perceptual biases and decision–making errors that they tend to commit. Learning about these problems doesn't always prevent them from making mistakes, but it does help.

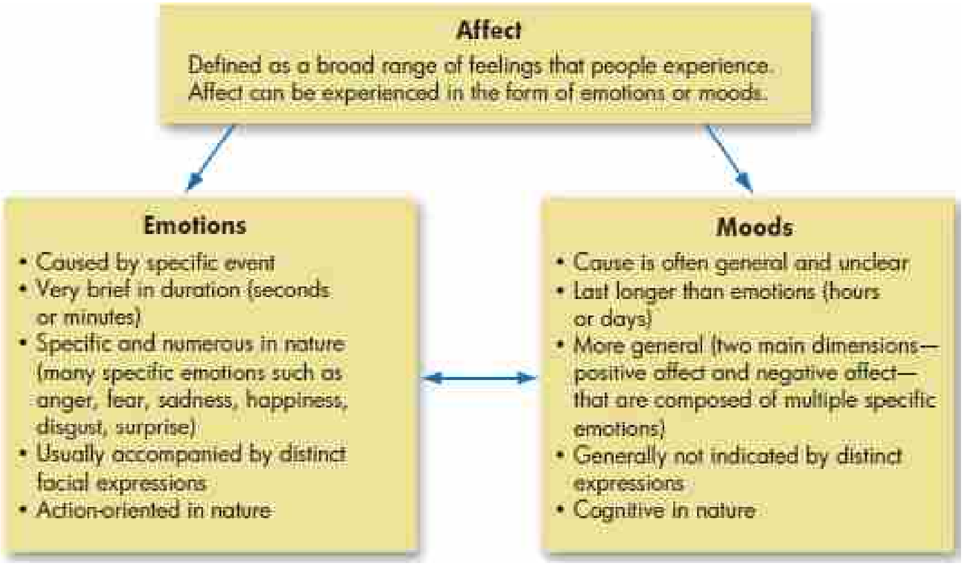
4.2 Emotions :

Emotions can have an impact across roles, business sectors, political boundaries, genders, and economic backgrounds of the individual and groups. Positive or negative emotions can have long–lasting consequences that may affect many more people than just the person on the receiving end. Emotions can greatly influence decision making, even sparking conflict with potentially disastrous consequences. In truth, an individual cannot set aside his/her emotions, but we can acknowledge and work with them. And not all emotions have negative influences on us. Until recently, the field of OB has not given the topic of emotions much attention generally, because emotions in the workplace were historically thought to be detrimental to performance. Although managers knew emotions were an inseparable part of everyday life, they tried to create organizations that were emotion–free. Researchers tended to focus on strong negative emotions–especially anger–that interfered with an employee's ability to work effectively. But recent research highlights that some emotions, particularly exhibited at the wrong time, can hinder performance. Other emotions are neutral, and some are constructive. Employees bring their emotions to work every day, so no study of OB would be comprehensive without considering their role in workplace behaviour.

4.2.1 Meaning : Affect, Emotions, Moods

It is difficult to understand the term 'emotion' as a separate entity. Thus, three terms that are closely intertwined are affect, emotions, and moods. Affect is a generic term that covers a broad range of feelings, including both emotions and moods. Emotions are intense feelings directed at someone or something. Moods are less intense feelings than emotions and often arise without a specific event acting as a stimulus. The following figure shows the relationships among affect, emotions, and moods.

Figure : Affect, Emotions and Moods



Affect is a broad term that encompasses emotions and moods. There are differences between emotions and moods. There are many emotions like anger, contempt, enthusiasm, envy, fear, frustration, disappointment, embarrassment, disgust, happiness, hate, hope, jealousy, joy, love, pride, surprise, and sadness. Emotions are more likely to be caused by a specific event and are more fleeting than moods. It can also be speculated that emotions may be more action oriented– they may lead us to some immediate action–while moods may be more cognitive, meaning they may cause us to think or brood for a while. Affect, emotions, and moods are separable in theory; in practice the distinction isn't always defined. But when it applies to OB then one may see more information about emotions in one area and moods in another.

4.3 Motivation :

Motivation is one of the most frequently researched topics in organizational behaviour (OB). In one survey, 69 percent of workers reported wasting time at work every day, and nearly a quarter said they waste between 30 and 60 minutes each day. How ? Usually by surfing the Internet (checking the news and visiting social network sites) and chatting with coworkers. So, though times change, the problem of motivating a workforce stays the same. Some individuals seem driven to succeed. The same young student who struggles to read a textbook for more than 15 minutes may devour a Geronimo Stilton or a Chetan Bhagat book in a day. The difference is the situation. This leads us to understand the concept of motivation.

4.3.1 Meaning :

Motivation can be defined as the process that account for an individual's intensity, direction, and persistence of effort toward attaining a goal. While general motivation is concerned with effort toward any goal, in the subject of OB, motivation is focussed to organizational goals.

Intensity describes how hard a person tries. However, high intensity is unlikely to lead to favourable job–performance outcomes unless the effort is channelled in a direction that benefits the organization. Therefore, the manager considers the quality of effort as well as its intensity. Managers motivate employees to make efforts directed toward, and consistent with, the organization's goals and that too with persistence. Motivated individuals stay with a task long enough to achieve their goals.

4.4 Early Theories of Motivation :

Three theories of employee motivation formulated during the 1950s are probably the best known.

4.4.1 Hierarchy of Needs Theory :

The best–known theory of motivation is Abraham Maslow's hierarchy of needs, which hypothesizes that within every human being there is a hierarchy of five needs. Recently, a sixth need has been proposed for a highest level–intrinsic values–which is said to have originated from Maslow, but it has yet to gain widespread acceptance. The original five needs are :

1. **Physiological.** Includes hunger, thirst, shelter, sex, and other bodily needs.
2. **Safety–security.** Security and protection from physical and emotional harm.
3. **Social–belongingness.** Affection, belongingness, acceptance, and friendship.
4. **Esteem.** Internal factors such as self–respect, autonomy, and achievement, and external factors such as status, recognition, and attention.

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

According to Maslow, as each need becomes substantially satisfied, the next one becomes dominant. So, if you want to motivate someone, you need to understand what level of the hierarchy that person is currently on and focus on satisfying needs at or above that level.

4.4.2 Two–Factor Theory :

Believing that an individual's relationship to work is basic, and that the attitude toward work can determine success or failure, psychologist Frederick Herzberg wondered, "What do people want from their jobs ?" He asked people to describe, in detail, situations in which they felt exceptionally *good* or *bad* about their jobs.

The responses differed significantly and led Hertzberg to his **two–factor theory** (also called *motivation–hygiene theory*). It is a theory that relates intrinsic factors to job satisfaction and associates extrinsic factors with dissatisfaction. Under two–factor theory, the factors that lead to job satisfaction are separate and distinct from those that lead to job dissatisfaction. Therefore, managers who seek to eliminate factors that can create job dissatisfaction may bring about peace, but not necessarily motivation. They will be placating rather than motivating their workers. Conditions such as quality of supervision, pay, company policies, physical work conditions, relationships with others, and job security are **hygiene factors**. When they're adequate, people will not be dissatisfied; neither will they be satisfied. If we want to *motivate* people on their jobs, we should emphasize factors associated with the work itself or with outcomes directly derived from it, such as promotional opportunities, personal growth opportunities, recognition, responsibility, and achievement. These are the characteristics people find intrinsically rewarding.

4.4.3 McClelland's Theory of Needs :

McClelland's theory of needs was developed by David McClelland and his associates. It is a theory that states achievement, power, and affiliation are three important needs that help explain motivation. As opposed to, say, Maslow's hierarchy, these needs are more like motivating factors than strict needs for survival. These three are :

- **Need for achievement (nAch)** is the drive to excel, to achieve in relationship to a set of standards.
- **Need for power (nPow)** is the need to make others behave in a way they would not have otherwise.
- **Need for affiliation (nAff)** is the desire for friendly and close interpersonal relationships.

The degree to which an individual has each of the three needs is difficult to measure, and therefore, the theory is difficult to put into practice. It is more common to find situations in which managers are aware of these motivational drivers' label employees based on observations made over time. Therefore, the concepts are helpful, but not often used objectively.

4.5 Contemporary Theories of Motivation :

Contemporary theories of motivation represent the latest thinking in explaining employee motivation.

1. **Self–determination theory :** A theory of motivation that is concerned with the beneficial effects of intrinsic motivation and the harmful effects of extrinsic motivation.
2. **cognitive evaluation theory :** A version of self–determination theory that holds that allocating extrinsic rewards for behaviour that had been previously intrinsically rewarding tends to decrease the overall level of motivation if the rewards are seen as controlling.
3. **Self–concordance :** The degree to which people's reasons for pursuing goals are consistent with their interests and core values.
4. **Goal–setting theory :** A theory that says that specific and difficult goals, with feedback, lead to higher performance.
5. **Management by objectives (MBO) :** A program that encompasses specific goals, participatively set, for an explicit time period, with feedback on goal progress.
6. **Self–efficacy theory :** An individual's belief that he or she is capable of performing a task.
7. **Reinforcement theory :** A theory that says that behaviour is a function of its consequences.
8. **Behaviourism :** A theory that argues that behaviour follows stimuli in a relatively unthinking manner.
9. **Social–learning theory :** The view that we can learn through both observation and direct experience.
10. **Equity theory :** A theory that says that individuals compare their job inputs and outcomes with those of others and then respond to eliminate any inequities.
11. **Organizational justice :** An overall perception of what is fair in the workplace, composed of distributive, procedural, informational, and interpersonal justice.
12. **Expectancy theory :** A theory that says that the strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual.

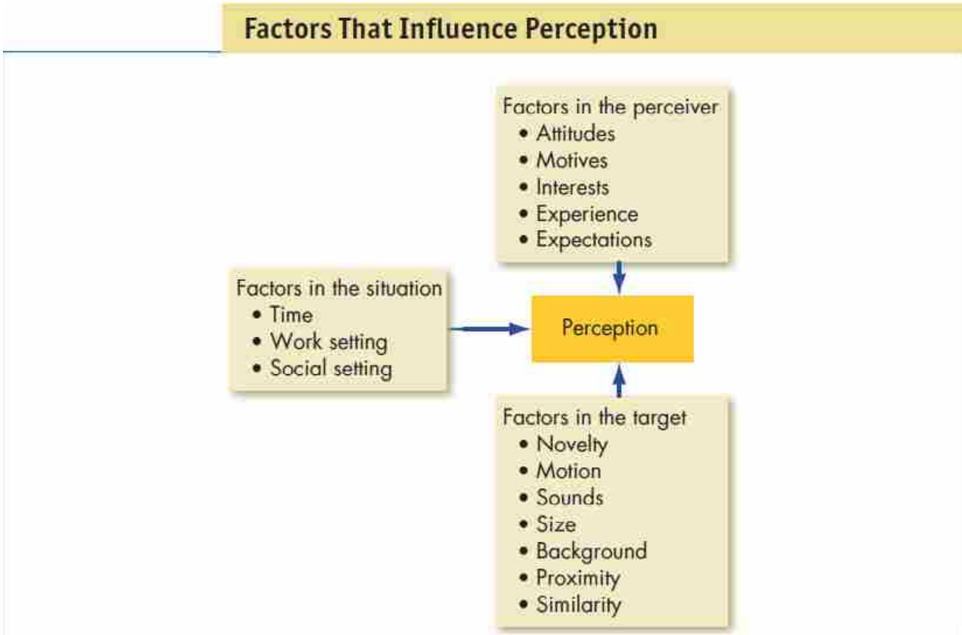
4.6 Perception :

Perception is a process by which individuals organize and interpret sensory impressions in order to give meaning to our environment. What we perceive can be substantially different from objective reality. For example, all employees in a firm may view it as a great place to work–

favourable working conditions, interesting job assignments, good pay, excellent benefits, understanding and responsible management–but, as most of us know, it's very unusual to find agreement in universal opinion. Perception is important in the study of OB simply because people's behaviour is based on their perception of what reality is, not on reality itself. *The world as it is perceived is the world that is behaviourally important.* In other words, our perception becomes the reality from which we act. To understand what all of us have in common in our interpretations of reality, we need to begin with the factors the influence perception.

4.6.1 Factors that Influence Perception :

A number of factors shape and sometimes distort perception. These factors can reside in the perceiver, the object or target being perceived, or the situation in which the perception is made. Factors that influence perception is explained in the following figure.



Apart from these, context matters too. The time at which we see an object or event can influence our attention, as can location, light, heat, or situational factors

4.6.2 Attribution Theory – From Perception to Attribution :

Attribution theory is an attempt to determine whether an individual's behaviour is internally or externally caused. It tries to explain the ways we judge people differently, depending on the meaning we attribute to a behaviour. For instance, consider what you think when people smile at you. Do you think they are cooperative, exploitative, or competitive ? We assign meaning to smiles and other expressions in many different ways. Attribution theory suggests that when we observe an individual's behaviour, we attempt to determine whether it was internally or externally caused. That determination depends largely on three factors : (1) distinctiveness, (2) consensus, and (3) consistency. *Internally* caused behaviours are those an observer believes to be under the personal behavioural control of another individual. *Externally* caused behaviour is what we imagine the situation forced the individual to do. *Distinctiveness* refers to whether an individual displays different behaviours in different situations or not. Is the employee who arrives late today also one who regularly "blows off" other kinds of commitments ? What we want to know is whether this behaviour is unusual. If it is, we are likely to give it an external attribution. If it's not, we will probably judge the behaviour to be internal. If everyone who faces a similar situation responds in the same way, we can say the behaviour shows *consensus*. Finally, an observer (a manager) looks for *consistency* in a person's actions. For instance, Does the person respond the same way over time ? This helps managers to take certain decisions.

4.7 The Link Between Perception and Decision Making :

Individuals make **decisions**, choices from among two or more alternatives. Ideally, decision making would be an objective process, but the way individuals make decisions and the quality of their choices are largely influenced by their perceptions. Individual decision making is an important factor of behaviour at all levels of an organization.

Decision making occurs as a reaction to a **problem**. That is, a discrepancy exists between the current state of affairs and some desired state, requiring us to consider alternative courses of action.

Every decision requires a manager to interpret and evaluate information. He/she typically receives data from multiple sources that they need to screen, process, and interpret. Which data are relevant to the decision, and which are not ? Their perceptions will answer that question. Managers also need to develop alternatives and evaluate their strengths and weaknesses. Again, their perceptual process will affect the outcome. Finally, they have to consider how their perceptions of the situation influence their decisions.

4.8 Individual Differences and Organizational Constraints :

Decision making in practice is characterized by bounded rationality, common biases and errors, and the use of intuition. Individual differences emerge out of differences in personality, gender, mental ability, cultural differences, nudging, performance evaluation systems, reward systems, formal regulations, system–imposed time constraints and historical precedents. A decision maker also needs creativity. **Creativity**, is the ability to produce novel and useful ideas. Creativity allows the decision maker to fully appraise and understand problems, including seeing problems others can't see. Although all aspects of organizational behaviour are complex, that is especially true for creativity.

Thus, individuals are found looking for solutions that satisfies rather than optimize, injecting biases and prejudices into the decision process, and relying on intuition. Managers should encourage creativity in employees and teams to create a route to innovative decision making.

Check Your Progress :

1. All of the following are characteristics of the target of one's perceptions, except :

   (a) physical appearances

   (b) oral communication

   (c) nonverbal cues

   (d) purpose and context of encounter or interaction

2. Which of the following is NOT an important characteristic of the perceiver that can affect social perception ?

   (a) Attitude (b) Mood

   (c) self–concept (d) emotional stability

3. A pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences reflects :

   (a) job involvement (b) job satisfaction

   (c) Loyalty (d) job morale

4. Employee loyalty toward the organization is a significant factor in :

   (a) job displacement (b) continuance commitment

   (c) affective commitment (d) employee turnover

5. The process of arousing and sustaining goal–directed behavior is called :

   (a) Energizing (b) goal setting

   (c) Motivation (d) expectancy theory

6. Which of the following statements is most accurate regarding the current state of motivation theories ?

   (a) The reinforcement approach to motivation has been found to be superior to other motivational models.

   (b) Freud's psychodynamic theory of motivation has generally been supported with the strongest empirical evidence.

   (c) There are several approaches to motivation, and one or another may be useful in specific organizational contexts, with specific individuals or groups, at different times.

   (d) The motivational models that make strong economic assumptions regarding human motivation have received the most universal acceptance.

4.9 Let Us Sum Up :

Emotions and moods are similar and both are affective in nature. But they're also different – they’re different in a way that moods are more general and less contextual than emotions. The time of day, stressful events, and sleep patterns are some of the factors that influence emotions and moods. The motivation theories differ in their predictive strength. Maslow's hierarchy, Hertzberg's two–factor theory, and McClelland's theory of motivation focus on needs. Self–determination theory and related theories have merits to consider. Goal–setting theory can be helpful but does not cover absenteeism, turnover, or job satisfaction. Self–efficacy theory contributes to our understanding of personal motivation. Reinforcement theory can also be helpful, but not regarding employee satisfaction or the decision to quit. Equity theory provided the spark for research on organizational justice. Expectancy theory can be helpful, but assumes employees have few constraints on decision making, and this limits its applicability.

Individuals base their behavior not on the way their external environment actually is, but rather on the way they see it or believe it to be. An understanding of the way people make decisions can help us explain and predict behavior, but few important decisions are simple or unambiguous enough for the rational model's assumptions to apply. Individuals are found to be looking for solutions that satisfy rather than optimize, injecting biases and prejudices into the decision process, and relying on intuition. Managers should encourage creativity in employees and teams to create a route to innovative decision making.

4.10 Answers for Check Your Progress :

1. d **2.** d **3.** b **4.** c **5.** c **6.** c

4.11 Glossary :

affect A broad range of feelings that people experience.

emotions Intense feelings that are directed at someone or something.

moods Feelings that tend to be less intense than emotions and that lack a contextual stimulus.

expectancy theory A theory that says that the strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual.

organizational justice An overall perception of what is fair in the workplace, composed of distributive, procedural, informational, and interpersonal justice.

perception A process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.

decisions Choices made from among two or more alternatives.

rational decision–making model A decision–making model that describes how individuals should behave in order to maximize some outcome.

4.12 Assignment :

1. How are emotions different from moods ? What are the sources of emotions and moods ?

2. What are some early theories of motivation ? How applicable are they today ?
3. Explain the factors that influence perception.
4. What is the link between perception and decision making ?

4.13 Activities :

Each one of you should recall an instance in which he or she was (a) treated especially fairly and (b) treated especially unfairly. Work–related instances are preferable, but nonwork examples are fine too. See how these stories develop into your experience of handling the unfair situations in a fairer manner.

4.14 Case Study :

Crybabies at Workplace

Emotions are an inevitable part of people's behavior at work. At the same time, people may not feel comfortable expressing all emotions at work. The reason might be that business culture and etiquette remain poorly suited to handling overt emotional displays. The question is : Can organizations become more intelligent about emotional management ? Is it ever appropriate to yell, laugh, or cry at work ? Some people are skeptical about the virtues of emotional displays in the workplace. Emotions are automatic, physiological responses to the environment, and as such, they can be difficult to control appropriately. One 22–year old customer service representative named Laura, who was the subject of a case study, noted that fear and anger were routinely used as methods to control employees at her workplace, and the employees deeply resented this manipulation and wanted to act out. In another case, the chairman of a major television network made a practice of screaming at employees whenever anything went wrong, leading to hurt feelings and a lack of loyalty to the organization.

Like Laura, workers at this organization were hesitant to show their true reactions to these emotional outbursts for fear of being branded as "weak" or "ineffectual." Research indicated that while employees who could regulate their emotions would refrain from acting on their anger, employees who were low in self–regulation and didn't think the boss would do anything were likely to retaliate. It might seem like these individuals worked in highly emotional workplaces, but in fact only a narrow range of emotions was deemed acceptable at work. Anger appears to be more acceptable than sadness in many organizations, despite the serious maladaptive consequences. Many people find their negative reaction to hearing an angry outburst lasts, making it difficult for them to concentrate at work.

Organizations that recognize and work with emotions effectively may be more creative, satisfying, and productive. For example, Laura noted that if she were able to express her hurt feelings without fear, she would have been much more satisfied with her work. In other words, the problem with Laura's organization was not that emotions were displayed, but that emotional displays were handled poorly. Others note that the use of emotional knowledge–like the ability to read and understand the reactions of others–is crucial for workers, ranging from salespeople and customer service agents all the way to managers and executives. One survey even found that 88 percent of workers felt that being sensitive to the emotions of others is an asset. Management consultant Erika Anderson notes, "Crying at work is transformative and can open the door to change." The question then is : Can organizations take specific steps to become better at allowing emotional displays without opening a Pandora's box of outbursts ?

Questions :

1. Do you think the strategic use and display of emotions serve to protect employees, or does covering your true emotions at work lead to more problems than it solves ?
2. Have you ever worked where the free expression of emotion was part of the management style ? Describe the advantages and disadvantages of this approach from your experience.
3. Research shows that the acts of coworkers (37 percent) and management (22 percent) cause more negative emotions for employees than do acts of customers (7 percent). What can Laura's company do to change its emotional climate ?

4.15 Further Readings :

S. G. Barsade and D. E. Gibson, "Why Does Affect Matter in Organizations ?" Academy of Management Perspectives February, 2007, 36–59.

R. C. Solomon, "Back to Basics : On the Very Idea of 'Basic Emotions,'" Journal for the Theory of Social Behaviour 32, no. 2 (June 2002) : 115–44.

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M. D. Coleman, "Emotion and the Self–Serving Bias," Current Psychology (December 2011) : 345–54.

BLOCK SUMMARY

Managers need to develop their interpersonal, or people, skills to be effective in their jobs. Organizational behaviour (OB) investigates the impact that individuals, groups, and structure have on behaviour within an organization, and it applies that knowledge to make organizations work more effectively. Thus, the subject of OB helps the managers to resist the inclination to rely on generalizations by providing some valid insights into human behaviour. It helps the managers to get to know the person, and understand the context. It motivates the managers to use metrics rather than hunches to explain cause–and–effect relationships, to work on interpersonal skills to increase leadership potential, to improve technical skills and conceptual skills through training and staying current. OB can also improve employees' work quality and productivity by showing the manger how to empower his/her employees, design and implement change programs, improve customer service, and help the employees to balance work–life conflicts.

BLOCK ASSIGNMENT

Short Answer Questions :

1. What is individual behavior in organizations ?
2. What are the determinants of individual behavior ?
3. Contrast the components of attitude.
4. What is emotional intelligence ?
5. Desrcibe personality. What factors shape it ?

Long Answer Questions :

1. Why is individual behavior important in an organization ?
2. Describe the nature and scope of organizational behavior.
3. How can concepts of emotions and moods be applied to specific OB issues ? Explain with the help of examples.
4. Describe the strengths and weaknesses of the Myers–Briggs Type Indicator (MBTI) personality framework and the Big Five model.

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BBAR-204/ DBAR-204

Individual and Organisational Behaviour

BLOCK-2 UNDERSTANDING INDIVIDUAL BEHAVIOUR

UNIT 1

THE INDIVIDUAL – ATTITUDE AND STRESS AS OUTCOMES IN THE ORGANIZATION

UNIT 2

THE INDIVIDUAL – TASK PERFORMANCE

UNIT 3

THE INDIVIDUAL – ORGANIZATIONAL CITIZENSHIP BEHAVIOR (OCB)

UNIT 4

MARS MODEL OF INDIVIDUAL BEHAVIOR

Block Introduction

It's almost altruism to say that a job that fits you is one that satisfies you. However, what makes a satisfying job is a bit more complex. What factors besides work schedule compatibility and job security affect job attitudes ? Does having a satisfying job really matter ? To have answers to these important questions, it's important to define what attitudes generally mean and job attitudes in particular.

Job attitude affects both, task performance as well as citizenship behavior in workplace. Task performance tells about the combination of effectiveness and efficiency at doing core job tasks. But citizenship behavior straight away addresses the behavior of individuals in general, which would benefit the organization in particular. Spontaneous behaviors that meet the demands of unforeseen contingencies are important for better performance of the organization in the current competitive environment.

In order to bring results in organizational performance, individuals in organizations need to be constantly motivated and enable to deal with perceptual and situational factors. This concept can be easily understood with the help of MARS model of individual behavior that was conceptualised by Steven McShane and Tony Glinow in 2005.

Block Objectives

The current block covers

- Attitude and stress, task performance, citizenship behavior and MARS model of individual behavior as outcomes in the organization at individual level.
- At the end of the unit one will be able to contrast the components of attitude, summarise relationship between attitude and behaviour and understand major job attitudes.
- The learner will also know what is job stress and what is organizational stress.
- Further, the learner will be able to define task performance, study the characteristics of task performance and understand how behaviour influences the outcome of task performance of individuals in organizations.
- Similarly, the reader will also be able to define organizational citizenship behavior, be able to explain what it is and explain the factors that affect citizenship behavior of individuals in an organization.
- Lastly the block ends with the explanation of MARS model of individual behavior.

Block Structure

Unit 1

THE INDIVIDUAL – ATTITUDE AND STRESS AS OUTCOMES IN THE ORGANIZATION

: UNIT STRUCTURE :

1.0 Learning Objectives :

At the end of the unit one will be able to contrast the components of attitude, summarise relationship between attitude and behaviour and understand major job attitudes. It will help to understand emotions and reasoning that influences attitude and behavior. The learner will also know what is job stress and what is organizational stress. Will be able to define stress and describe the stress experience.

1.1 Introduction :

It's almost altruism to say that a job that fits you is one that satisfies you. Understanding what makes a satisfying job is a bit more complex. One also needs to identify the factors besides work schedule compatibility and job security that affect job attitudes. Thus, it's important to define what we mean by attitudes generally, and job attitudes in particular.

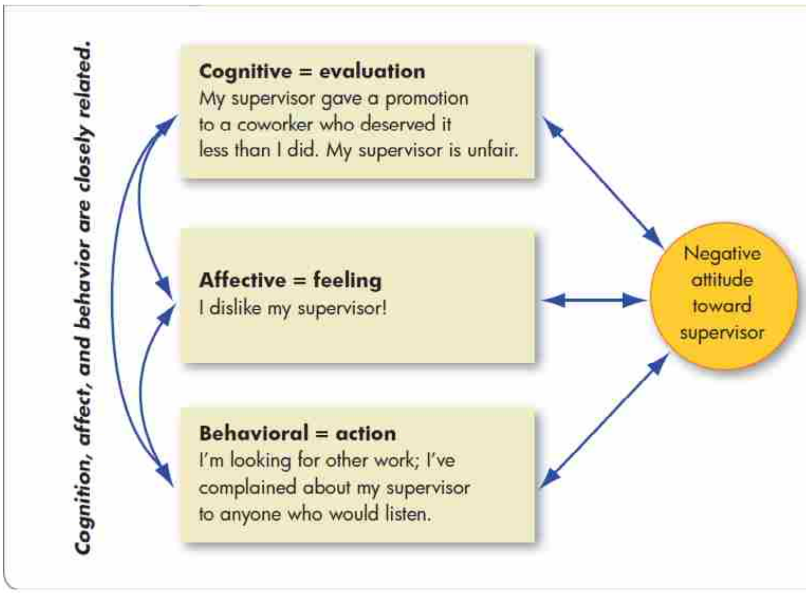
1.2 Attitude :

Attitudes are evaluative statements–either favorable or unfavorable–about objects, people, or events. They reflect how we feel about something. When you say "I like my job," you are expressing your attitude about your work. Attitudes are complex. If you ask people about their attitude toward religion, a celebrity, or an organization, you may get a simple response, but the underlying reasons are probably complicated. To fully understand attitudes, we must consider their fundamental properties or components.

Typically, attitudes have three components : cognition, affect, and behavior. The statement "My pay is low" is a **cognitive component** of an attitude–a description of or belief in the way things are. It sets the stage for the more critical part of an attitude–its **affective component**. Affect is the emotional or feeling segment of an attitude reflected in the statement, "I am angry over how little I'm paid." Affect can lead to behavioral outcomes. The **behavioral component** of an attitude describes an intention to behave a certain way toward someone or something–as in, "I'm going to look for another job that pays better."

Viewing attitudes as having three components–cognition, affect, and behavior–helps understand their complexity and the potential relationship between attitudes and behavior. For example, imagine you realized that someone treated you unfairly. Aren't you likely to have feelings about that, occurring virtually instantaneously with the realization ? Thus, cognition and affect are intertwined.

The figure below shows how the three components of an attitude are related.



Thus, in organizations, attitudes are important for their behavioral component. If workers believe, for example, that managers, auditors, and engineers are in a conspiracy to make employees work harder for less money, one should try to understand how this attitude formed, how it impacts job behavior, and how it might be changed.

1.3 Relationship Between Attitude and Behaviour :

Earlier it was assumed that attitudes were causally related to behavior–that is, the attitudes people hold determine what they do. However, one researcher– Leon Festinger–argued that attitudes *follow* behavior. Other researchers have agreed that attitudes predict future behavior.

Cases of attitude following behavior illustrate the effects of **cognitive dissonance**, contradictions individuals might perceive between their attitudes and their behaviour. People seek consistency among their attitudes, and between their attitudes and their behavior. Any form of inconsistency is uncomfortable, and individuals will therefore attempt to reduce it. People seek a stable state, which is a minimum of dissonance. When there is a dissonance, people will alter either the attitudes or the behavior, or they will develop a rationalization for the discrepancy. However, no individual can avoid dissonance. The desire to reduce dissonance depends on three factors, including the (1) *importance* of the elements creating dissonance, (2) the degree of *influence* a person believes he/she has over the elements, and (3) the third factor is the *rewards* of dissonance; high rewards accompanying high dissonance tend to reduce tension inherent in the dissonance (dissonance is less distressing if accompanied by something good, such as a higher pay raise than expected). Individuals are more motivated to reduce dissonance when the attitudes are important or when they believe the dissonance is due to something they can control.

The most powerful moderators of the attitudes relationship are the *importance* of the attitude, its *correspondence to behavior*, its *accessibility*, the presence of *social pressures*, and whether a person has *direct experience* with the attitude.

Important attitudes reflect our fundamental values, self–interest, or identification with individuals or groups we value. These attitudes tend to show a strong relationship to our behavior. The attitude–behavior relationship is also likely to be much stronger if an attitude refers to something with which we have direct personal experience.

1.4 Job Attitudes – Job Satisfaction and Job Involvement, Organizational Commitment, Perceived Organizational Support and Employee Engagement :

There may be thousands of attitudes, but OB focuses on a very limited number that form positive or negative evaluations employees hold about their work environments. The most studied three attitudes are job satisfaction, job involvement, and organizational commitment. Other important attitudes include perceived organizational support and employee engagement.

1.4.1 Job Satisfaction :

Job satisfaction is a positive feeling about one's job resulting from an evaluation of its characteristics. When people speak of employee attitudes, they usually mean **job satisfaction**, a positive feeling about a job resulting from an evaluation of its characteristics.

A person with high job satisfaction holds positive feelings about the work, while a person with low satisfaction holds negative feelings.

1.4.2 Job Involvement :

Job involvement is the degree to which a person identifies with a job, actively participates in it, and considers performance important to self–worth. Related to job satisfaction is **job involvement**, the degree to which people identify psychologically with their jobs and consider their perceived performance levels important to their self–worth. Employees with high job involvement strongly identify with and really care about the kind of work they do.

Another closely related concept is **psychological empowerment**, or employees' beliefs in : the degree to which they influence their work environment, their competencies, the meaningfulness of their job, and their perceived autonomy.

1.4.3 Organizational Commitment :

Organizational commitment is the degree to which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization. An employee with **organizational commitment** identifies with a particular organization and its goals and wishes to remain a member. Emotional attachment to an organization and belief in its values is the "gold standard" for employee commitment.

Employees who are committed will be less likely to engage in work withdrawal even if they are dissatisfied because they have a sense of organizational loyalty or attachment. Even if employees are not currently happy with their work, they are willing to make sacrifices for the organization if they are committed enough.

1.4.4 Perceived Organizational Support :

Perceived Organizational Support (POS) is the degree to which employees believe the organization values their contributions and cares about their wellbeing. People perceive their organizations as supportive when rewards are deemed fair, when employees have a voice in decisions, and when they see their supervisors as supportive. POS is a predictor, but there are some cultural influences. POS is important in countries where the **power distance**, the degree to which people in a country accept that power in institutions and organizations is distributed unequally, is lower.

1.4.5 Employee Engagement :

Employee Engagement is an individual's involvement with, satisfaction with, and enthusiasm for the work he or she does. To evaluate engagement, we might ask employees whether they have access to resources and opportunities to learn new skills, whether they feel their work is important and meaningful, and whether interactions with coworkers and supervisors are rewarding. Highly engaged employees have a passion for their work and feel a deep connection to their companies.

1.5 Stress at Work :

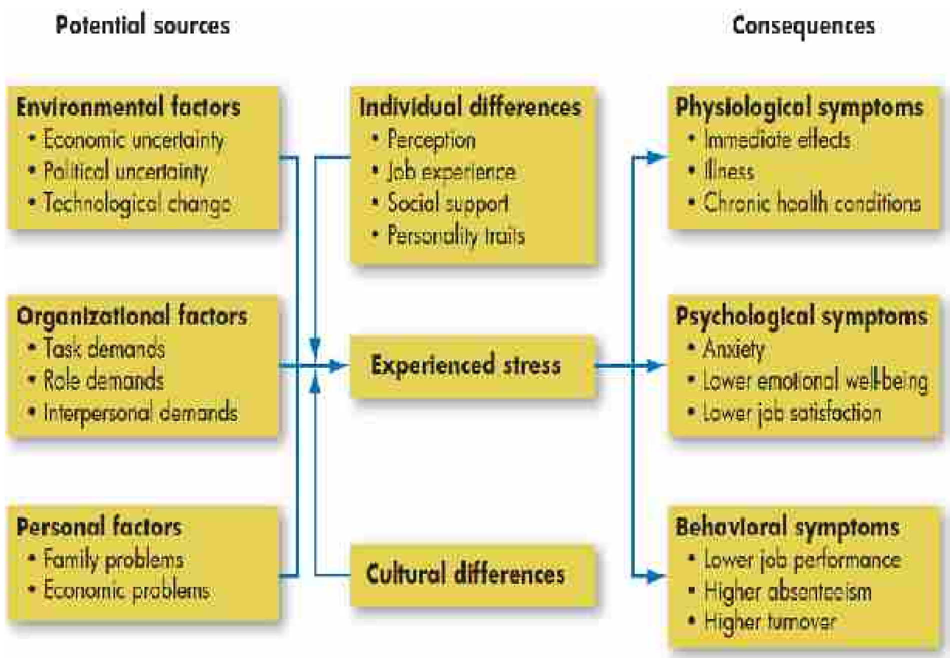
People say they're stressed from greater workloads and longer hours because of downsizing at their organizations. Parents worry about the lack of job stability and reminisce about a time when a job with a large corporation implied lifetime security. Employees complain about the stress of trying to balance work and family. Employees are found to be having mental breakdowns and needing professional help at higher rates than ever. Indeed, work is a major source of stress in most people's lives and one needs to know the causes and consequences of stress, and steps that individuals and organizations can reduce it.

1.5.1 What is Stress ?

In layman's language stress is an unpleasant psychological process that occurs in response to environmental pressures. **Stress** is a dynamic condition in which an individual is confronted with an opportunity, demand, or resource related to what the individual desires and for which the outcome is perceived to be both uncertain and important.

1.5.2 Potential Sources of Stress at Work :

There are many reasons of what causes stress. The following figure displays a model of stress in a crisp way.



environmental factors Just as environmental uncertainty influences the design of an organization's structure, it also influences stress levels among employees in that organization. Indeed, uncertainty is the biggest reason people have trouble coping with organizational changes. There are three main types of environmental uncertainty : economic, political, and technological.

organizational factors There is no shortage of factors within an organization that can cause stress. Pressures to avoid errors or complete tasks in a limited time, work overload, a demanding and insensitive boss, and unpleasant coworkers are a few examples. these factors can be categorized around task, role, and interpersonal demands.

personal factors The final category of sources of stress at work includes factors of an employee's personal life : family issues and personal economic problems.

1.6 Managing Stress :

At both, individual and organizational level, something should be done for managing stress. What management may consider to be "a positive stimulus that keeps the adrenaline running" is very likely to be seen as "excessive pressure" by the employee. This should be kept in mind while further discussing individual and organizational approaches toward managing stress.

1.6.1 Individual Approaches :

Because of unique personal characteristics, people have different stress experiences when exposed to the same stressor. At individual level, stress can be managed in various ways.

(1) Those who exercise and have healthy lifestyles have a larger store of energy to cope with high stress levels.

(2) Employees who try to ignore or deny the existence of a stressor suffer more in the long run than those who try to find ways to weaken the stressor and seek social support.

(3) Resilience is the capability of individuals to cope successfully in the face of significant change, adversity, or risk. Those with high resilience are able to withstand adversity as well as recover more quickly from it.

1.6.2 Organizational Approaches :

Several organizational factors that cause stress–particularly task and role demands–are controlled by management and thus can be modified or changed. Strategies to consider include improved employee selection and job placement, training, goal–setting, redesign of jobs, increased organizational communication, employee involvement, employee sabbaticals, and corporate wellness programs. Five of the most common work–life balance initiatives are flexible and limited work time, job sharing, telecommuting, personal leave, and child care support.

Check Your Progress :

1. Asking an employee whether he or she would use a new computer software package is an attempt to determine :

   (a) Affect (b) Cognition

   (c) dissonance reduction (d) behavioral intent

2. A pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences reflects :

   (a) job involvement (b) job satisfaction

   (c) Loyalty (d) job morale

3. Employees working for Aplus.net came to work during massive wildfires that swept through California in 2003, even though some of their own homes were threatened. This is an example of :

   (a) affective commitment (b) continuance commitment

   (c) organizational citizenship (d) organizational involvement

4. The demand, person, activity, or event that triggers an uncomfortable encounter is known as :

   (a) Stress (b) Distress (c) the stressor (d) Strain

5. The unconscious preparation to fight or flee that a person experiences when faced with any demand is known as :

   (a) avoidance (b) Instinct (c) Arousal (d) Stress

6. Organizations need to be sensitive to sources of stress, which include all of the following except :

   (a) Work (b) nonwork (c) global (d) resource

1.7 Let Us Sum Up :

Attitudes have traditionally been described as a purely rational process in which beliefs predict feelings, which predict behavioral intentions, which predict behavior. We now know that emotions have an influence on behavior that is equal to or greater than that of cognitions. This dual process is apparent when we internally experience a conflict between what logically seems good or bad and what we emotionally feel is good or bad in a situation. Emotions also affect behavior directly. Behavior sometimes influences our subsequent attitudes through cognitive dissonance.

Job satisfaction represents a person's evaluation of his or her job and work context. Job satisfaction has a moderate relationship with job performance and with customer satisfaction. Affective organizational commitment (loyalty) is the employee's emotional attachment to, identification with, and involvement in a particular organization. This contrasts with continuance commitment, which is a calculative bond with the organization. Companies build loyalty through justice and support, shared values, trust, organizational comprehension, and employee involvement.

The real world is turbulent, requiring organizations and their members to undergo dynamic change if they are to perform at competitive levels. Coping with all these changes can be a source of stress, but with effective management, challenge can enhance engagement and fulfillment, leading to the high performance. Some stress is good. Increasing challenges brought by autonomy and responsibility at work will lead to some stress but also increase feelings of accomplishment and fulfillment. Hindrance stressors like bureaucracy and interpersonal conflicts, on the other hand, are entirely negative and should be eliminated.

1.8 Answers for Check Your Progress :

1. d **2.** b **3.** c **4.** c **5.** c **6.** d

1.9 Glossary :

attitudes Evaluative statements or judgments concerning objects, people, or events

cognitive component The opinion or belief segment of an attitude

affective component The emotional or feeling segment of an attitude

behavioral component An intention to behave in a certain way toward someone or something

job satisfaction A positive feeling about one's job resulting from an evaluation of its characteristics

job involvement The degree to which a person identifies with a job, actively participates in it, and considers performance important to self–worth

stress An unpleasant psychological process that occurs in response to environmental pressures.

1.10 Assignment :

Summarize the relationship between attitudes and behavior

1.11 Activities :

Are emotions different from moods ?

_interested	_irritable	_distressed	_alert	_excited
_ashamed	_upset	_inspired	_strong	_nervous
_guilty	_determined	_scared	_attentive	_hostile
_jittery	_enthusiastic	_active	_proud	_afraid

Explain how the above items have resulted into emotion from moods

1.12 Case Study :

Atos : Zero Email Program

The technology that gave us the smart phone, tablet, and laptop has enabled employees to access their work from anywhere in the world. Communication has been enhanced by the use of texts, calls, instant messages, email, and social networking sites. The burden of being an anytime–anywhere worker is having a negative impact on the health of employees, family life, and productivity.

Employees are experiencing unmanageable workloads, the loss of face–to–face relationships with colleagues, and the overuse of emails in managing difficult work–related issues. However, the future of work is changing from a directive approach towards collaborative frameworks that cause employees to think and act differently.

In 2011, Thierry Breton, Chairman and CEO of technology giant ATOS, launched a Zero Email program. The organization focuses on business technology and helps organizations to develop into firms of the future. Atos recognized that email is a barrier to collaborative transformation. Breton's initiative was launched to completely eliminate the use of email for internal communications and to use enterprise social initiatives instead. Eliminating email is a key pillar of the organization's internal wellbeing at work initiative, which is designed to enhance working conditions. The aim was to move towards a social, collaborative enterprise that shares knowledge and finds experts easily to respond to the needs of clients quickly and efficiently, delivering tangible business results. The culture evolved from one based on hierarchies and command–and–control to a more open environment. Leaders and employees can now engage with each other quickly and easily. This challenged established ways of working and the tools that were used, and introduced new technologies and behaviours. The focus of the Zero Email initiative was to reduce the overall messaging load on the 76,000 business technologists who work for Atos in 52 countries. Emails that were previously used to assign employees to tasks have been replaced by discussions in online communities where employees communicate, share best practices, and develop new ideas. Collaborative operations have resulted in more efficient teamwork : 25 percent of work time previously devoted to email activities is now spent on business activities. Internal email disruption and overload has been reduced by 60 percent. In addition, Atos has introduced a certification process that has resulted in the redesign of 220 business processes to become email–free. Greater digital connectivity goes hand–in–hand with greater worker responsibility. According to Randstad's Workmonitor Global Report in 2015, 57 percent of employees surveyed stated that their employer expects them to be available outside regular office hours. The results revealed that 89 percent of Chinese workers believed that they should be available outside of working times in contrast to 40 percent of employees in Sweden. Globally, 47 percent of the respondents said that their employer expects them to be available by phone and email during holidays.

Rather than getting rid of emails or texting, we must put them to better use. Organizations need to advise employees on the acceptable times to email, how to avoid overload of information, the overuse of email and the benefits of face–to–face communication. They must also address the need for work–life balance. Recently, the French trade union that represents employees in the technology and consultancy sectors, which includes divisions of Google, Facebook, and Deloitte, agreed to allow staff to shut off their phones and computers after 6 pm. It was agreed that organizations cannot pressure their employees or make them feel bad about not checking or responding to their email. As employees across the world see their work days grow longer and the boundaries between their personal and work lives getting increasingly blurred, firms–like Atos–must address this challenge by implementing a cultural change supported by the adaptation of employee behavior and management styles.

Questions :

1. Consider the sources of stress in modern organizations such as Atos. Identify individual differences that can moderate the effect of stress.

1.13 Further Readings :

L. S. Glasman and D. Ablarracín, "Forming Attitudes That Predict Future Behavior : A Meta–Analysis of the Attitude–Behavior Relation," Psychological Bulletin, September 2006, 778–822

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C. L. Cooper, P. J. Dewe, and M. P. O'Driscoll, Organizational Stress : A Review and Critique of Theory, Research, and Applications (Thousand Oaks, CA : Sage, 2002).

J. C. Wallace, B. D. Edwards, T. Arnold, M. L. Frazier, and D. M. Finch, "Work Stressors, Role–Based Performance, and the Moderating Influence of Organizational Support," Journal of Applied Psychology 94, no. 1 (2009) : 254–62

Unit 2

THE INDIVIDUAL – TASK PERFORMANCE

: UNIT STRUCTURE :

2.0 Learning Objectives :

Here the learner will be able to understand :

- the definition of task performance,
- the characteristics of task performance and understand how behaviour influences the outcome of task performance of individuals in organizations.

2.1 Introduction :

Task performance is one of the key outcome variables in OB. It is an individual level outcome. It is the combination of effectiveness and efficiency at doing core job tasks.

Electronic performance monitoring increases task performance as well as citizenship behavior (helping behaviors towards others), at least in the short term.

2.2 Meaning of Task Performance :

Task Performance is the combination of effectiveness and efficiency at doing your core job tasks. This effectiveness and efficiency is a reflection of a person's level of **task performance**. It refers to goal–directed behaviors under the individual's control that support organizational objectives. Task performance behaviors transform raw materials into goods and services or support and maintain technical activities. For example, foreign exchange traders at Bagha Forex Inc. make decisions and take actions to exchange currencies. Here employees in most jobs have more than one performance dimension.

Foreign exchange traders must be able to identify profitable trades, work cooperatively with clients and co–workers in a stressful environment, assist in training new staff, and work on special telecommunications equipment without error. Some of these performance dimensions are more important than others, but only by considering all of them can a manager fully evaluate an employee's contribution to the organization.

Thus, one of the major types of behavior that constitute performance at work is task performance. It is the performance of the duties and responsibilities that contribute to the production of a good or service, or to administrative tasks. These include most of the tasks in a conventional job description. Another example with the help of which task performance can be understood is the job of a factory worker. If we think about the job of a factory worker, task performance could be measured by the number and quality of products produced in an hour. Similarly, the task performance of a teacher would be the level of education that students obtain. And task performance of consultants might be the timeliness and quality of the presentations they offer to the client. All these types of performance relate to the core duties and responsibilities of a job and are often directly related to the functions listed on a formal job description.

2.3 Characteristics of Task Performance :

A performance task is any learning activity or assessment that asks an employee to perform to demonstrate their knowledge, understanding and proficiency. Performance tasks yield a tangible product and/or performance that serve as evidence of learning. Unlike a selected–response item (e.g., multiple–choice or matching) that asks students to select from given alternatives, a performance task presents a situation that calls for learners to apply their learning in context.

Performance tasks are routinely used in certain disciplines, such as visual and performing arts, physical education, and career–technology where performance is the natural focus of instruction. However, such tasks are (and should) also be used in every subject area and at all grade levels.

While any performance by a learner might be considered a performance task (e.g., tying a shoe or drawing a picture), it is useful to distinguish between the application of specific and discrete skills (e.g., dribbling a basketball) from genuine performance in context (e.g., playing the game of basketball in which dribbling is one of many applied skills). Thus, when the term task performance is used, it is referred to more complex and authentic performances.

Here are seven general characteristics of performance tasks :

1. *Performance tasks call for the application of knowledge and skills, not just recall or recognition.*

   In other words, the learner must actually use their learning to perform. These tasks typically yield a tangible product (e.g., graphic display, blog post) or performance (e.g., oral presentation, debate) that serve as evidence of their understanding and proficiency.

2. *Performance tasks are open–ended and typically do not yield a single, correct answer.*

   Unlike selected– or brief constructed– response items that seek a "right" answer, performance tasks are open–ended. Thus, there can be different responses to the task that still meet success criteria. These tasks are also open in terms of process; i.e., there is typically not a single way of accomplishing the task.

3. *Performance tasks establish novel and authentic contexts for performance.*

   This can be understood with the help of the example of students who perform various tasks. These tasks present realistic conditions and constraints for students to navigate. For example, a mathematics task would present students with a never–before–seen problem that cannot be solved by simply "plugging in" numbers into a memorized algorithm. In an authentic task, engineers need to consider goals, client, obstacles, and options to achieve a successful product or performance. Authentic tasks have a side benefit – they convey purpose and relevance, helping learners to see a reason for putting forth effort in preparing for them.

4. *Performance tasks provide evidence of understanding via transfer.*

   Understanding is revealed when students can transfer their learning to new and "messy" situations. Note that not all performances require transfer. For example, playing a musical instrument by following the notes or conducting a step–by–step science lab require minimal transfer. In contrast, rich performance tasks are open–ended and call "higher–order thinking" and the thoughtful application of knowledge and skills in context, rather than a scripted or formulaic performance.

5. *Performance tasks are multi–faceted.*

   Unlike traditional test "items" that typically assess a single skill or fact, performance tasks are more complex. They involve multiple steps and thus can be used to assess several standards or outcomes.

6. *Performance tasks can integrate two or more subjects as well as 21st century skills.*

   In the wider world beyond the school, most issues and problems do not present themselves neatly within subject area "silos." While performance tasks can certainly be content–specific (e.g., mathematics, science, social studies), they also provide a vehicle for integrating two or more subjects and/or weaving in 21st century skills and habits of mind. One natural way of integrating subjects is to include a reading, research, and/or communication component (e.g., writing, graphics, oral or technology presentation) to tasks in content areas like social studies, science, health, business, health/physical education. Such tasks encourages a person to see meaningful learning as integrated, rather than something that occurs in isolated subjects and segments.

7. *Performances on open–ended tasks are evaluated with established criteria and rubrics.*

   Since these tasks do not yield a single answer, products and performances should be judged against appropriate criteria aligned to the goals being assessed. Clearly defined and aligned criteria enable defensible, judgment–based evaluation. More detailed scoring rubrics, based on criteria, are used to profile varying levels of understanding and proficiency.

2.4 Task Performance and Individual Output in Organization :

Task performance is the most important human output contributing to organizational effectiveness. In the same way that positive job attitudes can be associated with higher levels of task performance even at group levels. For example, the performance of a sports team is more than the sum of individual players' performance, group functioning in work organizations is more than the sum of individual task performances.

Jobs differ in the demands they place on intellectual abilities. Research consistently indicates a correspondence between cognitive ability and task performance. For example, where employee tasks are highly routine and there are few or no opportunities to exercise discretion, a high IQ is not as important to performing well. However, that does not mean that people with high IQs cannot have an impact on traditionally less complex jobs. Further, task performance is affected by emotion regulation too. Recent research suggests that emotion management ability is a strong predictor of task performance for some jobs and for OCB (Organizational Citizenship Behavior).

There has also been found a relationship between leadership and task performance. A study with Taiwanese military participants indicates that by sharing emotions, transformational leaders inspire positive emotions in their followers that lead to higher task performance.

Attribution theory has also shown a link with employee and task performance in the form of internal attribution. **Self–efficacy theory**, also known as *social cognitive theory* or *social learning theory*, *explains that* that when self–efficacy is associated with a higher level of focused attention, it leads to increased task performance. Including other efforts of the organization, distributive and procedural justice are also more strongly associated with task performance. Similarly, higher levels of engagement are also associated with task performance.

Apart from all these, diversity management also plays a role in boosting task performance. For example, putting people with a high need for power with those with a low need for power can reduce unproductive group competition, whereas putting individuals with a similar need for *achievement* may increase task performance. One metaanalysis also found that gender equality and collectivism were important conditions for task performance in diverse teams.

Another item playing an important role in affecting task performance is trust. Managers who break the psychological contract with workers, demonstrating they aren't trustworthy leaders, will find employees are less satisfied and less committed, have a higher intent toward turnover, engage in less OCB, and have lower levels of task performance. If task performance is to be increased in organizations, then, intervention in the form of organizational modification is required. Research through meta–analysis claims that the average person's task performance can rise from the 50th percentile to the 67th percentile after an OB Mod intervention.

Thus, OB Mod interventions mediate with various OB variables to impact task performance.

Check Your Progress :

1. Denise and Teresa are two students in a course on organizational behavior. Denise outperforms Teresa on the first exam in OB, and Teresa convinces herself that Denise is not really a good person to compare herself to because Denise is a psychology major and Teresa is majoring in accounting. Which of the following is the best explanation for Teresa's reaction ?
   (a) Teresa's high self–esteem is protecting her from this unfavorable comparison.
   (b) Teresa is a low self–monitor.
   (c) Teresa has an external locus of control.
   (d) Teresa probably has an inflated generalized belief of her capabilities.
2. As a supervisor you decide to use positive reinforcement to increase the probability that desired task performance will be repeated. All of the following are appropriate as positive reinforcement except :
   (a) salary increase after evaluation
   (b) promotion after several outstanding performance reviews
   (c) releasing employee to go home early but providing full pay
   (d) no response or feedback when employee fails to complete task on time
3. The strongest way for an employee to develop self–efficacy is to :
   (a) develop a strong internal source of control
   (b) develop a high degree of self–monitoring
   (c) pick easier tasks in order to become more successful
   (d) succeed at performing on a challenging task
4. An individual's beliefs and expectations about his or her ability to accomplish a specific task successfully is known as :
   (a) self–esteem (b) external locus of control
   (c) self monitoring behavior (d) self–efficacy

5. Which of the following has not been shown to moderate the relationship between goal difficulty and task performance ?

   (a) goal commitment (b) effective performance feedback

   (c) low self monitor (d) required skills and abilities

2.5 Let Us Sum Up :

Task Performance is the combination of effectiveness and efficiency. At doing your core job tasks is a reflection of your level of task performance. Characteristics of performance tasks include performance tasks call for the application of knowledge and skills, not just recall or recognition. Performance tasks are open–ended and typically do not yield a single, correct answer. They establish novel and authentic contexts for performance, provide evidence of understanding via transfer, are multi–faceted, and can integrate two or more subjects as well as 21st century skills. Performances on open–ended tasks are evaluated with established criteria and rubrics. Thus, task performance is the most important human output contributing to organizational effectiveness.

2.6 Answers for Check Your Progress :

1. a **2.** d **3.** d **4.** d **5.** c

2.7 Glossary :

Task Performance – a combination of effectiveness and efficiency at doing your core job tasks

Self–efficacy – belief in your capabilities

Self–efficacy theory An individual's belief that he or she is capable of performing a task.

2.8 Assignment :

Can self–efficacy theory be applied for improving task performance ? Justify with the help of an example.

2.9 Activities :

Make a list of your goals. Cross check and make another list of what all has made you motivated to achieve your goals. Include choosing a difficult goal, and use your skills to reduce the difficulty of navigating towards goal by breaking it into simpler tasks. See how your self–efficacy motivates you to achieve your goal.

2.10 Case Study :

Jeanne is a new real estate sales agent who just obtained her real estate license and has joined a well–established real estate brokerage. Being a new agent, Jeanne has limited knowledge of real estate sales. However, she has previously worked as a property manager for a gated rental community. Her responsibilities were to show rental units to prospective new tenants.

Jeanne has a husband who works, but they recently had their first child four months ago and finances are beginning to be a point of stress for their family.

Working in a commission based field, Jeanne must initiate marketing strategies to generate clients. There is no base salary so she will have to close a deal fairly soon to earn income. The brokerage has provided her with training materials, marketing tools and materials, and even assigned a mentor.

Her mentor, Jack, has been in the real estate business for 20 years and knows all of the ins and outs of the industry. Jack is a fast paced mover and shaker. However, he has set aside accountability meetings with Jeanne for every Monday and Friday mornings.

At her first mentorship meeting, Jeanne meets Brandon, another agent that Jack is mentoring, and who has also just started in real estate a week ago. Jack has given them both the task of contacting ten people they know each day and asking them if they know anyone who might be interested in buying and selling real estate. Jack believes that this training exercise will generate leads for them, but Jeanne is not sure if she wants to burden her friends with these calls.

Jeanne is now under pressure to produce sales by generating clients. She has a fast pace mentor who will hold her accountable, deadlines, limited experience, a seemingly equal peer, and financial pressures at home.

During the process of starting a new career and attempting to build a clientele base, Jeanne has the ability to use self–efficacy theory as a way to increase her motivation and succeed in her new venture. She is capable of taking her strengths and using self–efficacy theory to increase her motivation and confidence mainly through these factors, performance outcomes, positive vicarious experiences and positive feedback. Task performance outcomes by using her previous experience in property management to increase her belief in her ability to build clientele and sell homes. Positive vicarious experiences through watching her team at the real estate company grow and achieve home sales and income, will allow Jeanne to see where her hard work can lead her. Verbal persuasion can be influential with positive feedback from family, friends and mentorship meetings with Jack and Brandon. With all of these factors Jeanne's belief in her abilities will increase, and her confidence and strength at selling homes will grow. However, while she has the ability to use self–efficacy in a positive way to build on her confidence she could also decrease her self–efficacy and belief in herself through these factors and experiences. Negative vicarious experiences with Brandon or Jack, negative feedback from Jack or her husband, through physiological feedback makes her feel as though she is putting out her friends or stressing out about bringing money into her family. These factors could lower her confidence and self–efficacy making her believe that her work has been a waste of time.

Questions :

1. How has Jeanne ben able to use self–efficacy theory as a new entrant for career building ?
2. What task performance outcomes was she able to achieve ?

2.11 Further Readings :

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J. R. Themanson and P. J. Rosen, "Examining the Relationships between Self–Efficacy, Task–Relevant Attentional Control, and Task Performance : Evidence from Event–Related Brain Potentials," British Journal of Psychology 106, no. 2 (2015) : 253–71.

A. Bandura, "Cultivate Self–Efficacy for Personal and Organizational Effectiveness," in E. Locke (ed.), Handbook of Principles of Organizational Behavior (Malden, MA : Blackwell, 2004), 120–36

Unit 3

THE INDIVIDUAL – ORGANIZATIONAL CITIZENSHIP BEHAVIOR (OCB)

: UNIT STRUCTURE :

3.0 Learning Objectives :

In the current unit, the learner will be able :

- to define and explain the term organizational citizenship behvior.
- to understand why and how it is an outcome variable.
- to understand the dimensions of OCB and the methods of measuring it.

3.1 Introduction :

Organizational citizenship behaviours (OCBs) are individual, discretionary actions by employees that are outside their formal job description. Managers who are aware of the pros and cons of OCBs can help employees contribute optimally to the organization and avoid burnout. Here is how managers encash on OCB, while considering the following facts.

- Employees who feel organizational citizenship will "go the extra mile" out of personal motivation – identifying these motivations can lead to increased performance and job satisfaction
- Expecting or formalising this behaviour can lead to job creep or an unhealthy work/life balance; but letting it go unrecognised may diminish motivation

- Positive OCBs reduce the need for supervision, improve workplace morale and result in cost– saving suggestions – all of which free up managerial time
- Individuals are forward–thinking in the behaviours they exhibit, and tend to select those behaviours that they hope will be part of their future role
- Employees who are willing and happy to go beyond formal job requirements will help organizations cope with change and unpredictable circumstances

3.2 Definition and Meaning :

Organizational Citizenship Behavior (OCB) is the discretionary behavior that is not part of an employee's formal job requirements, and that contributes to the psychological and social environment of the workplace. It is also simply called citizenship behaviour.

Examples of OCBs towards co–workers include giving lifts home, suggesting ways to improve a colleague's work, or even loading paper into the communal printer. OCBs directed towards the organization as a whole include helping to recruit appropriate people to specific tasks, making suggestions to improve the workplace facilities, or doing unpaid overtime. These behaviours are therefore desirable but difficult to cultivate within typical organizational structures.

Successful organizations have employees who will do more than their usual job duties–who will provide performance *beyond* expectations. In today's dynamic workplace, where tasks are increasingly performed by teams and flexibility is critical, employees who engage in "good citizenship" behaviors help others on their team, volunteer for extra work, avoid unnecessary conflicts, respect the spirit as well as the letter of rules and regulations, and gracefully tolerate occasional work–related impositions and nuisances.

Organizations want and need employees who display such kind of behavior and also will do things that aren't in any job description. Evidence indicates organizations that have such employees outperform those that don't. As a result, OB is concerned with citizenship behavior as an outcome variable. OCB is affected by many factors; intentional or unintentional discrimination is one of the primary factors that can lead to reduced citizenship behaviour.

Ample evidence shows that employees who are more satisfied and treated fairly are more willing to engage in the above–and beyond citizenship behavior. When employees engage in good citizenship behavior, it reflects one of the primary individual–level outcomes in organizational behavior. Working in teams, these employees perform beyond expectations in helping each other, recognizing their peers, and doing more than their usual job responsibilities.

Companies could not effectively compete, transform resources, or serve the needs of their stakeholders if employees performed only their formal job duties. Employees also need to engage in organizational citizenship behaviors (OCBs) –various forms of cooperation and helpfulness to others that support the organization's social and psychological context. In other words, companies require contextual performance (i.e., OCBs) along with task performance.

Organizational citizenship behaviors take many forms. Some are directed toward individuals, such as assisting co–workers with their work problems, adjusting your work schedule to accommodate co–workers, showing genuine courtesy toward coworkers, and sharing your work resources (supplies, technology, staff) with co–workers. Other OCBs represent cooperation and helpfulness toward the organization in general. These include supporting the company's public image, taking discretionary action to help the organization avoid potential problems, offering ideas beyond those required for your own job, attending voluntary functions that support the organization, and keeping up with new developments in the organization.

3.3 Understanding OCB as an Outcome Variable :

In OB, citizenship behavior is also studied as an outcome of job satisfaction. It seems logical that job satisfaction should be a major determinant of an employee's organizational citizenship behavior. OCBs include people talking positively about their organizations, helping others, and going beyond the normal expectations of their jobs. Evidence suggests job satisfaction *is* moderately correlated with OCB; people who are more satisfied with their jobs are more likely to engage in citizenship behavior.

Why does job satisfaction lead to OCB ? One reason is trust. Research in 18 countries suggests that managers reciprocate employees' OCB with trusting behaviors of their own. Individuals who feel their coworkers support them are also more likely to engage in helpful behaviors than those who have antagonistic coworker relationships. Personality matters, too. Individuals with certain personality traits (agreeableness and conscientiousness) are more satisfied with their work, which in turn leads them to engage in more OCB.

Finally, individuals who receive positive feedback on their OCB from their peers are more likely to continue their citizenship activities.

Like job satisfaction, emotions also affect OCB. For example, happy employees demonstrate higher performance and organizational citizenship behavior (OCB). In the same way, agreeableness at work, or, agreeable individuals also contribute to organizational performance by engaging in organizational citizenship behavior (OCB). That way, high citizenship behaviour also helps in promotion of the individual employee and conversely, organizational justice boosts OCB in individuals. One review also found higher levels of engagement were associated with citizenship behaviour. And low identification with organization made employees experience decreased satisfaction and thus engage in fewer organizational citizenship behaviors. Leader–Member Exchange theory also substantiates the same by emphasizing that when leaders differentiate among followers, followers with ingroup status receive higher performance ratings, engage in more helping or "citizenship" behaviors at work, and report greater satisfaction with their superior. In leadership theories, it has been studied that leaders rated as highly ethical tend to have followers who engage in more organizational citizenship behaviors (OCBs) and who are more willing to bring problems to the leaders' attention. Thus, leadership style also affects OCB among individuals. But, contrastingly, political behavior at work moderates the effects of ethical leadership. And it displays quite a gender specific behavior. One study found male employees were more responsive to ethical leadership and showed the most citizenship behavior when levels of both politics and ethical leadership were high. Women, on the other hand, appeared most likely to engage in citizenship behavior when the environment was consistently ethical and *apolitical*.

Citizenship behaviour is also found to be reviewed during the hiring process by the employers. It has been found to be positively related to credit scores of prospective employees.

3.4 Dimensions of OCB :

The changing definition of OCB means that it is difficult to delineate its dimensions or pinpoint its causes. Many different traits have been attributed to the drivers and predictors of OCB. The research has been grouped into two main themes that are helpful for analysing or promoting citizenship behaviours (Somech and Drach–Zahavy, 2004) :

(i) Types of Behaviour. Understanding the types of behaviour that fall under OCB (and that are antecedents to it) is a useful way to identify and encourage them in employees. In their review of the literature, Podaskoff et al. (2000) condensed the more than 30 types of citizenship behaviour found in the literature into 7 : (i) helping behaviours, (ii) sportsmanship, (iii) organizational loyalty, (iv) organizational compliance, (v) individual initiative, (vi) civic virtue, and (vii) self–development.

(ii) Beneficiary of the OCB. There is OCB that benefits individuals (OCBI) and OCB that benefits the organization as a whole (OCBO). McNeely and Meglino (1994) found that OCBI is related to individual dispositions such as empathy, while OCBO is related to organizational context. Thus, a manager aiming to enable behaviours that benefit the organization would need to consider what structures facilitate them, whereas recruitment procedures might take into account traits related to individual OCBs.

These two themes are explored further in the sections below.

3.4.1 Individuals – OCBI :

Individuals' OCB can be affected by their predispositions as well as their adaptation to perceived benefits from citizenship behaviour. Halbesleben and Bellairs (2015) point out that because two people exhibit the same form of OCB, there is no indication that it stems from the same motivation. Thus, of two people exhibiting courtesy, one may be motivated by image management, and another by concern for the quality of the work climate. Similarly, a single OCB may serve more than one motive : one person may work extra hours from desires both – to contribute to an excellent result, and to gain attention in hopes of promotion. The extra hours scores benefit both to the individual's status and the quality of the organization's work.

Halbesleben and Bellairs (2015) suggest that OCBs are selected by individuals in alignment with personal goals, and with how they see their future workselves. They use the term "equifinality" when a choice of paths can attain one goal, and "multifinality" for a behaviour type in which imminent and distant goals can both be served by one behaviour. Individuals will learn from how their behaviour is (formally or informally) rewarded (or not), and select continuing behaviours accordingly. In addition, individuals' development of their goals is influenced by these rewards (or lack of them).

They give the example that driving a boss to the airport might gain short–term credit; however, if the boss comes to expect this, the employee no longer gains credit, and this expectation may hinder the performance of formal job description roles. Thus, one action may be positive in the short–term but detrimental over the long–term. For Vanyperen et al. (1999) and Halbesleben and Bellairs (2015), decision– making for goal attainment is linked to OCBs, but the former study focuses on decision–making as part of the public, organizational process, whereas the latter authors focus on the private, possibly subconscious balancing of decisions made in pursuit of long– and short–term goals.

As a specific example, Hui et al. (2000) note that OCBs tend to increase immediately before, and decrease after, promotions within companies, where such behaviours are perceived as instrumental to the promotion. Halbesleben and Bellairs (2015) build on this by suggesting that not only could leaders create climates in which OCBs flourish, but also that managers could develop understandings of employees' career goals and changes in behaviour relative to promotion, and thus influence career decisions and workplace motivations. Understanding an individual employee's goals and disposition can be a powerful indicator of what types of OCBs can be expected.

3.4.2 Organizations – OCBO :

Identifying characteristics and actions that might lead to OCB is important for organizations that wish to promote it. Research has frequently focused on aspects of employee performance that fall within the broad category of behaviours benefiting others, particularly altruism, courtesy, compliance, the use of the employee's "voice" (or sense of agency within the organization), sportsmanship, self–development, and organizational support and loyalty (see Somech and Drach– Zahavy, 2004; Smith, Organ and Near, 1983; and Organ, 1988). Yet since OCB is meant to help the organization function, it is also helpful to look at how this occurs.

The contribution of OCBs to an organization has been divided into two categories : affiliative and challenging (Chiabaru and Baker, 2006; Grant and Mayer, 2009; Van Dyne, Cummings and McLean Parks, 1995; Van Dyne, Graham and Dienesch, 1994). Affiliative OCBs support existing processes to maintain present work circumstances. Giving new recruits tips on working with workplace resources would be an affiliative OCB. Challenging OCBs "are directed at changing current circumstances at work by voicing problems, taking the initiative to make changes, or improve existing processes or relationships" (Halbesleben and Bellairs, 2015 : 5). Proposing a new assessment or reporting system, offering to develop a new page for the website, or searching for partners who can supply training would be a challenging OCB.

Smith, Organ and Near (1983) linked certain behaviours to potential beneficial outcomes for organizations; which is listed below :

(a) OCB Type – Altruism :

  a. Description – Helping co–workers

  b. Outcome for Organization – Reduced need for supervision, training and crisis management costs

(b) OCB Type – Generalised compliance :

  a. Description – More impersonal conscientiousness

  b. Outcome for Organization – Reduced need for supervision, training and crisis management costs

(c) OCB Type – Courtesy :

  a. Description – Gestures preventing problems for work associates

  b. Outcome for Organization – Reduced need for supervision, training and crisis management costs

(d) OCB Type – Sportsmanship :

  a. Description – Willingness to forbear minor inconveniences without appeal or protest

  b. Outcome for Organization – Fewer minor complaints – allows managers to focus on important job functions

(e) OCB Type – Civic virtue :

  a. Description – Constructive involvement in issues of governance

  b. Outcome for Organization – Employees provide constructive suggestions that may save costs

Somech and Drach–Zahavy (2004) speculate that different organizations will experience different levels of OCB from their employees. They show that strong learning opportunities and structures within an organization can encourage OCBs by fostering a common purpose and strategic thinking. By creating the right context, organizations can encourage employees to "internalize values of valid information, transparency, issue orientation and accountability so as to be ready to engage in OCBO" (Somech and Drach–Zahavy, 2004 : 293).

Although it is hard to find conclusive drivers and indicators of OCB, Vanyperen et al. (1999) conducted a multi–level analysis to find correlations between participation in decision–making about their own work and OCB within individuals, departments, and organizations. They focused on whether the relationship was moderated by perceived supervisor support or organizational commitment. First, they found a high correlation between participation in decision–making and altruism. Second, and quite interestingly, supervisory support was related to all dimensions of OCB.

The more employees feel that they participate in decision–making, the more they feel supported by their immediate supervisor, which is accompanied by exhibiting more organizational citizenship behaviours. Accordingly, enhancing organizational commitment does not seem to be the most effective method to increase citizenship behaviour among employees. A more promising way to accomplish this goal is to increase satisfaction with, and trust in, the supervisor" (Vanyperen et al. 1999 : 387–8).

Thus, it can be concluded that OCB is inspired by social exchange principles and reciprocity norms : "Rather than expressing an individual's identification with, and involvement in, the organization, exhibiting OCB can be considered as a method of maintaining balance in the employee–supervisor relationship" (Vanyperen et al., 1999 : 389).

3.5 Measurement of OCB :

Studies have developed different constructs within the broader category of OCB. Attempts at measuring them are difficult to compare, as the measurements are based on different clusters of constructs, or even include varying numbers of characteristics within the clusters measured.

Podsakoff et al. list 30 such constructs that have been included within OCB, and admit there is "no consistent paradigm for the creation of composite OCB measures in the unit–level OCB literature" (2014 : 93). DeGroot and Brownlee's (2006) composite OCB scale includes three main characteristics : interpersonal–related, organization–related, and job/task–related items. Chen et al. (2005) measured at least five characteristics – helping, conscientiousness, courtesy, voice/initiative, and loyalty – as "group OCB".

With so many different characteristics measured in so many combinations, LePine, Erez and Johnson (2002) see this proliferation of variables as a threat to the construct validity of OCB, because they found that 133 studies used 40 different combinations of measures of behaviour.

Check Your Progress :

1. Typically exhibited by not participating in (usually negative) behaviors ?

   (a) Performance (b) in–role behaviors

   (c) productive behavior (d) Sportsmanship

2. _____________ can be described as a positive mood that increases the frequency of helping and other forms of spontaneous social behavior. This is often mutually reinforcing because helping others makes people feel good

   (a) cognitive evaluations (b) positive Effect

   (c) in–role behaviors (d) Procedural justice

3. Job–related stressors and employees' level of organizational commitment are factors that influence the __________ of OCB

   (a) Sportsmanship (b) productive behavior

   (c) more important predictor (d) Performance

4. _____ is the employees' perceptions of fairness of procedures used to make decisions, and is a better predictor of OCB than the perceptions of the outcomes one receives as a result of those procedures

   (a) procedural justice (b) positive effect

   (c) positive perception (d) in–role behaviors

5. If an organization wants to influence the performance of OCB, then the ____________________ are important.

   (a) Performance (b) Productive behavior

   (c) reasons behind the behavior (d) Sportsmanship

3.6 Let Us Sum Up :

Organizational Citizenship Behavior (OCB) is the discretionary behavior that is not part of an employee's formal job requirements, and that contributes to the psychological and social environment of the workplace. It is also simply called citizenship behaviour.

Examples of OCBs towards co–workers include giving lifts home, suggesting ways to improve a colleague's work, or even loading paper into the communal printer.. Successful organizations have employees who will do more than their usual job duties–who will provide performance beyond expectations. OCB is affected by many factors – intentional or unintentional discrimination is one of the primary factors that can lead to reduced citizenship behaviour. In OB, citizenship behavior is also studied as an outcome of job satisfaction, emotions, positive feedback and leadership style. OCB is beneficial at individual (OCBI) as well as organizational (OCBO) level. Dimensions of OCB include sportsmanship, altruism, civic virtue, courtesy, conscientiousness.

Studies have developed different constructs within the broader category of OCB. Measurement constructs of OCB are based on different clusters of constructs, or even include varying numbers of characteristics within the clusters measured.

3.7 Answers for Check Your Progress :

1. d **2.** b **3.** d **4.** a **5.** c

3.8 Glossary :

Organizational Citizenship Behavior (OCB) is the discretionary behavior that is not part of an employee's formal job requirements, and that contributes to the psychological and social environment of the workplace.

Altruism is characterized by selflessness and concern for the well-being of others. Those who possess this quality typically put others first and truly care about the people around them, whether they have a personal tie to them or not.

3.9 Assignment :

What is OCB ? How is it measured and what are the outcomes of OCB on individual performance ?

3.10 Activities :

Write atleast five statements for judging OCB based on team membership, family responsibility and personality type so that you can check its outcomes on statements related to performance at peer level. Link OCB statements with performance statements to check the results. Complete this activity in the form of a small survey exercise.

3.11 Case Study :

Born Home, Inc.

Born Home Fabrics, Inc. faced increasing competition that threatened its dominant market share in the Asia. Senior management at the 300–employee company decided that the best way to maintain or increase market share was to take the plunge into a quality management (QM) program. Jersey, a senior manager hired consultants to educate management and employees about the QM process, and sent several managers to QM seminars. A steering team of managers and a few employees visited other QM companies throughout Asia. To strengthen the company's QM focus, Jersey created a new position called vice–president of quality, and hired Alder into that position. Alder, who previously worked as a QM consultant at a major consulting firm, was enthusiastic about implementing a complete QM program. One of Alder's first accomplishments was convincing management to give every employee in the organization several days of training in quality measurement, structured problem solving, and related QM practices. Jersey's largely unskilled workforce had difficulty learning this material, so the training took longer than expected and another round was required one year later.

Alder worked with production managers to form continuous improvement (CI) teams–groups of employees who looked for ways to cut costs, time, and space throughout the work process and were very low on citizenship behavior. Although Alder was enthusiastic about CI teams, most supervisors and employees were reluctant to get involved.

Supervisors complained that the CI teams were "asking too many questions" about activities in their department. Less than one–quarter of the production areas formed CI teams because employees thought QM was a fancy way for management to speed up the work. This view was reinforced by some of management's subsequent actions, such as setting higher production targets and requiring employees to complete the tasks of those who were absent from work.

To gain more support for QM, Jersey spoke regularly to employees and supervisors about how QM was their answer to beating the competition and saving jobs. Although these talks took her away from other duties, she wanted every employee to know that their primary objective was to improve customer service and production efficiency in the company. To encourage more involvement in the CI teams, Alder warned employees that they must support the QM program to save their jobs. To further emphasize this message, the company placed large signs throughout the company's production facilities that said, "Our Jobs Depend on Satisfied Customers" and "Quality Management : Our Competitive Advantage."

Alder and Jersey agreed that the firm's suppliers must have a strong commitment toward the QM philosophy, so the purchasing manager was told to get suppliers "on board" or find alternative sources. Unfortunately, the purchasing manager preferred a more collegial and passive involvement with suppliers, so he was replaced a few months later. The new purchasing manager informed suppliers that they should begin a QM program immediately because the firm would negotiate for lower prices in the next contracts and would evaluate their bids partly based on their QM programs.

Twenty months after Born Home Fabrics began its QM journey, Alder accepted a lucrative job offer from another large company in the MiddleEast. Born Home Fabrics promoted its vice–president of finance, Tharoor, to the president's job. The board of directors was concerned about the firm's falling profits over the previous couple of years and wanted Tharoor to strengthen the bottom line.

Although some CI teams did find cost savings, these were mostly offset by higher expenses. The company had nearly tripled its training budget and had significantly higher paid–time–off costs as employees took these courses. A considerable sum was spent on customer surveys and focus groups.

Employee turnover was higher, mainly due to dissatisfaction with the QM program. Just before the consultant left the company, she received word that several employees had contacted the Workers Union about organizing Born Home's nonunion production workforce.

A group of suppliers asked for a confidential meeting in which they told Tharoor to reconsider the QM demands on them. They complained that their long–term relationships with the company were being damaged and that other dairies were being more realistic about price, quality, and delivery requirements. Two major suppliers bluntly stated that they might decide to end their contracts with Born Home rather than agree to its demands.

Almost two years after Born Home Fabrics began QM, Tharoor announced that Alder was leaving Born Home Fabrics, that the position of vice–president of quality would no longer exist, and that the company would end several QM initiatives begun over the previous two years. Instead, Born Home Fabrics, Inc. would use better marketing strategies and introduce new technologies to improve its competitive position in the marketplace.

Questions :

1. What perspective of improving organizational citizenship behavior and thus organizational effectiveness did Jersy and Alder attempt to apply in this case ? Describe how specific elements of that perspective related to their interventions.
2. Explain what went wrong in this case, using one or more of the other perspectives of high citizenship behaviour leading to organizational effectiveness.

Madhusudan Company :

The Madhusudhan company was located in a medium–sized industrial city in Maharashtra. The company employed a labour force of 250 workers. Introduction of some simple chemicals for which there was a considerable industrial demand was done by the company. The permanent labour force was divided into five groups, each under the direction of a foreman. Supervising the entire labour force was a general superintendent. Assigned directly out of the general superintendent's office, was an "extra group" which was assigned daily by the superintendent's assistant to the departments needing temporary replacements or extra workers. Sometimes, the entire extra group would be assigned to one department. The extra group was composed of the newest common labourers in the company. This pool of common labour permitted considerable flexibility considerable flexibility of shifting workers to the department having temporary increased workload. The pool arrangement also permitted greater flexibility in the size of total labour force, since, if layoffs were necessary, the members of the extra group were laid off first. Govind Walia, 24 years of age, was a newly hired member of the extra group. He related the following experience, which took place during his sixth week on the job.

One day, I was assigned with another labour to work in the by–product's division under Jaspal, one of the 5 foremen. The job was loading salt, which was piled in a warehouse. The usual method of loading resulted in a wagon of salt been turned out in a day. The weekly quota called for loading two wagons, which took two days. Well, I saw how inefficient this method was. So, I adopted a new method that helped us to turn out to loaded cars that day. When the foreman came around and saw what I had done, I could see that he was pleased. However, not once during that they did he come up and say, okay men, take a break since you are way ahead of schedule. As far as I am concerned, little things like that mean a lot, and I know that the rest of the men would have appreciated it, too. In fact, as far as I remember, Jaspal or any other foreman never did pat us on the back for doing a good job. A week later, I was told to work in another department. The group there had a friendly person named Narayana – we always had something to say to each other after the first time. I worked in the department in the same group with him. He was an older person who had been with the company for quite a while. On this particular day, Narayana walked up to me and said, "I hear you are one of the Jaspal's men". (Jaspal was the by–products' division foreman). I passed a few remarks about how it was working under Jaspal. Then he says, “I know how you loaded that salt wagon out there”. In a friendly manner he continued, “Why do you have to load two wagons instead of one ? What do you think would happen if one of our older man was expected to do that in the future ?” I was widely embarrassed because I knew there was no need to load salt that fast because it was not coming in that fast. I realise that, maybe, Narayana was right. Narayana also added during this conversation that the company didn't appreciate this hard work, Anyway. Well, after this happened, I recall the other comments about my working too hard. In fact, on my first day of work, I was put with another new employee to remove mud. We worked in a little while and then my companion said, "Go slow, Govinda, we want to have a job to do, don't we ?"

Questions :

1. Analyse the motivating factors, which are operating in Madhusudan company.
2. Analyse the behaviour of the foremen of Madhusudhan company.
3. Will Govinda Walia display citizenship behaviour in future ? Justify your answer.

3.12 Further Readings :

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Unit 4

THE INDIVIDUAL – MARS MODEL OF INDIVIDUAL BEHAVIOR

: UNIT STRUCTURE :

4.0 Learning Objectives :

At the end of this unit you be able to know and understand :

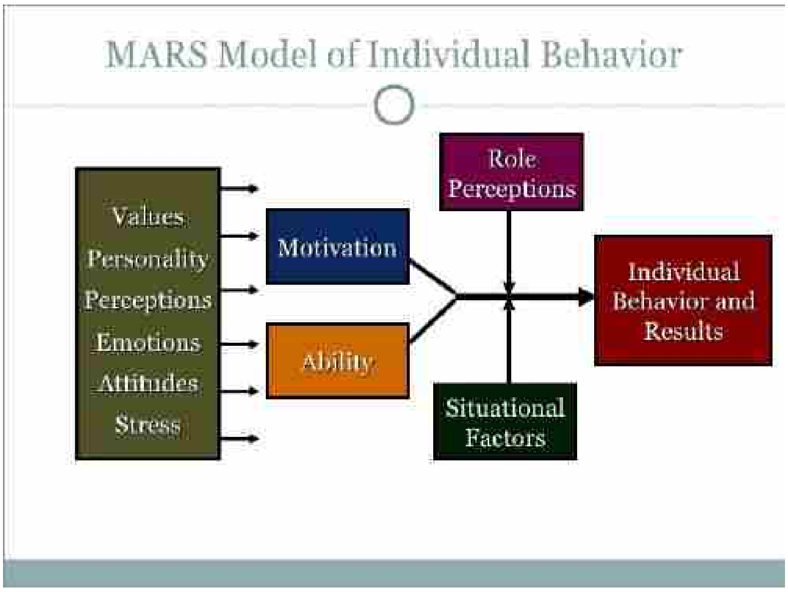
- the MARS model of individual behavior.
- its components and see how each component plays a role in impacting behavior.

4.1 Introduction :

MARS model of individual behavior is a model that seeks to elaborate individual behavior as a result of internal and external factors or influences combined together. The name itself is an acronym for individual Motivation, Abilities, Role Perception and Situational Factors (MARS).

These are marked as the four major factors in determining individual behavior and results. The model can be implemented to a variety of situations, but is usually applied in Management, Industrial Psychology or Organizational Behavior studies. This model represents that these four factors have a mixed effect on individual performance. If any factor weakens, performance will decrease.

Say for example, passionate salespeople who understand their duties and have enough resources will not perform their jobs well if they lack sufficient knowledge and sales skill. Therefore, the kitchen/household equipment repair store and other enterprises that excel in customer service pay attention to all four factors in the MARS model.



4.2 Meaning and Importance of the Model :

MARS Model seeks to explain individual behavior as a result of internal and external factors or influences acting together. The acronym MARS stands for motivation, ability, role perceptions and situational factors.

All the above four factors are critical and influence the individual behavior and performance, if any one of them is low in a given situation the employee will perform poorly. These are seen as the four major factors in determining individual behavior and results.

1. Motivation :

Motivation represents the forces within a person that affects his or her direction, intensity and persistence of voluntary behavior. Direction refers to the path along which people engage their effort. People have choices about where they put their effort; they have a sense of what they are trying to achieve and at what level of quality, quantity, and so forth. In other words, motivation is goal–directed, not random. People are motivated to arrive at work on time, finish a project a few hours early, or aim for many other targets. The second element of motivation, called intensity, is the amount of effort allocated to the goal. Intensity is all about how much people push themselves to complete a task. For example, two employees might be motivated to finish their project a few hours early (direction), but only one of them puts forth enough effort (intensity) to achieve this goal. Finally, motivation involves varying levels of persistence that is, continuing the effort for a certain amount of time. Employees sustain their effort until they reach their goal or give up beforehand. Remember that motivation exists within individuals; it is not their actual behavior. Thus, direction, intensity, and persistence are cognitive (thoughts) and emotional conditions that directly cause us to move.

2. Ability :

Abilities also make a difference in behavior and task performance. Ability includes both the natural aptitudes and the learned capabilities required to successfully complete a task. Aptitudes are the natural talents that help employees learn specific tasks more quickly and perform them better. There are many physical and mental aptitudes, and our ability to acquire skills is affected by these aptitudes. For example, finger dexterity is an aptitude by which individuals learn more quickly and potentially achieve higher performance at picking up and handling small objects with their fingers. Employees with high finger dexterity are not necessarily better than others at first; rather, their learning tends to be faster and performance potential tends to be higher. Learned capabilities are the skills and knowledge that you currently possess. These capabilities include the physical and mental skills and knowledge you have acquired. Learned capabilities tend to wane over time when not in use. Aptitudes and learned capabilities are closely related to competencies, which has become a frequently used term in business. Competencies are characteristics of a person that result in superior performance. Many experts describe these characteristics as personal traits (i. e., knowledge, skills, aptitudes, personality, self–concept, values). Others suggest that competencies represent actions produced by a person's traits, such as serving customers, coping with heavy workloads, and providing creative ideas. With either definition, the challenge is to match a person's competencies with the job's task requirements. A good person–job match not only produces higher performance; it also tends to increase the employee's well–being.

3. Role Perceptions :

Motivation and ability are important influences on individual behavior and performance, but employees also require accurate role perceptions to perform their jobs well.

Role perceptions are the extent to which people understand the job duties (roles) assigned to them or expected of them. These perceptions are critical because they guide the employee's direction of effort and improve coordination with co–workers, suppliers, and other stakeholders. Unfortunately, many employees do not have clear role perceptions. According to one large–scale survey, most employees understand their organization's business goals, but only 39 percent know what to do in their own jobs to achieve those goals.

The role perceptions concept has three components.

First, employees have accurate role perceptions when they understand the specific tasks assigned to them, that is, when they know the specific duties or consequences for which they are accountable. This may seem obvious, but employees have been (unjustly) fired for failing to perform tasks that they didn't even know were part of their job duties.

Second, people have accurate role perceptions when they understand the priority of their various tasks and performance expectations. This includes the quantity versus quality dilemma, such as how many customers to serve in an hour (quantity) versus how well the employee should serve each customer (quality). It also refers to properly allocating time and resources to various tasks, such as how much time a manager should spend coaching employees in a typical week.

The third component of role perceptions is understanding the preferred behaviors or procedures for accomplishing the assigned tasks. This refers to situations in which more than one method could be followed to perform the work.

Employees with clear role perceptions know which of these methods is preferred by the organization.

4. Situational Factors :

Employees' behavior and performance also depend on how much the situation supports or interferes with their task goals. Situational factors include conditions beyond the employee's immediate control that constrain or facilitate behavior and performance. Some situational characteristics– such as consumer preferences and economic conditions–originate from the external environment and, consequently, are beyond the employee's and organization's control. However, other situational factors– such as time, people, budget, and physical work facilities–are controlled by people within the organization. Therefore, corporate leaders need to carefully arrange these conditions so that employees can achieve their performance potential.

The four elements of the MARS model–motivation, ability, role perceptions, and situational factors–affect all voluntary workplace behaviors and their performance outcomes. These elements are themselves influenced by other individual differences.

4.3 Components of MARS Model :

The four components of the MARS model, which are, motivation, ability, role perceptions, and situational factors, affect all voluntary workplace behaviors and their performance outcomes. Let us understand each component in detail.

4.3.1 Motivation :

Motivation can be described as internal forces that impact the direction, intensity, and endurance of a person's voluntary choice of behavior. It consists of :–

- **Direction** – focused by goals.
- **Intensity** – bulk of effort allocated.
- **Persistence** – amount of time taken for the effort to be exerted.

For example – A team leader encourages team members to work efficiently.

4.3.2 Ability :

Ability is the natural tendency and learned capabilities needed to complete a task successfully. It has four different parts namely ?

- **Aptitudes –** natural talent that helps people learn more efficiently and perform effectively.
- **Learned capabilities** – accomplished skills and knowledge.
- **Competencies –** abilities, individual values, personality traits and other features of people that result in superior performance.
- **Person–job fit –** there are three ways to match people with jobs
  - o selecting qualified people
  - o developing employee abilities through training
  - o redesigning job to fit person's existing abilities

Example of Ability is – Rohan completes a task in 4 days while the time allotted was 6 days. He has the ability to complete it before the required time frame.

4.3.3 Role Perceptions :

They are the beliefs about what behavior is necessary to achieve the desired results, and have a check that everyone is clear regarding their part. It is of four types :–

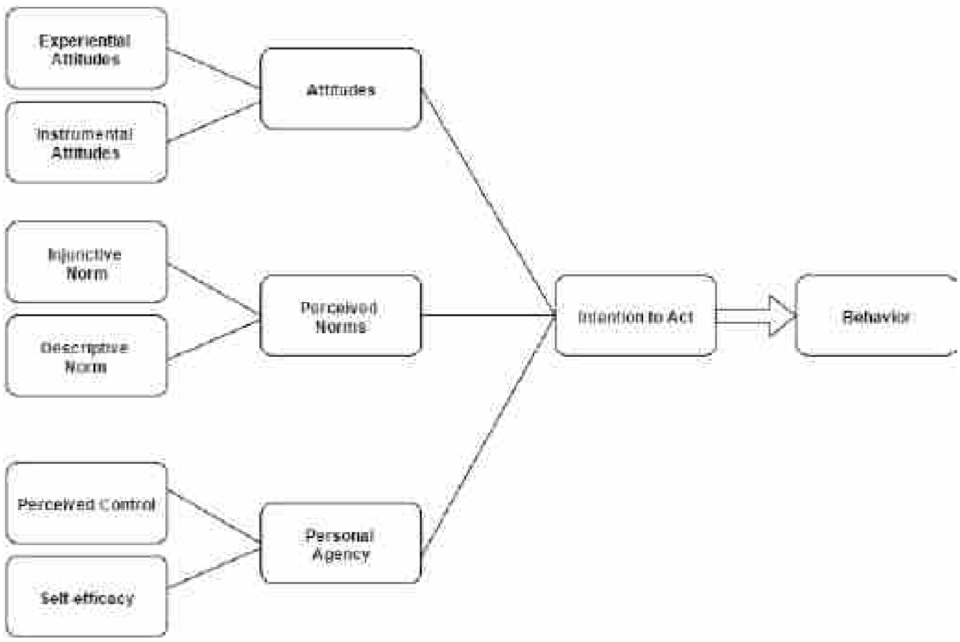
- Understanding the tasks to be performed.
- Understanding associated importance of tasks allotted.
- Understanding preferred behaviors to complete respective tasks.
- Clarifying role perceptions

For example – Every member in a group is clear regarding the part allotted to them. For instance, the programmer writes the code and the tester checks it.

4.3.4 Situational Factors :

They are the environmental conditions like given time bound, team members, budget, and work facilities that limits or facilitates behavior. Factors that are beyond the individual's control in the short run.

Integrated individual behavior model helps in taking a decision in order to perform a task efficiently. It analyzes a person's **intention to act** by studying three parameters – Attitudes, Perceived Norms, and Personal Agency.



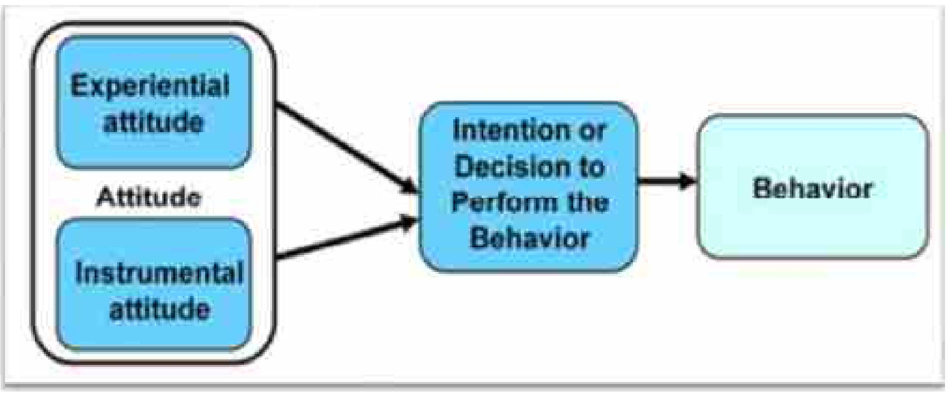
4.3.4.1 Attitudes :

Attitude invokes an individual's overall promising or unpromising perception towards a behavior consisting of affective and cognitive dimensions. Attitude is again of two types –

- Experiential attitude
- Instrumental attitude

Experiential attitude (affective attitude) is the emotional reaction of an individual towards the idea of performing the behavior.

Instrumental attitude (cognitive attitude) is determined by the beliefs regarding the results of behavior.



4.3.4.2 Perceived Norm :

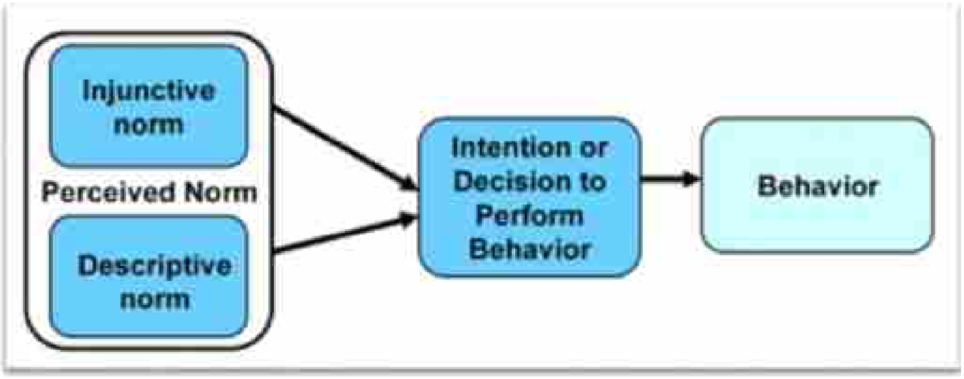
Perceived norm directs towards the social pressure one feels to achieve or abstain from a particular behavior.

Perceived norms are grouped into two categories –

- Injunctive norm
- Descriptive norm

Injunctive norm (like the subjective norm) hints to normative beliefs regarding what others think one should do and encouragement to comply.

Descriptive norm indicates to perceptions about what others in one's social or personal connections are up to. They are meant to capture situations where there is strong social identity.



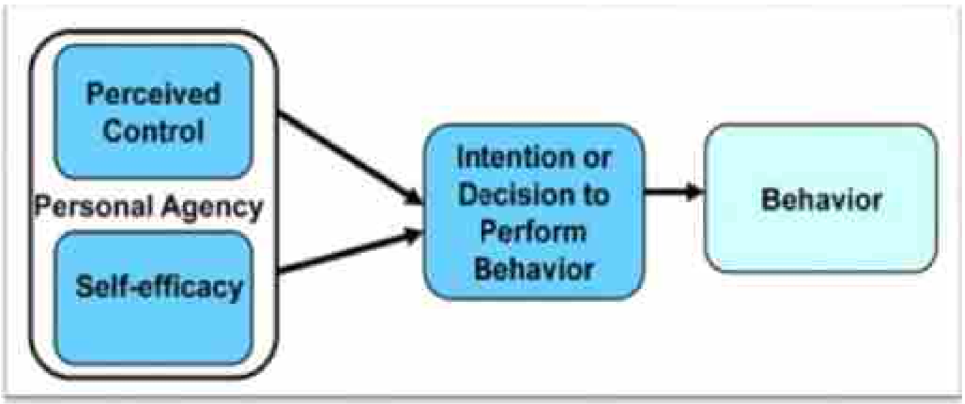
4.3.4.3 Personal Agency :

Personal agency hints to individual's ability to originate and direct actions for given purposes. It is divided into two parts –

- Self–efficacy
- Perceived control

Self–efficacy is an individual's belief in his/her effectiveness in performing the tasks assigned as well presenting their actual skill.

Perceived control is an individual's perceived amount of control over behavioral conduct. It is resolved by control beliefs. Say for example, an individual's perception of the degree to which various environmental factors make it easy or difficult to perform a behavior.



This is the final model design by combining all the parts seen earlier. This model concludes that behavior is based upon the decision one makes along with the current information about the situation, behavior, habit and environmental constraints. These are further dependent on attitude, norms and personal agency, and a result of other factors like our beliefs.

Check Your Progress :

1. Which of the following identifies the four factors that directly influence individual behavior and performance ?

   (a) Utilitarianism (b) MARS model

   (c) Schwartz's model (d) Holland's model

2. The extent to which people understand the job duties or roles assigned to or expected of them is called

   (a) role perceptions (b) individual goal

   (c) job description (d) job analysis

3. Skills, knowledge, aptitudes, and other personal characteristics that lead to superior performance is

   (a) Personality (b) Competency

   (c) Individual behavior (d) Superiority complex

4. Perceived norm directs towards the social pressure is also

   (a) Organizational norm (b) Inductive norm

   (c) Human resource norm (d) Discipline

5. ____________________ is bulk of effort allocated

   (a) Direction (b) Intensity (c) Persistence (d) Ability

4.4 Let Us Sum Up :

This unit has concentrated on our attention on the role of the individual in organizations. The MARS model has the four direct drivers drivers of individual behavior and results. Ability, motivation, and situation are the most commonly mentioned direct predictors of individual behavior and performance, but later researchers also identified a fourth key factor : role perceptions (the individual's expected role obligations). These four variables–motivation, ability, role perceptions, and situational factors–are represented by the acronym MARS. All four factors are critical influences on an individual's voluntary behavior and performance; if any one of them is low in a given situation, the employee would perform the task poorly. For example, motivated salespeople with clear role perceptions and sufficient resources (situational factors) will not perform their jobs as well if they lack sales skills and related knowledge (ability).

Thus, individual behavior is influenced by motivation, ability, role perceptions, and situational factors (MARS). Motivation consists of internal forces that affect the direction, intensity, and persistence of a person's voluntary choice of behavior. Ability includes both the natural aptitudes and the learned capabilities required to successfully complete a task. Role perceptions are a person's beliefs about what behaviors are appropriate or necessary in a particular situation. Situational factors are environmental conditions that constrain or facilitate employee behavior and performance.

4.5 Answers for Check Your Progress :

1. b **2.** a **3.** b **4.** b **5.** b

4.6 Glossary :

Motivation The forces within a person that affect his or her direction, intensity, and persistence of voluntary behavior.

Ability The natural aptitudes and learned capabilities required to successfully complete a task.

Competencies Skills, knowledge, aptitudes, and other personal characteristics that lead to superior performance.

Role Perceptions The extent to which people understand the job duties (roles) assigned to or expected of them.

4.7 Assignment :

An insurance company has high levels of absenteeism among the office staff. The head of office administration argues that employees are misusing the company's sick leave benefits. However, some of the mostly female staff members have explained that family responsibilities interfere with work. Using the MARS model, as well as your knowledge of absenteeism behavior, discuss some of the possible reasons for absenteeism here and how it might be reduced.

4.8 Activities :

Imagine that you are a district manager of a large electronics retain chain. As the district manager responsible for six stores in a large electronics retail chain, you have had difficulty with the performance of some sales employees. Although they are initially motivated and generally have good interpersonal skills, many have difficulty with the complex knowledge of the wide variety of store products, ranging from computers to high–fidelity sound systems. Describe three strategies you might apply to improve the match between the competencies of new sales employees and the job requirements.

4.9 Case Study :

A large city government was putting on a number of seminars for managers of various departments throughout the city. At one of these sessions, the topic discussed was motivation–how we can get public servants motivated to do a good job. The plight of a police captain became the central focus of the discussion :

I've got a real problem with my officers. They come on the force as young, inexperienced rookies, and we send them out on the street, either in cars or on a beat. They seem to like the contact they have with the public, the action involved in crime prevention, and the apprehension of criminals. They also like helping people out at fires, accidents, and other emergencies. The problem occurs when they get back to the station. They hate to do the paperwork, and because they dislike it, the job is frequently put off or done inadequately.

This lack of attention hurts us later on when we get to court. We need clear, factual reports. They must be highly detailed and unambiguous. As soon as one part of a report is shown to be inadequate or incorrect, the rest of the report is suspect. Poor reporting probably causes us to lose more cases than any other factor. I just don't know how to motivate them to do a better job. We're in a budget crunch and I have absolutely no financial rewards at my disposal. In fact, we'll probably have to lay some people off in the near future. It's hard for me to make the job interesting and challenging because it isn't–it's boring, routine paperwork, and there isn't much you can do about it.

Finally, I can't say to them that their promotions will hinge on the excellence of their paperwork. First of all, they know it's not true. If their performance is adequate, most are more likely to get promoted just by staying on the force a certain number of years than for some specific outstanding act. Second, they were trained to do the job they do out in the streets, not to fill out forms. All through their career it is the arrests and interventions that get noticed.

Some people have suggested a number of things, like using conviction records as a performance criterion. However, we know that's not fair–too many other things are involved. Bad paperwork increases the chance that you lose in court, but good paperwork doesn't necessarily mean you'll win. We tried setting up team competitions based upon the excellence of the reports, but the officers caught on to that pretty quickly. No one was getting any type of reward for winning the competition, and they figured why should they bust a gut when there was no payoff. I just don't know what to do.

Discussion Questions

1. What performance problems is the captain trying to correct ?
2. Use the MARS model of individual behavior and performance to diagnose the possible causes of the unacceptable behavior.
3. Has the captain considered all possible solutions to the problem ? If not, what else might be done ?

Motivation :

After successfully completing the study of management science in the form of systematic management education, Rajesh Batra was made a head of a small department. He has four subordinates in his department. These are Ramesh, Suresh, Harish and Shweta. The key of success of his department is to keep these employees as motivated as possible.

Ramesh is the type of employee that is hard to figure out. He has a much higher than average absenteeism record. He enormously enjoys his family life and things that his wife and the only son should be central to his life. Since his central life interest is his family, the things that the company would offer him do not really inspired him at all. He sincerely believes that the job is simply a means of financing his family's basic needs and nothing more than that. Overall, Ramesh does an adequate job and is very conscientious but all attempts to get him to do more have failed. He has personal charm and behaviour is very friendly and sociable. He is, so far, allowed to have his own way as long as he meets the minimum standards of performance.

Suresh is, in many respects, opposite of Ramesh. Like Ramesh, he is a likeable fellow too, but unlike Ramesh, Suresh responds well to company's rules and incentive schemes. Suresh has a high degree of personal loyalty to the employing organisation. His greatest drawback is his lack of initiative. He does not tend to do anything, independently. He does well with what is assigned to him, but he is neither very creative not dependable, when, at his own. He is also a very shy person who is not very assertive when dealing with people outside the department. He always needs reassurance and support to confirm that his action is right. Harish, on the other hand, is a very assertive person, who is known for his job hopping. He will work for money and would readily change jobs for more money. He really works hard for his company, but expects the company also to work for him. In his present job, he has no objection for working sixty hours a week if the money is there. Even though he shoulders responsibility for supporting his mother and his own family members who are fully dependent on him, he left his job suddenly when his employer did not give him a pay rise on the premises that he was already making a lot of money. Harish has a forceful and driving personality. His previous employer once remarked that, while Harish didn't perform an excellent job for the company, his personality was so strong that they were glad to get rid of this argumentative, adamant and arrogant fellow. His former boss noted that Harish just seem to be pushing all the time. If it was not for money it was for better fringe benefits, he never seemed satisfied. On the other hand, Shweta is artistic, creative and genius. However, she is extremely emotional. She consistently and constantly craves attention and demands praise from others. She is highly self–centred and strives for instant gratification of her needs and desires. She talks only about herself. She has an exaggerated sense of self–importance. She tends to live in fantasies and always dreams. As long as others are praising her, things are fine and she can come up with innovative and creative ideas. For every success, she tries to grab all the credit and when there is a sign of failure, she tends to push the responsibility on her colleagues. Getting along better with people is problematic to Shweta and others do not make her the focus of their attention. Her greatest weakness is lack of sense of humour. Again, there are sharp swing ups and downs in her mood, and her day–to–day performance get heavily affected by her moods.

Questions :

1. Considering the four distinct profiles describe how would Mr Batra proceed in his task of keeping all these four people highly motivated.

2. What long–term plan can you suggest for him to motivate all these four subordinates ?

4.10 Further Readings :

L. L. Thurstone , "Ability, Motivation, and Speed," Psychometrika 2, no. 4 (1937), pp. 249–254

N.R. F. Maier , Psychology in Industry , 2d ed. (Boston : Houghton Mifflin , 1955)

V. H. Vroom , Work and Motivation (New York : Wiley, 1964)

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M. A. Griffin , A. Neal , and S. K. Parker , "A New Model of Work Role Performance : Positive Behavior in Uncertain and Interdependent Contexts," Academy of Management Journal 50, no. 2 (April 2007), pp. 327–347

R. E. Plank and D. A. Reid , "The Mediating Role of Sales Behaviors : An Alternative Perspective of Sales Performance and Effectiveness," Journal of Personal Selling & Sales Management 14, no. 3 (Summer 1994), pp. 43–56 .

The MARS acronym was coined by senior officers in the Singapore armed forces. Chris Perryer at the University of Western Australia suggests the full model should be called the "MARS BAR" because the outcomes might be labeled "behavior and results"!

K. F. Kane , "Special Issue : Situational Constraints and Work Performance," Human Resource Management Review 3 (Summer 1993), pp. 83–175

S. B. Bacharach and P. Bamberger , "Beyond Situational Constraints : Job Resources Inadequacy and Individual Performance at Work," Human Resource Management Review 5, no. 2 (1995), pp. 79–102

G. Johns, "Commentary : In Praise of Context," Journal of Organizational Behavior 22 (2001), pp. 31–42

BLOCK SUMMARY

Attitudes have traditionally been described as a purely rational process in which beliefs predict feelings, which predict behavioral intentions, which predict behavior. We now know that emotions have an influence on behavior that is equal to or greater than that of cognitions. This dual process is apparent when we internally experience a conflict between what logically seems good or bad and what we emotionally feel is good or bad in a situation. Emotions also affect behavior directly. Behavior sometimes influences our subsequent attitudes through cognitive dissonance.

Job satisfaction represents a person's evaluation of his or her job and work context. Job satisfaction has a moderate relationship with job performance and with customer satisfaction. Affective organizational commitment (loyalty) is the employee's emotional attachment to, identification with, and involvement in a particular organization. This contrasts with continuance commitment, which is a calculative bond with the organization. Companies build loyalty through justice and support, shared values, trust, organizational comprehension, and employee involvement.

The real world is turbulent, requiring organizations and their members to undergo dynamic change if they are to perform at competitive levels. Coping with all these changes can be a source of stress, but with effective management, challenge can enhance engagement and fulfillment, leading to the high performance. Some stress is good. Increasing challenges brought by autonomy and responsibility at work will lead to some stress but also increase feelings of accomplishment and fulfillment. Hindrance stressors like bureaucracy and interpersonal conflicts, on the other hand, are entirely negative and should be eliminated.

Task Performance is the combination of effectiveness and efficiency. At doing your core job, task is a reflection of your level of task performance. Characteristics of performance tasks include performance task's call for the application of knowledge and skills, not just recall or recognition. Performance tasks are open–ended and typically do not yield a single, correct answer. They establish novel and authentic contexts for performance, provide evidence of understanding via transfer, are multi–faceted, and can integrate two or more subjects as well as 21st century skills. Performances on open–ended tasks are evaluated with established criteria and rubrics. Thus, task performance is the most important human output contributing to organizational effectiveness.

Organizational Citizenship Behavior (OCB) is the discretionary behavior that is not part of an employee's formal job requirements, and that contributes to the psychological and social environment of the workplace. It is also simply called citizenship behaviour.

Examples of OCBs towards co–workers include giving lifts home, suggesting ways to improve a colleague's work, or even loading paper into the communal printer.. Successful organizations have employees who will do more than their usual job duties–who will provide performance beyond expectations. OCB is affected by many factors – intentional or unintentional discrimination is one of the primary factors that can lead to reduced citizenship behaviour. In OB, citizenship behavior is also studied as an outcome of job satisfaction, emotions, positive feedback and leadership style. Dimensions of OCB include sportsmanship, altruism, civic virtue, courtesy, conscientiousness.

Studies have developed different constructs within the broader category of OCB. Measurement constructs of OCB are based on different clusters of constructs, or even include varying numbers of characteristics within the clusters measured.

Role of the individual in organizations has also been studied with the help of MARS Model. The MARS model, which is the four direct drivers of individual behavior and results. Ability, motivation, and situation are the most commonly mentioned direct predictors of individual behavior and performance, but later researchers also identified a fourth key factor : role perceptions (the individual's expected role obligations). These four variables–motivation, ability, role perceptions, and situational factors–are represented by the acronym MARS. All four factors are critical influences on an individual's voluntary behavior and performance; if any one of them is low in a given situation, the employee would perform the task poorly. For example, motivated salespeople with clear role perceptions and sufficient resources (situational factors) will not perform their jobs as well if they lack sales skills and related knowledge (ability).

Thus, individual behavior is influenced by motivation, ability, role perceptions, and situational factors (MARS). Motivation consists of internal forces that affect the direction, intensity, and persistence of a person's voluntary choice of behavior. Ability includes both the natural aptitudes and the learned capabilities required to successfully complete a task. Role perceptions are a person's beliefs about what behaviors are appropriate or necessary in a particular situation. Situational factors are environmental conditions that constrain or facilitate employee behavior and performance.

BLOCK ASSIGNMENT

Short Answer Questions :

1. Contrast the three components of attitude.
2. What is stress ? And what are its potential sources ?
3. Define task performance. Give an example of the same.
4. Discuss the various characteristics of task performance.
5. Why is OB concerned with citizenship behavior ?

Long Answer Questions :

1. What kind of variable is OCB ? Justify your answer.
2. List and ecplain the dimensions of OCB.
3. State what each initial in MARS means in MARS model of individual behavior and explain its interrelationship.
4. Describe the four factors that directly influence voluntary individual behavior and performance.
5. How do situational factors impact behavior ?

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Individual and Organisational Behaviour

BLOCK-3 COLLECTIVE ORGANIZATIONAL BEHAVIOUR

UNIT 1

GROUP BEHAVIOR – GROUP STRUCTURE, GROUP ROLES, GROUP COHESION, GROUP FUNCTIONING, TEAM RESPONSIBILITIES

UNIT 2

GROUP BEHAVIOR – COMMUNICATION (COMMUNICATION – FUNCTIONS, PROCESS, INTERPERSONAL VERSUS ORGANIZATIONAL COMMUNICATION, BARRIERS TO EFFECTIVE COMMUNICATION), LEADERSHIP

UNIT 3

GROUP BEHAVIOR – POWER AND POLITICS (MEANING, BASES, CONTRASTING LEADERSHIP AND POWER)

UNIT 4

GROUP BEHAVIOR – CONFLICT

BLOCK 3 : Collective Organizational Behaviour

Block Introduction

Several factors explain why a business organization become a success story and one of the best places to work in. This is possible when the company's focus on teams is clearly one of those factors. Group cohesion and teamwork has become an important practice in most industries and countries. But when the organizational groups and teams are remote, effective communication becomes vital to all organizations. Information technologies have transformed how people communicate in organizations. Inventions in communication medium creates fascinating changes in how people communicate with each other in the workplace.

The current block also attempts to throw light on what makes an effective leader, describe task–oriented and people–oriented leadership styles, and discuss the comparison between various leadership styles.

The larger the organization, more the existence of power and politics. Some OB experts point out that power and influence are inherent in all organizations. They exist in every business and in every decision and action. Such places witness people holding different points of view. They have unique value hierarchies, develop unique perceptions of reality, and establish different norms about how to act in social settings. But without identical viewpoints, and with the need to frequently adjust to change, conflict is bound to occur in such organizations.

Block Objectives

The objective of this block is to familiarize the learner with :

- The concept of group and team.
- To provide foundation for understanding how groups and teams work, and how to create effective working units.
- The functions of communication, its process and modes
- Various barriers of effective communication.
- The Theories of Leadership : trait theories, behavioural theories and contingency theories of leadership.
- How leaders can have a positive impact on their organizations through building trust and mentoring.
- Difference between leadership and power,
- The three bases of formal power and the two bases of personal power and identify the causes and consequences of abuse of power.
- The conflict handling styles.

Block Structure

Unit 1 : Group Behavior – Group Structure, Group Roles, Group Cohesion, Group Functioning, Team Responsibilities

Unit 2 : Group Behavior – Communication (Communication – Functions, Process, Interpersonal Versus Organizational Communication, Barriers to Effective Communication), Leadership

Unit 3 : Group Behavior – Power and Politics (Meaning, Bases, Contrasting Leadership and Power)

Unit 4 : Group Behavior – Conflict

Unit 1

GROUP BEHAVIOR – GROUP STRUCTURE, GROUP ROLES, TEAM RESPONSIBILITIES

: UNIT STRUCTURE :

1.0 Learning Objectives :

The objective of this unit is

- To familiarize you with group and team concepts
- Provide you with a foundation for understanding how groups and teams work, and
- To show you how to create effective working units.

1.1 Introduction :

Groups have their place–and their pitfalls. Some groups can exert a powerful positive influence, and others can be tragically negative. The objectives of this topic is to familiarize you with group and team concepts, provide you with a foundation for understanding how groups and teams work, and show you how to create effective working units. Let's begin by defining a group.

1.2 Group Structure : Meaning and Types of Groups :

In organizational behavior, a group is two or more individuals, interacting and interdependent, who have come together to achieve particular objectives. Groups can be either formal or informal. A formal group is defined by the organization's structure, with designated work assignments and established tasks. In formal groups, the behaviors team members should engage in are stipulated by and directed toward organizational goals. The six members of an airline flight crew are a formal group, for example. In contrast, an informal group is neither formally structured nor organizationally determined. Informal groups in the work environment meet the need for social contact. Three employees from different departments who regularly have lunch or coffee together are an informal group. These types of interactions among individuals, though informal, deeply affect their behavior and performance.

1.3 Group Structure : Social Identity Theory :

People often feel strongly about their groups partly because, as research indicates, shared experiences amplify our perception of events. Also, according to research in Australia, sharing painful experiences, in particular, increases our felt bond and trust with others. Why do people form groups, and why do they feel so strongly about them ? Consider the celebrations that follow when a sports team wins a national championship. The winner's supporters are elated, and sales of team–related shirts, jackets, and hats skyrocket. Fans of the losing team feel dejected, even embarrassed. Why ? Even though fans have little to do with the actual performance of the sports team, their self–image can be wrapped up in their identification with the group. Our tendency to personally invest in the accomplishments of a group is the territory of social identity theory.

Social identity theory proposes that people have emotional reactions to the failure or success of their group because their self–esteem gets tied to whatever happens to the group. When your group does well, you bask in reflected glory, and your own self–esteem rises. When your group does poorly, you might feel bad about yourself, or you might reject that part of your identity like "fairweather fans." Furthermore, if your group is devalued and disrespected, your social identity might feel threatened, and you might endorse deviant behaviors to "get even" and restore your group's standing. Social identities can even lead people to experience pleasure as a result of seeing another group suffer. We often see these feelings of schadenfreude in the joy fans experience when a hated team loses.

Our social identities help us understand who we are and where we fit in with other people. Within our organizations and workgroups, we can develop many identities through : (1) relational identification, when we connect with others because of our roles, and (2) collective identification, when we connect with the aggregate characteristics of our groups.

1.4 Group Structure : Ingroups and Outgroups :

Ingroup favoritism occurs when we see members of our group as better than other people, and people not in our group as all the same. Recent research suggests that people with low openness and/or low agreeableness are more susceptible to ingroup favouritism. Whenever there is an ingroup, there is by necessity an outgroup, which is sometimes everyone else, but is usually an identified group known by the ingroup's members. For example, if my ingroup is the XYZ party in Indian politics, my outgroup might be anyone in the world who is not a XYZ party member, but it's more likely to be the other Indian political parties.

When there are ingroups and outgroups, there is often animosity between them. One of the most powerful sources of ingroup–outgroup feelings is the practice of religion, even in the workplace.

1.5 Group Structure : Stages of Group Development :

Temporary groups with finite deadlines pass through a unique sequencing of actions (or inaction) : (1) Their first meeting sets the group's direction, (2) the first phase of group activity is one of inertia and thus slower progress, (3) a transition takes place exactly when the group has used up half its allotted time, (4) this transition initiates major changes, (5) a second phase of inertia follows the transition, and (6) the group's last meeting is characterized by markedly accelerated activity. This pattern, called the punctuated–equilibrium model. Thus, punctuated–equilibrium model is a set of phases that temporary groups go through that involves transitions between inertia and activity.

Let's discuss each stage of the model. At the first meeting, the group's general purpose and direction is established, and then a framework of behavioral patterns and assumptions through which the group will approach its project emerges, sometimes in the first few seconds of the group's existence. Once set, the group's direction is solidified and is unlikely to be reexamined throughout the first half of its life. This is a period of inertia– the group tends to stand still or become locked into a fixed course of action even if it gains new insights that challenge initial patterns and assumptions.

One of the most interesting discoveries in studies was that groups experienced a transition precisely halfway between the first meeting and the official deadline–whether members spent an hour on their project or 6 months. The midpoint appears to work like an alarm clock, heightening members' awareness that their time is limited and they need to get moving. This transition ends phase 1 and is characterized by a concentrated burst of changes, dropping of old patterns, and adoption of new perspectives. The transition sets a revised direction for phase 2, a new equilibrium or period of inertia in which the group executes plans created during the transition period.

The group's last meeting is characterized by a final burst of activity to finish its work. In summary, the punctuated–equilibrium model characterizes groups as exhibiting long periods of inertia interspersed with brief revolutionary changes triggered primarily by members' awareness of time and deadlines. This is not the only model of group stages by far, but it is a dominant theory with strong support. Keep in mind, however, that this model doesn't apply to all groups but is suited to the finite quality of temporary task groups working under a time deadline.

1.6 Group Roles :

Workgroups shape members' behavior, and they also help to explain individual behavior as well as the performance of the group itself. Some defining group properties are roles.

A role is a set of expected behavior patterns attributed to someone occupying a given position in a social unit. An individual is required to play a number of diverse roles, both on and off his/her jobs. Different groups impose different role requirements on individuals. But how does a person know each role's requirements ? Therefore, one draws upon his/her role perceptions to frame ideas of appropriate behaviors, and learn the expectations of their groups. Various aspects of role are as follows :

1.6.1 Role Perception :

Our view of how we're supposed to act in a given situation is a role perception. We get role perceptions from stimuli all around us–for example, friends, books, films, and television, as when we form an impression of politicians from House of Cards. Apprenticeship programs allow beginners to watch an expert so they can learn to act as they should.

1.6.2 Role Expectations :

Role expectations are the way others believe you should act in a given context. A supreme court judge is viewed as having propriety and dignity, while a football coach is seen as aggressive, dynamic, and inspiring to the players.

In the workplace, we look at role expectations through the perspective of the psychological contract : an unwritten agreement that exists between employees and employers. This agreement sets out mutual expectations. Management is expected to treat employees justly, provide acceptable working conditions, clearly communicate what is a fair day's work, and give feedback on how well an employee is doing. Employees are expected to demonstrate a good attitude, follow directions, and show loyalty to the organization.

1.6.3 Role Conflict :

When compliance with one role requirement may make it difficult to comply with another, the result is role conflict. At the extreme, two or more role expectations may be contradictory. For example, if as a manager you were to provide a performance evaluation of a person you mentored, your roles as evaluator and mentor may conflict. Similarly, we can experience inter–role conflict when the expectations of our different, separate groups are in opposition.

Within organizations, most employees are simultaneously in occupations, workgroups, divisions, and demographic groups, and these identities can conflict when the expectations of one clash with the expectations of another. During mergers and acquisitions, employees can be torn between their identities as members of their original organization and of the new parent company. Multinational organizations also have been shown to lead to dual identification–with the local division and with the international organization.

1.7 Group Cohesion :

Group cohesion is the extent to which members of a group support and validate one another at work. In other words, a cohesive group is one that sticks together. When employees trust one another, seek common goals, and work together to achieve these common ends, the group is cohesive; when employees are divided among themselves in terms of what they want to achieve and have little loyalty to one another, the group is not cohesive.

There is ample evidence showing that cohesive groups are more effective. These results are found both for groups studied in highly controlled laboratory settings and for work teams observed in field settings. This fits with our intuitive sense that people tend to work harder in groups that have a common purpose. Companies attempt to increase cohesion in a variety of ways, ranging from brief icebreaker sessions to social events like picnics, parties, and outdoor adventure team retreats. Specific efforts are likely to result in increases in group cohesiveness. Managers consider various ways so that picking the right people on the team in the first place might be an effective way to enhance cohesion.

1.8 Group Functioning :

Group Functioning In the same way that positive job attitudes can be associated with higher levels of task performance, group cohesion should lead to positive group functioning. Group functioning refers to the quantity and quality of a group's work output. In the same way that the performance of a sports team is more than the sum of individual players' performance, group functioning in work organizations is more than the sum of individual task performances.

What does it mean to say that a group is functioning effectively ? In some organizations, an effective group is one that stays focused on a core task and achieves its ends as specified. Other organizations look for teams that are able to work together collaboratively to provide excellent customer service. Still others put more of a premium on group creativity and the flexibility to adapt to changing situations. In each case, different types of activities will be required to get the most from the team.

1.9 Teams and Groups :

Teams that play together, stay together!

Teams are popular as compared to groups, because it is believed that they are more effective.

Groups and teams are not the same thing. A group can be defined as two or more individuals, interacting and interdependent, who work together to achieve particular objectives. A workgroup is a group that interacts primarily to share information and make decisions to help each member perform within his or her area of responsibility.

Workgroups have no need or opportunity to engage in collective work with joint effort, so the group's performance is merely the summation of each member's individual contribution. There is no positive synergy that would create an overall level of performance greater than the sum of the inputs. A workgroup is a collection of individuals doing their work, albeit with interaction and/or dependency.

A work team, on the other hand, generates positive synergy through coordination.

The individual efforts result in a level of performance greater than the sum of the individual inputs.

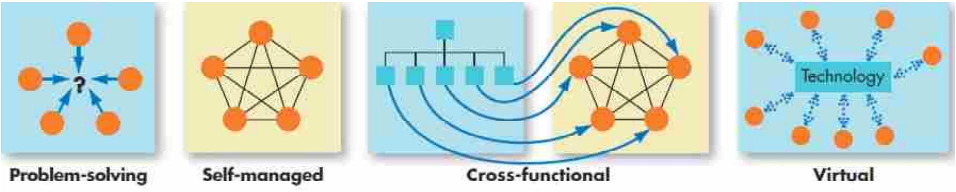
In both workgroups and work teams, there are often behavioral expectations of members, collective normalization efforts, active group dynamics, and some level of decision making (even if just informally about the scope of membership).

Both may generate ideas, pool resources, or coordinate logistics such as work schedules; for the workgroup, however, this effort will be limited to information–gathering for decision makers outside the group. Whereas we can think of a work team as a subset of a workgroup, the team is constructed to be purposeful (symbiotic) in its member interaction. The distinction between a workgroup and a work team should be kept even when the terms are mentioned interchangeably in differing contexts.

The definitions help clarify why organizations structure work processes by teams. Management is looking for positive synergy that will create increased performance. The extensive use of teams creates the potential for an organization to generate greater outputs with no increase in employee headcount. There is nothing magical that ensures the achievement of positive synergy in the creation of teams. Merely calling a group a team doesn't automatically improve its performance. Effective teams have certain common characteristics. If management hopes to gain increases in organizational performance through the use of teams, their teams must possess team characteristics.

1.10 Types of Teams :

Teams can make products, provide services, negotiate deals, coordinate projects, offer advice, and make decisions. The four common types of teams in organizations are problem–solving teams, self–managed work teams, cross–functional teams, and virtual teams.



Problem–solving teams are groups of 5 to 12 employees from the same department who meet for a few hours each week to discuss ways of improving quality, efficiency, and the work environment. Self–managed work teams are groups of 10 to 15 people who take on responsibilities of their former supervisors.

Cross–functional teams are employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task.

Virtual teams are teams that use computer technology to tie together physically dispersed members in order to achieve a common goal.

Multiteam system is a collection of two or more interdependent teams that share a superordinate goal; a team of teams.

1.11 Team Responsibilities – Turning Individuals Into Team Players :

Many people are not inherently team players. Thus, options for managers or team leaders trying to turn individuals into team players include the following :

1.11.1 Selecting : Hiring Team Players :

Some people already possess the interpersonal skills to be effective team players. When hiring team members, managers should be sure that candidates can fulfill their team roles as well as technical requirements. As a final consideration, personal traits appear to make some people better candidates for working in diverse teams. Teams made of members who like to work through difficult mental puzzles also seem more effective and able to capitalize on the multiple points of view that arise from diversity in age and education.

1.11.2 Training : Creating Team Players :

Training specialists conduct exercises that allow employees to experience the satisfaction teamwork can provide. Workshops help employees improve their problem–solving, communication, negotiation, conflict–management, and coaching skills. An effective team doesn't develop overnight–it takes time.

1.11.3 Rewarding : Providing Incentives to Be a Good Team Player :

A traditional organization's reward system must be reworked to encourage cooperative efforts rather than competitive ones. It is usually best to set a cooperative tone as soon as possible in the life of a team. Teams that switch from competitive to cooperative do not immediately share information, and they still tend to make rushed, poor–quality decisions. Apparently, the low trust typical of the competitive group will not be readily replaced by high trust with a quick change in reward systems. Promotions, pay raises, and other forms of recognition should be given to individuals who work effectively as team members by training new colleagues, sharing information, helping resolve team conflicts, and mastering needed new skills. This doesn't mean individual contributions should be ignored; rather, they should be balanced with selfless contributions to the team. intrinsic rewards, such as camaraderie, that employees can receive from teamwork is also encouraging. It's exciting to be part of a successful team. The opportunity for personal development of self and teammates can be a very satisfying and rewarding experience.

Check Your Progress :

1. Work groups place a strong emphasis on :

   (a) shared leadership

   (b) mutual accountability

   (c) products that require collective work

   (d) individual accountability

2. A group is a collection of two or more persons with common interests or objectives, whereas a work team :

   (a) consists of two or more persons who are loosely tied together, yet each member works independently

   (b) may be dozens of people who are quickly assembled to perform a task that may only take a few minutes

   (c) has several persons but the performance or contribution of any particular member is inconsequential for the team's output

   (d) is usually a small number of people with complementary skills who are committed to a common goal for which they are mutually accountable

3. A small number of people with complementary skills who are committed to a common mission, performance goals, and approach for which they hold themselves mutually accountable is known as a/ an :

   (a) Group (b) cohesive group

   (c) work team (d) effective group

4. Groups emphasize all of the following except :

   (a) collective work products (b) individual leadership

   (c) exclusive work products (d) personal accountability

5. Teams are appropriate where :
   (a) the knowledge and talent of workers are dispersed across members and require integration
   (b) tasks are independent and complex
   (c) tasks are simple and routine
   (d) knowledge and talent is placed in highly skilled individuals
6. The standards that a work group uses to evaluate the behavior of its members are called :
   (a) role congruence (b) expectation consistency
   (c) norms of behavior (d) superordinate goals
7. Which of the following statements regarding group cohesion is NOT accurate ?
   (a) group cohesion can enhance job satisfaction for members.
   (b) group cohesion can enhance organizational productivity.
   (c) highly cohesive groups tend to have higher interpersonal exchanges away from the workplace.
   (d) highly cohesive groups are better able to control and manager their membership better than work groups low in cohesion.

1.12 Let Us Sum Up :

One can draw several implications from discussion of groups. First, norms control behavior by establishing standards of right and wrong. Second, status inequities create frustration and can adversely influence productivity and willingness to remain with an organization. Third, the impact of size on a group's performance depends on the type of task. Fourth, cohesiveness may influence a group's level of productivity, depending on the group's performance–related norms. Fifth, role conflict is associated with job–induced tension and job dissatisfaction. Groups can be carefully managed toward positive organizational outcomes and optimal decision–making.

Teams are groups of two or more people who interact and influence each other, are mutually accountable for achieving common goals associated with organizational objectives, and perceive themselves as a social entity within an organization. All teams are groups, because they consist of people with a unifying relationship; not all groups are teams, because some groups do not exist to serve organizational objectives.

1.13 Answers for Check Your Progress :

1. a **2.** d **3.** c **4.** a **5.** a **6.** c **7.** c

1.14 Glossary :

Group Two or more individuals, interacting and interdependent, who have come together to achieve particular objectives.

formal group A designated workgroup defined by an organization's structure.

informal group A group that is neither formally structured nor organizationally determined; such a group appears in response to the need for social contact.

social identity theory Perspective that considers when and why individuals consider themselves members of groups.

ingroup favoritism Perspective in which we see members of our ingroup as better than other people, and people not in our group as all the same.

outgroup The inverse of an ingroup, which can mean everyone outside the group, but more usually an identified other group

punctuated–equilibrium model A set of phases that temporary groups go through that involves transitions between inertia and activity.

role A set of expected behavior patterns attributed to someone occupying a given position in a social unit.

role perception An individual's view of how he or she is supposed to act in a given situation.

role expectations How others believe a person should act in a given situation.

psychological contract An unwritten agreement that sets out what management expects from an employee and vice versa.

role conflict A situation in which an individual is confronted by divergent role expectations.

interrole conflict A situation in which the expectations of an individual's different, separate groups are in opposition

team building A process that consists of formal activities intended to improve the development and functioning of a work team.

virtual teams Teams whose members operate across space, time, and organizational boundaries and are linked through information technologies to achieve organizational tasks.

1.15 Assignment :

Informal groups exist in almost every form of social organization. What types of informal groups existed in your school classroom ? Why were students motivated to belong to these informal groups ?

1.16 Activities :

You are a member of a hiking party. After reaching base camp on the first day, you decide to take a quick sunset hike by yourself. After a few exhilarating miles, you decide to return to camp. On your way back, you realize you are lost. You shout for help, to no avail. It is now dark. And getting cold.

Your Task

Read the following scenarios and choose the best answer. Keep track of your answers on a sheet of paper. You have 10 minutes to answer the 10 questions.

1. The first thing you decide to do is to build a fire. However, you have no matches, so you use the bow–and–drill method. What is the bow–and–drill method ?

   (a) A dry, soft stick is rubbed between the hands against a board of supple green wood.

   (b) A soft green stick is rubbed between the hands against a hardwood board.

   (c) A straight stick of wood is quickly rubbed back and forth against a dead tree.

   (d) Two sticks (one being the bow, the other the drill) are struck to create a spark.

2. It occurs to you that you can also use the fire as a distress signal. How do you form the international distress signal with fire ?

   (a) 2 fires (b) 4 fires in a square

   (c) 4 fires in a cross (d) 3 fires in a line

3. You are very thirsty. You go to a nearby stream and collect some water in the small metal cup you have in your backpack. How long should you boil the water ?

   (a) 15 minutes (b) A few seconds

   (c) 1 minute (d) It depends on the altitude.

4. You are very hungry, so you decide to eat what appear to be edible berries. When performing the universal edibility test, what should you do ?

   (a) Do not eat for 2 hours before the test.

   (b) If the plant stings your lip, confirm the sting by holding it under your tongue for 15 minutes.

   (c) If nothing bad has happened 2 hours after digestion, eat half a cup of the plant and wait again.

   (d) Separate the plant into its basic components and eat each component, one at a time.

5. Next, you decide to build a shelter for the evening. In selecting a site, what do you not have to consider ?
   (a) It must contain material to make the type of shelter you need.
   (b) It must be free of insects, reptiles, and poisonous plants.
   (c) It must be large enough and level enough for you to lie down comfortably.
   (d) It must be on a hill so you can signal rescuers and keep an eye on your surroundings.
6. In the shelter, you notice a spider. You heard from a fellow hiker that black widow spiders populate the area. How do you identify a black widow spider ?
   (a) Its head and abdomen are black; its thorax is red.
   (b) It is attracted to light.
   (c) It runs away from light.
   (d) It is dark with a red or orange marking on the female's abdomen.
7. After getting some sleep, you notice that the night sky has cleared, so you decide to try to find your way back to base camp. You believe you can use the North Star for navigation. How do you locate the North Star ?
   (a) Hold your right hand up as far as you can and look between your index and middle fingers.
   (b) Find Sirius and look 60 degrees above it and to the right.
   (c) Look for the Big Dipper and follow the line created by its cup end.
   (d) Follow the line of Orion's belt.
8. You come across a fast–moving stream. What is the best way to cross it ?
   (a) Find a spot downstream from a sandbar, where the water will be calmer.
   (b) Build a bridge.
   (c) Find a rocky area, because the water will be shallow and you will have hand– and footholds.
   (d) Find a level stretch where it breaks into a few channels.
9. After walking for about an hour, you feel several spiders in your clothes. You don't feel any pain, but you know some spider bites are painless. Which of these spider bites is painless ?
   (a) Black widow
   (b) Brown recluse
   (c) Wolf spider
   (d) Harvestman (daddy longlegs)

10. You decide to eat some insects. Which insects should you avoid ?
    (a) Adults that sting or bite
    (b) Caterpillars and insects that have a pungent odor
    (c) Hairy or brightly colored ones
    (d) All the above

Question :

1. Had you been in a group and done this activity individually as well as in a group, what circumstances might cause a group to perform worse than its best individual ?

1.17 Case Study :

PHILANTHROPIC TEAM BUILDING

The top dozen executives from Adolph Coors and Molson breweries wanted to accelerate their team development to kick off the postmerger integration of the two companies. But rather than doing the usual team building in the woods or at a friendly game of golf, the Molson Coors leaders spent a full day helping to build a house for Habitat for Humanity. "We quickly got past the idea of a ropes course or golf outing," recalls Samuel D. Walker, Molson Coors' chief legal officer. "We really wanted something where we would give back to one of the communities where we do business." According to Walker, the volunteering experience exceeded everyone's expectations. "We had to unload this truck full of cement roof tiles. We actually had to figure out how to have kind of a bucket line, handing these very heavy tiles from one person to the next. That's the ultimate team–building exercise."

Molson Coors and other companies are discovering that volunteering is just as successful as a teambuilding event as it is as a form of corporate social responsibility. Credit Suisse held a team–building session in New Orleans that included a day working on a home damaged by Hurricane Katrina. "I think people learned a lot about each other," says Glenn W. Welling, a Credit Suisse managing director who participated in the event. "It was not uncommon seeing a managing director trying to tear down some mold–damaged wall and to watch a 25–year–old analyst come over to help him." Kimberly Senter, director for category management at Unilever U.S., believes that volunteering events help her to know her colleagues better without the pressure of formal networking. "You're connecting on a very personal level," she suggests. "There's not a lot of talking shop. It's more, 'Pass me the hammer.'"

Timberland is a pioneer in donating employee time to community events. Since 1992, the New Hampshire–based outdoor clothing and accessories company has granted employees 40 hours of paid leave each year to work on community projects. This paid volunteering time includes Earth Day, when Timberland shuts its entire operation so that employees can participate in community projects. It doesn't take long for employees to realize that Timberland is doing more than giving back to the community; it is also developing team skills and cohesion within the company.

"It is a team–building event," says Lisa Rakaseder, a Timberland employee who participated in an Earth Day project at a YMCA camp where she and co–workers built canoe racks and raked leaves. "It gets you to interact with other people at the company." Fabienne Verschoor, who organized the YMCA project, explains further : "You have senior staff, the loading dock crew, customer service, all working together. And you won't know the difference when you see a team working. They are all putting heart and soul into it."

UPS, the package delivery company, is another organization that endorses volunteering as an activity to improve team dynamics as well as employee leadership skills. Along with supporting voluntary work throughout the year, UPS funds an annual Global Volunteer Week, which takes place in 200 countries and most recently involved 23,000 UPS employees. UPS staff in each country coordinate local projects that address issues relevant to their communities. UPS Hong Kong, for example, has worked with the Hong Kong Red Cross, the Hong Kong Society for the Protection of Children, and the Hong Kong Blind Union. "Giving back to the community is one of the core values of UPS," says David Cheung Yu–hok, human resources manager of UPS Hong Kong. "This builds team work across departments because in the workplace, staff might not find the time to get along. Through these projects, they get a chance to know each other better, and sometimes they even get to meet each other's families."

Discussion Questions :

1. What type of team building best describes these volunteering activities ?
2. Explain how the corporate social responsibility element of volunteering contributes to team building.
3. Along with team building, in what other ways do these volunteering activities improve organizations ?

1.18 Further Readings :

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Unit 2

GROUP BEHAVIOR – COMMUNICATION (COMMUNICATION – FUNCTIONS, PROCESS, INTERPERSONAL VERSUS ORGANIZATIONAL COMMUNICATION, BARRIERS TO EFFECTIVE COMMUNICATION), LEADERSHIP

: UNIT STRUCTURE :

2.1 Learning Objectives :

At the end of the unit one will be able to

- Understand communication functions, its process and modes and identify the various barriers of effective communication
- Be able to summarize the conclusions of trait theories, behavioral theories and contingency theories of leadership, and
- Be able to describe how leaders can have a positive impact on their organizations through building trust and mentoring.

2.2 Introduction :

Good communication makes organizations successful. Communication is powerful : no group or organization can exist without sharing meaning among its members. In this unit, we'll analyze communication and learn ways to make it more effective. Communication must include both the transfer and the understanding of meaning. Communicating is more than merely imparting meaning; that meaning must also be understood. It is only thus that we can convey information and ideas. In perfect communication, if it existed, a thought would be transmitted so the receiver understood the same mental picture the sender intended. Though it sounds elementary, there are many reasons why perfect communication is never achieved in practice.

2.3 Communication Functions :

Communication serves five major functions within a group or organization : management, feedback, emotional sharing, persuasion, and information exchange. Communication acts to manage member behavior in several ways. Organizations have authority hierarchies and formal guidelines employees are required to follow. When employees follow their job descriptions or comply with company policies, communication performs a management function. Informal communication controls behavior too. When workgroups tease or harass a member who produces too much (and makes the rest of the members look bad), they are informally communicating, and managing, the member's behavior. Communication creates feedback by clarifying to employees what they must do, how well they are doing it, and how they can improve their performance. Formation of goals, feedback on progress, and reward for desired behavior all require communication and stimulate motivation. The workgroup is a primary source of social interaction for many employees. Communication within the group is a fundamental mechanism by which members show satisfaction and frustration. Communication, therefore, provides for the emotional sharing of feelings and fulfillment of social needs.

Like emotional sharing, persuasion can be good or bad depending on if, say, a leader is trying to persuade a workgroup to believe in the organization's commitment to corporate social responsibility (CSR) or to, conversely, persuade the workgroup to break the law to meet an organizational goal. These may be extreme examples, but it's important to remember that persuasion can benefit or harm an organization.

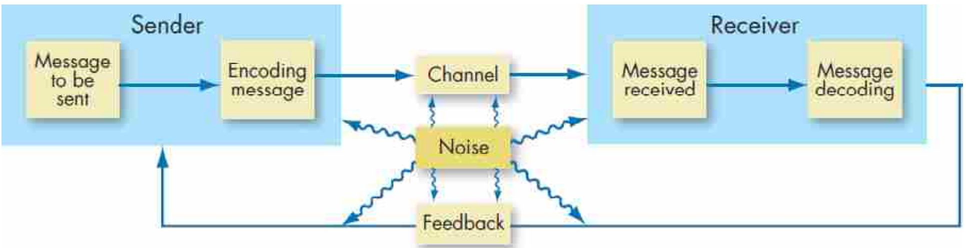
The final function of communication is information exchange to facilitate decision making. Communication provides the information individuals and groups need to make decisions by transmitting the data needed to identify and evaluate choices. Almost every communication interaction that takes place in a group or organization performs one or more of these functions, and none of the five (management, feedback, emotional sharing, persuasion, and information exchange) is more important than the others. To perform effectively, groups need to maintain some control over members, provide feedback to stimulate members to perform, allow emotional expression, monitor the persuasive efforts of individuals, and encourage information exchange.

2.4 Communication Process :

Before communication can take place, it needs a purpose, a message to be conveyed between a sender and a receiver. The sender encodes the message (converts it to a symbolic form) and passes it through a medium (channel) to the receiver, who decodes it. The result is a transfer of meaning from one person to another.

The key parts of the communication process are (1) the sender, (2) encoding, (3) the message, (4) the channel, (5) decoding, (6) the receiver, (7) noise, and (8) feedback.

The Communication Process



The sender initiates a message by encoding a thought. The message is the actual physical product of the sender's encoding. When we speak, the speech is the message. When we write, the writing is the message. When we gesture, the movements of our arms and the expressions on our faces are the message. The channel is the medium through which the message travels. The sender selects it, determining whether to use a formal or informal channel. Formal channels are established by the organization and transmit messages related to the professional activities of members. They traditionally follow the authority chain within the organization.

Other forms of messages, such as personal or social, follow informal channels, which are spontaneous and subject to individual choice. The receiver is the person(s) to whom the message is directed, who must first translate the symbols into understandable form. This step is the decoding of the message. Noise represents communication barriers that distort the clarity of the message, such as perceptual problems, information overload, semantic difficulties, or cultural differences. The final link in the communication process is a feedback loop. Feedback is the check on how successful an individual has been in transferring his/her messages as originally intended. It determines whether understanding has been achieved.

2.5 Modes of Communication :

How do group members transfer meaning among each other ? They rely on oral, written, and nonverbal communication. But the choice between modes can greatly enhance or detract from the way the perceiver reacts to the message. Certain modes are highly preferred for specific types of communication. We will cover the latest thinking and practical application.

2.5.1 Oral Communication :

A primary means of conveying messages is oral communication. Speeches, formal one–on–one and group discussions, and the informal rumour mill or grapevine are popular forms of oral communication. The advantages of oral communication are speed, feedback, and exchange. We can convey a verbal message and receive a response in minimal time. But one major disadvantage of oral communication surfaces whenever a message has to pass through a number of people : the more people, the greater the potential distortion. Some popular oral communication applications in specific are meetings, videoconferencing and conference calling and telephone.

2.5.2 Written Communication :

Written communication includes letters, e–mail, instant messaging, organizational periodicals, and any other method that conveys written words or symbols. Written business communication today is usually conducted via letters, power–point, e–mail, instant messaging, text messaging, social media, apps, and blogs.

2.5.3 Nonverbal Communication :

Every time we deliver a verbal message, we also impart an unspoken message. Sometimes the nonverbal component may stand alone as a powerful message of our business communication. No discussion of communication would thus be complete without consideration of nonverbal communication–which includes body movements, the intonations or emphasis we give to words, facial expressions, and the physical distance between the sender and receiver.

Body language can convey status, level of engagement, and emotional state. Body language adds to, and often complicates, verbal communication. people read much more about another's attitude and emotions from their nonverbal cues than their words.

2.6 Barriers to Effective Communication :

A number of barriers can slow or distort effective communication, barriers that we need to recognize and reduce. In this section, we highlight the most important ones.

2.6.1 Filtering :

Filtering refers to a sender's purposely manipulating information so the receiver will see it more favourably. A manager who tells his boss what he feels the boss wants to hear is filtering information. The more vertical levels in the organization's hierarchy, the more opportunities there are for filtering. But some filtering will occur wherever there are status differences. Factors such as fear of conveying bad news and the desire to please the boss often lead employees to tell their superiors what they think they want to hear, thus distorting upward communications.

2.6.2 Selective Perception :

Selective perception is important because the receivers in the communication process selectively see and hear based on their needs, motivations, experience, backgrounds, and other personal characteristics. Receivers also project their interests and expectations into communications as they decode them. For example, an employment interviewer who expects a female job applicant to put her family ahead of her career is likely to see that characteristic in all female applicants, regardless of whether any of the women actually feel that way.

2.6.3 Information Overload :

Individuals have a finite capacity for processing data. When the information we have to work with exceeds our processing capacity, the result is information overload. What happens when individuals have more information than they can sort and use ? They tend to select, ignore, pass over, or forget it. Or they may put off further processing until the overload situation ends. In any case, lost information and less effective communication results, making it all the more important to deal well with overload.

2.6.4 Emotions :

You may interpret the same message differently when you're angry or distraught than when you're happy. For example, individuals in positive moods are more confident about their opinions after reading a persuasive message, so well– designed arguments have a stronger impact on their opinions. People in negative moods are more likely to scrutinize messages in greater detail, whereas those in positive moods tend to accept communications at face value. Extreme emotions such as jubilation or depression are most likely to hinder effective communication. In such instances, we are most prone to disregard our rational and objective thinking processes and substitute emotional judgments.

2.6.5 Language :

Even when we're communicating in the same language, words mean different things to different people. Age and context are two of the biggest factors that influence such differences. One needs to recognize your ARAs (accountability, responsibility, and authority) and measure against them. Our use of language is far from uniform. If we knew how each of us modifies the language, we could minimize communication difficulties, but we usually don't know. Senders tend to incorrectly assume the words and terms they use mean the same to the receivers as to them.

2.6.6 Silence :

It's easy to ignore silence or lack of communication because it is defined by the absence of information. This is often a mistake–silence itself can be the message to communicate non–interest or inability to deal with a topic. Silence can also be a simple outcome of information overload, or a delaying period for considering a response. For whatever reasons, research suggests using silence and withholding communication are common and problematic. The impact of silence can be organizationally detrimental. Employee silence can mean managers lack information about ongoing operational problems; management silence can leave employees bewildered. Silence regarding discrimination, harassment, corruption, and misconduct means top management cannot take action to eliminate problematic behavior.

2.6.7 Communication Apprehension :

It means the undue tension and anxiety about oral communication, written communication, or both. An estimated 5 to 20 percent of the population suffers debilitating communication apprehension, or social anxiety. They may find it extremely difficult to talk with others face–to–face or become extremely anxious when they have to use the phone, relying on memos or e–mails when a phone call would be faster and more appropriate.

Oral–communication apprehensive individuals avoid situations, for which oral communication is a dominant requirement. But almost all jobs require some oral communication. Of greater concern is evidence that high oral–communication apprehensives distort the communication demands of their jobs in order to minimize the need for communication. Some people also severely limit their oral communication and rationalize their actions by telling themselves that communicating isn't necessary for them to do their jobs effectively.

2.6.8 Cultural Barriers :

There are a number of problems related to language difficulties in cross–cultural communications. First are barriers caused by semantics. Words mean different things to different people, particularly people from different national cultures. Some words don't translate between cultures.

2.6.9 Lying :

The final barrier to effective communication is outright misrepresentation of information, or lying. People differ in their definition of a lie. For example, is deliberately withholding information about a mistake a lie, or do you have to actively deny your role in the mistake to pass the threshold ? While the definition of a lie befuddles ethicists and social scientists, there is no denying the prevalence of lying. People may tell one to two lies per day, with some individuals telling considerably more. Compounded across a large organization, this is an enormous amount of deception happening every day. Evidence shows people are more comfortable lying over the phone than face–to–face, and more comfortable lying in e–mails than when they have to write with pen and paper. the frequency of lying and the difficulty in detecting liars makes this an especially strong barrier to effective communication.

2.7 Theories of Leadership :

Leadership is defined as the ability to influence a group toward the achievement of a vision or set of goals. But not all leaders are managers, nor are all managers leaders. Just because an organization provides its managers with certain formal rights is no assurance that they will lead effectively. Leaders can emerge from within a group as well as by formal appointment. Non–sanctioned leadership–the ability to influence that arises outside the formal structure of the organization–is often as important, or more important, than formal influence.

Organizations need strong leadership and strong management for optimal effectiveness. Individuals need leaders to challenge the status quo, create visions of the future, and inspire organizational members to achieve the visions. They also need managers to formulate detailed plans, create efficient organizational structures, and oversee day–to–day operations.

The different theories of leadership are trait theories, behavioural theories and contemporary theories. The following sections describes each type in detail.

2.7.1 Trait Theory of Leadership :

Trait theory includes the competency perspective of leadership.

Throughout history, strong leaders have been described by their traits. Therefore, leadership research has long sought to identify the personality, social, physical, or intellectual attributes that differentiate leaders from nonleaders. Trait theories of leadership focus on personal qualities and characteristics. Leadership emergence and effectiveness are often evaluated separately vis–à–vis trait studies. Thus, trait theories of leadership are theories that consider personal qualities and characteristics that differentiate leaders from nonleaders. For example, various triats found in leaders are high in assertiveness, has a facet of extraversion, has conscientiousness and openness to experience, has emotional intelligence and similar other traits that can predict leadership qualities in a person.

Leadership competency	Description
Personality	The leader's higher levels of extroversion (outgoing, talkative, sociable, and assertive) and conscientiousness (careful, dependable, and self-disciplined).
Self-concept	The leader's self-beliefs and positive self-evaluation about his or her own leadership skills and ability to achieve objectives.
Drive	The leader's inner motivation to pursue goals.
Integrity	The leader's truthfulness and tendency to translate words into deeds.
Leadership motivation	The leader's need for socialized power to accomplish team or organizational goals.
Knowledge of the business	The leader's tacit and explicit knowledge about the company's environment, enabling the leader to make more intuitive decisions.
Cognitive and practical intelligence	The leader's above-average cognitive ability to process information (cognitive intelligence) and ability to solve real-world problems by adapting to, shaping, or selecting appropriate environments (practical intelligence).
Emotional intelligence	The leader's ability to monitor his or her own and others' emotions, discriminate among them, and use the information to guide his or her thoughts and actions.

The emerging work has identified several leadership competencies, that is, skills, knowledge, aptitudes, and other personal characteristics that lead to superior performance.

2.7.2 Behavioral Theories of Leadership :

While trait research provides a basis for selecting the right people for leadership, behavioral theories of leadership, in contrast, imply we can train people to be leaders. The most comprehensive behavioral theories of leadership resulted from the Ohio State Studies, which sought to identify independent dimensions of leader behavior. Beginning with more than a thousand dimensions, the studies narrowed the list to two that substantially accounted for most of the leadership behavior described by employees : initiating structure and consideration.

Initiating structure is the extent to which a leader is likely to define and structure his or her role and those of employees in the search for goal attainment. It includes behavior that attempts to organize work, work relationships, and goals. A leader high in initiating structure is someone who assigns followers particular tasks, sets definite standards of performance, and emphasizes deadlines.

Consideration is the extent to which a person's job relationships are characterized by mutual trust, respect for employees' ideas, and regard for their feelings. A leader high in consideration helps employees with personal problems, is friendly and approachable, treats all employees as equals, and expresses appreciation and support (people–oriented).

Behavioral perspective of leadership describe the people–oriented and task–oriented leadership styles. Should leaders be task–oriented or people–oriented ? Recent evidence suggests that both styles are positively associated with leader effectiveness, but differences are often apparent only in very high or very low levels of each style. Generally, absenteeism, grievances, turnover, and job dissatisfaction are higher among employees who work with supervisors with very low levels of people–oriented leadership. Job performance is lower among employees who work for supervisors with low levels of task–oriented leadership.

The results of behavioral theory studies have been mixed. However, one review found the followers of leaders high in consideration were more satisfied with their jobs, were more motivated, and had more respect for their leaders. Initiating structure was more strongly related to higher levels of group and organization productivity and more positive performance evaluations.

Comparison between Trait and Behavioral Leadership theories

In general, research indicates there is validity for both the trait and behavioral theories. Parts of each theory can help explain facets of leadership emergence and effectiveness. However, identifying the exact relationships is not a simple task. The first difficulty is in correctly identifying whether a trait or a behavior predicts a certain outcome. The second is in exploring which combinations of traits and behaviors yield certain outcomes. The third challenge is to determine the causality of traits to behaviors so that predictions toward desirable leadership outcomes can be made.

Leaders who have certain traits desirable to their positions and who display culturally appropriate initiating structure and consideration behaviors do appear to be more effective. Beyond that, the determinations are less clear. For example, perhaps you're wondering whether conscientious leaders (trait) are more likely to be structuring (behavior), and extraverted leaders (trait) to be considerate (behavior).

2.7.3 Contingency Theories of Leadership :

Contingency Theories of Leadership are a result of a premise that some tough–minded leaders seem to gain a lot of admirers when they take over struggling companies and lead them out of crises. Contingency theories of leadership include Fred Feidler's contingency model for leadership, Robert House's path–goal theory of leadership, leader–participation model and Hersey and Blancard's situational leadership theory.

Fred Fiedler developed the first comprehensive contingency model for leadership. Fiedler contingency model is the theory that effective groups depend on a proper match between a leader's style of interacting with subordinates and the degree to which the situation gives control and influence to the leader. The least preferred coworker (LPc) questionnaire is an instrument that purports to measure whether a person is task or relationship oriented. After finding a score, a fit must be found between the organizational situation and the leader's style for there to be leadership effectiveness. We can assess the situation in terms of three contingency or situational dimensions :

1. **Leader–member relations** is the degree of confidence, trust, and respect members have in their leader.
2. **Task structure** is the degree to which the job assignments are procedurized (that is, structured or unstructured).
3. **Position power** is the degree of influence a leader has over power variables such as hiring, firing, discipline, promotions, and salary increases.

According to the model, the higher the task structure becomes, the more procedures are added; and the stronger the position power, the more control the leader has.

Developed by Robert House, path–goal theory extracts elements from the research on initiating structure and consideration, and on the expectancy theory of motivation. Path–goal theory suggests it's the leader's job to provide followers with information, support, or other resources necessary to achieve goals. (The term path–goal implies effective leaders clarify followers' paths to their work goals and make the journey easier by reducing roadblocks.) The theory predicts :

1. **Directive leadership** yields greater employee satisfaction when tasks are ambiguous or stressful than when they are highly structured and well laid out.
2. **Supportive leadership** results in high employee performance and satisfaction when employees are performing structured tasks.
3. **Directive leadership** is likely to be perceived as redundant among employees with high ability or considerable experience.

The match between leadership style and situation can be individualistic and mercurial. Some tasks might be both stressful and highly structured, and employees may have high ability or experience in some tasks and not others.

One more contingency theory we cover argues that the way the leader makes decisions is as important as what he or she decides. The leader–participation model relates leadership behavior to subordinate participation in decision making. Like path–goal theory, it says leader behavior must adjust to reflect the task structure (such as routine, non–routine, or in between), but it does not cover all leadership behaviors and is limited to recommending what types of decisions might be best made with subordinate participation. It lays the groundwork for the situations and leadership behaviors most likely to elicit acceptance from subordinates.

One of the most popular contingency theories among practitioners is the situational leadership theory (SLT) also called the life–cycle theory of leadership, developed by Paul Hersey and Ken Blanchard. Situational leadership theory (SLT) focuses on the followers. It says successful leadership depends on selecting the right leadership style contingent on the followers' readiness, the extent to which followers are willing and able to accomplish a specific task. A leader should choose one of four behaviors depending on follower readiness.

If followers are unable and unwilling to do a task, the leader needs to give clear and specific directions; if they are unable but willing, the leader needs to display a high task orientation to compensate for followers' lack of ability, and high relationship orientation to get them to "buy into" the leader's desires. If followers are able but unwilling, the leader needs to use a supportive and participative style; if they are both able and willing, the leader doesn't need to do much.

SLT has intuitive appeal. It acknowledges the importance of followers and builds on the logic that leaders can compensate for followers' limited ability and motivation.

2.7.4 Contemporary Theories of Leadership :

Leaders are important–to organizations, and to employees. The understanding of leadership is a constantly evolving science. Contemporary theories have been built upon the foundation of the above described theories.

Leader–member exchange (LMX) theory

It is a theory that supports leaders' creation of ingroups and outgroups; subordinates with ingroup status will have higher performance ratings, less turnover, and greater job satisfaction. Leader–member exchange (LMX) theory argues that, because of time pressures, leaders establish a special relationship with a small group of their followers. These individuals make up the ingroup–they are trusted, get a disproportionate amount of the leader's attention, and are more likely to receive special privileges. Other followers fall into the outgroup. LMX theory proposes that early in the history of the interaction between a leader and a given follower, the leader implicitly categorizes the follower as an "in" or an "out"; that relationship becomes relatively stable over time. Leaders induce LMX by rewarding employees with whom they want a closer linkage and punishing those with whom they do not. For the LMX relationship to remain intact, the leader and the follower must invest in the relationship.

Charismatic Leadership

Another, charismatic leadership theory is a leadership theory that states that followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors. Do you think leaders are born not made, or made not born ? True, an individual may be literally born into a leadership position, be endowed with a leadership position due to past accomplishments (like CEOs who worked their way up the organizational ranks), or be informally acknowledged as a leader (like a Twitter employee who knows everything because he was "there at the start"). According to charismatic leadership theory, followers attribute heroic or extraordinary leadership abilities when they observe certain behaviors, and tend to give these leaders power. Charismatic leaders have a vision, are willing to take personal risks to achieve that vision, are sensitive to follower needs, and exhibit extraordinary behaviors. charismatic leadership increases follower organizational identification (commitment) by building a shared group identity among followers and may predict follower job satisfaction too.

Key characteristics of a Charismatic Leader are :

1. **Vision and articulation.** Has a vision–expressed as an idealized goal–that proposes a future better than the status quo; and is able to clarify the importance of the vision in terms that are understandable to others.
2. **Personal risk.** Willing to take on high personal risk, incur high costs, and engage in self–sacrifice to achieve the vision.
3. **Sensitivity to follower needs.** Perceptive of others' abilities and responsive to their needs and feelings.
4. **Unconventional behavior.** Engages in behaviors that are perceived as novel and counter to norms.

Charismatic leadership has positive effects across many contexts. There are, however, characteristics of followers, and of the situation, that enhance or somewhat limit its effects.

Comparison of Theories

Two contemporary leadership theories–charismatic leadership and transformational leadership–share a common theme in the great leader debate : They view leaders as individuals who inspire followers through words, ideas, and behaviors. Charismatic leadership theory relies on leaders' ability to inspire followers to believe in them. In contrast, Fiedler's model, situational leadership theory, and path–goal theory describe transactional leaders, who guide their followers toward established goals by clarifying role and task requirements. On the other hand, transformational leaders can have an extraordinary effect on their followers, who respond with increased levels of commitment. Transactional and transformational leadership complement each other; they aren't opposing approaches to getting things done. The best leaders are transactional and transformational. Transformational leadership builds on transactional leadership and produces levels of follower effort and performance beyond what transactional leadership alone can do. But the reverse isn't true. If you are a good transactional leader but do not have transformational qualities, you'll likely only be a mediocre leader.

Check Your Progress :

1. The evoking of a shared or common meaning in another person is called :

   (a) interpersonal communication (b) communication

   (c) a response pattern (d) the message

2. The element of the communication model that contains the thoughts and feelings the communicator is attempting to elicit in the receiver is the :

   (a) data (b) feedback (c) message (d) information

3. A communication medium that is moderate in both information richness and data capacity is :

   (a) the telephone (b) electronic mail

   (c) face–to–face discussion (d) formal numeric report

4. Which of the following is NOT one of the leadership theory categorization factors ?

   (a) traits (b) attitudes (c) behavior (d) contingency

5. Trait leader theories focus on all the following except :

   (a) intelligence (b) personality characteristics

   (c) physical attributes (d) situational characteristics

6. Contingency theories of leadership, in determining appropriate leader behavior and style, focus strongly on :

   (a) follower characteristics

   (b) the importance and characteristics of the situation as well as particular traits

   (c) traits of the leader

   (d) task characteristics and work schedules

2.8 Let Us Sum Up :

Link between communication and employee satisfaction reflects that, the lesser the uncertainty, the greater the satisfaction. Distortions, ambiguities, and incongruities between verbal and nonverbal messages all increase uncertainty and reduce satisfaction. Careful attention to the methods and modes for each communication better ensures that the message is properly interpreted by the receiver.

Leadership is defined as the ability to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations of which they are members. Leaders use influence to motivate followers and arrange the work environment so that they do the job more effectively. Leaders exist throughout the organization, not just in the executive suite.

The competency perspective tries to identify the characteristics of effective leaders. Recent writing suggests that leaders have specific personality characteristics, positive self–concept, drive, integrity, leadership motivation, knowledge of the business, cognitive and practical intelligence, and emotional intelligence. The behavioral perspective of leadership identifies two clusters of leader behavior, people–oriented and task–oriented.

The contingency perspective of leadership takes the view that effective leaders diagnose the situation and adapt their style to fit that situation. The path–goal model is the prominent contingency theory that identifies four leadership styles–directive, supportive, participative, and achievement–oriented–and several contingencies relating to the characteristics of the employee and of the situation. Two other contingency leadership theories include the situational leadership theory and Fiedler's contingency theory.

Transformational leaders create a strategic vision, communicate that vision through framing and use of metaphors, model the vision by 'walking the talk' and acting consistently, and build commitment toward the vision. This contrasts with transactional leadership, which involves linking job performance to valued rewards and ensuring that employees have the resources needed to get the job done. The contingency and behavioral perspectives adopt the transactional view of leadership.

2.9 Answers for Check Your Progress :

1. b **2.** c **3.** b **4.** b **5.** d **6.** b

2.10 Glossary :

communication process The steps between a source and a receiver that result in the transfer and understanding of meaning.

formal channels Communication channels established by an organization to transmit messages related to the professional activities of members.

informal channels Communication channels that are created spontaneously and that emerge as responses to individual choices

grapevine An organization's informal communication network.

leadership Influencing, motivating, and enabling others to contribute toward the effectiveness and success of the organizations of which they are members.

path–goal leadership theory A contingency theory of leadership based on the expectancy theory of motivation that relates several leadership styles to specific employee and situational contingencies.

situational leadership theory A commercially popular but poorly supported leadership model stating that effective leaders vary their style (telling, selling, participating, delegating) with the "readiness" of followers.

fiedler's contingency model Developed by Fred Fiedler, an early contingency leadership model that suggests that leader effectiveness depends on whether the person's natural leadership style is appropriately matched to the situation.

transformational leadership A leadership perspective that explains how leaders change teams or organizations by creating, communicating, and modeling a vision for the organization or work unit and inspiring employees to strive for that vision.

transactional leadership Leadership that helps organizations achieve their current objectives more efficiently, such as by linking job performance to valued rewards and ensuring that employees have the resources needed to get the job done.

2.11 Assignment :

1. What are some common barriers to effective communication ?
2. Why is it important for top executives to value and support leadership demonstrated at all levels of the organization ?
3. Transformational leadership is the most popular perspective of leadership. However, it is far from perfect. Discuss the limitations of transformational leadership.

2.12 Activities :

1. Find two newspaper ads for management or executive positions. What leadership competencies are mentioned in these ads ? If you were on the selection panel, what methods would you use to identify these competencies in job applicants ? What methods of oral communication, written communication, and nonverbal communication would you use ?
2. Consider your favorite teacher. What people–oriented and task–oriented leadership behaviors did he or she use effectively ? In general, do you think students prefer an instructor who is more people–oriented or task–oriented ? Explain your preference.

2.13 Case Study :

As a formerly government–owned telephone monopoly, Profitel enjoyed many decades of minimal competition. Even today, as a publicly traded enterprise, the company's almost exclusive control over telephone copper wiring across the country keeps its profit margins above 40 percent. Competitors in telephone and DSL broadband continue to rely on Profitel's wholesale business, which generates substantially more profit than similar wholesale services in many other countries. However, Profitel has stiff competition in the cellular (mobile) telephone business, and other emerging technologies (voice–over–Internet) threaten Profitel's dominance. Because of these threats, Profitel's board of directors decided to hire an outsider as the new chief executive.

Although several qualified candidates expressed an interest in Profitel's top job, the board selected Lars Peeters, who had been CEO for six years of a publicly traded European telephone company, followed by a brief stint as CEO of a cellular telephone company in the United States until it was acquired by a larger firm. Profitel's board couldn't believe its good fortune; Peeters brought extensive industry knowledge and global experience, a high–octane energy level, self–confidence, decisiveness, and a congenial yet strongly persuasive interpersonal style. He also had a unique "presence," which caused people to pay attention and respect his leadership. The board was also impressed with Peeters's strategy to bolster Profitel's profit margins. This included investing heavily in the latest wireless broadband technology (for both cellular telephone and computer Internet) before competitors could gain a foothold, cutting costs through layoffs and reduction of peripheral services, and putting pressure on the government to deregulate Profitel's traditional and emerging businesses. When Peeters described his strategy to the board, one board member commented that this was the same strategy Peeters used in his previous two CEO postings.

Peeters dismissed the comment, saying that each situation is unique. Peeters lived up to his reputation as a decisive executive. Almost immediately after taking the CEO job at Profitel, he hired two executives from the European company where he had previously worked. Together, over the next two years, they cut the workforce by 5 percent and rolled out the new wireless broadband technology for cell phones and Internet. Costs increased somewhat due to downsizing expenses and the wireless technology rollout. Profitel's wireless broadband subscriber list grew quickly because, in spite of its very high prices, the technology faced limited competition and Profitel was pushing customers off the older technology to the new network. Profitel's customer satisfaction ratings fell, however. A national consumer research group reported that Profitel's broadband offered the country's worst value. Employee morale also declined due to layoffs and the company's public image problems. Some industry experts also noted that Profitel selected its wireless technology without evaluating the alternative emerging wireless technology, which had been gaining ground in other countries. Peeters's aggressive campaign against government regulation also had unintended consequences. Rather than achieving less regulation, criticizing the government and its telecommunications regulator made Profitel look even more arrogant in the eyes of both customers and government leaders.

Profitel's board was troubled by the company's lackluster share price, which had declined 20 percent since Peeters was hired. Some board members also worried that the company had bet on the wrong wireless technology and that subscription levels would stall far below the number necessary to achieve the profits stated in Peeters's strategic plan. This concern came closer to reality when a foreignowned competitor won a $1 billion government contract to improve broadband services in regional areas of the country. Profitel's proposal for that regional broadband upgrade had specified high prices and limited corporate investment, but Peeters had been confident Profitel would be awarded the contract because of its market dominance and existing infrastructure with the new wireless network. When the government decided otherwise, Profitel's board fired Peeters along with the two executives he had hired from the European company. Now, the board had to figure out what went wrong and how to avoid this problem in the future.

Discussion Questions :

1. Which perspective of leadership best explains the problems experienced in this case ? Analyze the case using concepts discussed in that leadership perspective.

2. What can organizations do to minimize the leadership problems discussed above ?

After The Rise :

Speed engineering company was a multi–location engineering company. It had manufacturing facilities at Hyderabad, Delhi and Indore. The company adopted budgetary system. Mr Manohar was transferred to Indore unit as a plant manager. He joined the company about 10 years back as a trainee engineer and became an assistant plant manager at the Hyderabad unit. Mr Manohar is very ambitious and is a bit autocratic. He believes in exercising his authority and control to carry out his instructions. He has been a high achiever. He got quick promotions in the company immediately after joining Indore unit as plant manager, Manohar made preliminary study of the plant and issued instructions to all departments to reduce their expenses by 5%. A fortnight later he instructed all departments to increase production by 10%. He also instructed all supervisors to strictly follow the budget. He introduced several new reports and watch the operations very closely. He suspended two supervisors in the second month for not meeting the budget targets. With all his efforts, the unit was very much on the right track and within six months exceeded the new budget figures by 8%. On setting the plant he was called back to the Hyderabad unit as a plant manager where a vacancy had arisen. However, shortly after he left for Hyderabad, the productivity at Indore unit fell below the earlier level and the budget was again in trouble.

Questions :

1. Analyse the type of organisational climate created by Manohar at indoor unit.
2. Why do you think was there a drop in productivity at the unit after Manohar left ?

2.14 Further Readings :

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Unit 3

GROUP BEHAVIOR – POWER AND POLITICS (MEANING, BASES, CONTRASTING LEADERSHIP AND POWER)

: UNIT STRUCTURE :

3.0 Learning Objectives :

Here, after learning this unit, one will be able to understand :

- Leadership and power,
- The three bases of formal power and the two bases of personal power and
- The causes and consequences of abuse of power.

3.1 Introduction :

Power determines what goals people pursue, discuss how power works in organizations, and reveal the effects of political behaviour. However, there is a natural association of power with leadership.

3.2 Power and Leadership :

In organizational behavior (OB), power refers to a capacity that A has to influence the behavior of B so B acts in accordance with A's wishes. Someone can thus have power but not use it; it is a capacity or potential. Probably the most important aspect of power is that it is a function of dependence. The greater B's dependence on A, the greater A's power in the relationship. Dependence, in turn, is based on alternatives that B perceives and the importance B places on the alternative(s) A controls. A person can have power over you only if he or she controls something you desire. If you want a college degree and have to pass a certain course to get it, and your current instructor is the only faculty member in the college who teaches that course, she has power over you because your alternatives are highly limited and you place a high degree of importance on the outcome. Similarly, if you're attending college on funds provided by your parents, you probably recognize the power they hold over you. But once you're out of school, have a job, and are making a good income, your parents' power is reduced significantly.

A careful comparison of this description of power with that of leadership reveals that the concepts are closely intertwined. Leaders use power as a means of attaining group goals. How are the two terms different ? Power does not require goal compatibility, just dependence. Leadership, on the other hand, requires some congruence between the goals of the leader and those being led. A second difference relates to the direction of influence. Leadership research focuses on the downward influence on followers. It minimizes the importance of lateral and upward influence patterns. Power research takes all factors into consideration. For a third difference, leadership research often emphasizes style. It seeks answers to questions such as : How supportive should a leader be ? How much decision making should be shared with followers ? In contrast, the research on power focuses on tactics for gaining compliance. Lastly, leadership concentrates on the individual leader's influence, while the study of power acknowledges that groups as well as individuals can use power to control other individuals or groups.

3.3 Bases of Power :

Where does power come from ? What gives an individual or a group influence over others ? These can be answered by dividing the bases or sources of power into two general groupings–formal and personal–and breaking each of these down into more specific categories.

3.3.1 Formal Power :

Formal power is based on an individual's position in an organization. It can come from the ability to coerce or reward, or from formal authority.

Coercive Power : The coercive power base depends on the target's fear of negative results from failing to comply. On the physical level, coercive power rests on the application, or the threat of application, of bodily distress through the infliction of pain, the restriction of movement, or the withholding of basic physiological or safety needs. At the organizational level, A has coercive power over B if A can dismiss, suspend, or demote B, assuming B values her job. If A can assign B work activities B finds unpleasant, or treat B in a manner B finds embarrassing, A possesses coercive power over B. Coercive power comes also from withholding key information. People in an organization who have data or knowledge others need can make others dependent on them.

Reward Power : The opposite of coercive power is reward power, with which people comply because it produces positive benefits; someone who can distribute rewards others view as valuable will have power over them. These rewards can be financial–such as controlling pay rates, raises, and bonuses–or nonfinancial, including recognition, promotions, interesting work assignments, friendly colleagues, and preferred work shifts or sales territories.

Legitimate Power : In formal groups and organizations, probably the most common access to one or more of the power bases is through legitimate power. It represents the formal authority to control and use organizational resources based on the person's structural position in the organization. Legitimate power is broader than the power to coerce and reward. Specifically, it includes members' acceptance of the authority of a hierarchical position. We associate power so closely with the concept of hierarchy that just drawing longer lines in an organization chart leads people to infer the leaders are especially powerful. In general, when school principals, bank presidents, or army captains speak, teachers, tellers, and first lieutenants usually comply.

3.3.2 Personal Power :

Many of the most competent and productive chip designers at Intel have power, but they aren't managers and they have no formal power. What they have is personal power, which comes from an individual's unique characteristics. There are two bases of personal power : expertise and the respect and admiration of others. Personal power is not mutually exclusive from formal power, but it can be independent.

Expert Power : Expert power is influence wielded as a result of expertise, special skills, or knowledge. As jobs become more specialized, we become dependent on experts to achieve goals. It is generally acknowledged that physicians have expertise and hence expert power : Most of us follow our doctor's advice. Computer specialists, tax accountants, economists, industrial psychologists, and other specialists wield power as a result of their expertise.

Referent Power : Referent power is based on identification with a person who has desirable resources or personal traits. If I like, respect, and admire you, you can exercise power over me because I want to please you. Referent power develops out of admiration of another and a desire to be like that person. It helps explain, for instance, why celebrities are paid millions of dollars to endorse products in commercials. Marketing research shows people such as Salman Khan and Amitabh Bacchan have the power to influence your choice of aerated drinks (Pepsi) and chocolates (Cadbury). With a little practice, you and I could probably deliver as smooth a sales pitch as these celebrities, but the buying public doesn't identify with us. Some people who are not in formal leadership positions have referent power and exert influence over others because of their charismatic dynamism, likability, and emotional appeal.

3.4 Dependence : The Key to Power :

The most important aspect of power is that it is a function of dependence. Let us learn how dependence helps us understand the degrees of power.

3.4.1 The General Dependence Postulate :

Let's begin with a general postulate : The greater B's dependence on A, the more power A has over B. When you possess anything, others require that you alone control, you make them dependent on you, and therefore you gain power over them. As the old saying goes, "In the land of the blind, the one–eyed man is king!" But if something is plentiful, possessing it will not increase your power. Therefore, the more you can expand your own options, the less power you place in the hands of others. This explains why most organizations develop multiple suppliers rather than give their business to only one. It also explains why so many people aspire to financial independence. Independence reduces the power others can wield to limit our access to opportunities and resources.

3.4.2 What Creates Dependence ?

Dependence increases when the resource you control is important, scarce, and non–substitutable.

Importance – If nobody wants what you have, it's not going to create dependence. However, note that there are many degrees of importance, from needing the resource for survival to wanting a resource that is in fashion or adds to convenience.

Scarcity – Ferruccio Lamborghini, who created the exotic supercars that still carry his name, understood the importance of scarcity and used it to his advantage during World War II. When Lamborghini was in Rhodes with the Italian army, his superiors were impressed with his mechanical skills because he demonstrated an almost uncanny ability to repair tanks and cars no one else could fix. After the war, he admitted his ability was largely due to his having been the first person on the island to receive the repair manuals, which he memorized and then destroyed so as to make himself indispensable. We see the scarcity–dependence relationship in the power situation of employment. Where the supply of labor is low relative to demand, workers can negotiate compensation and benefits packages far more attractive than those in occupations with an abundance of candidates. For example, college administrators have no problem today finding English instructors since there is a high supply and low demand. The market for network systems analysts, in contrast, is comparatively tight, with demand high and supply limited. The resulting bargaining power of computer–engineering faculty allows them to negotiate higher salaries, lighter teaching loads, and other benefits.

Non–substitutability – The fewer viable substitutes for a resource, the more power a person controlling that resource has. At universities that value faculty publishing, for example, the more recognition the faculty member receives through publication, the more control that person has because other universities want faculty who are highly published and visible.

3.5 How Power Affects People :

Once the power is acquired, it also has the tendency to corrupt. There is certainly evidence that there are corrupting aspects of power. Power leads people to place their own interests ahead of others' needs or goals. Why does this happen ? Interestingly, power not only leads people to focus on their self–interests because they can, it liberates them to focus inward and thus come to place greater weight on their own aims and interests. Power also appears to lead individuals to "objectify" others (to see them as tools to obtain their instrumental goals) and to see relationships as more peripheral.

That's not all. Powerful people react–especially negatively–to any threats to their competence. People in positions of power hold on to it when they can, and individuals who face threats to their power are exceptionally willing to take actions to retain it whether their actions harm others or not. Those given power are more likely to make self–interested decisions when faced with a moral hazard (such as when hedge fund managers take more risks with other people's money because they're rewarded for gains but less often punished for losses).

People in power are more willing to denigrate others. Power also leads to overconfident decision making. Power does appear to have some important disturbing effects on us. But that is hardly the whole story–power is more complicated than that. It doesn't affect everyone in the same way, and there are even positive effects of power. First, the toxic effects of power depend on the wielder's personality. Research suggests that if we have an anxious personality, power does not corrupt us because we are less likely to think that using power benefits us. Second, the corrosive effect of power can be contained by organizational systems. One study found, for example, that while power made people behave in a self–serving manner, when accountability for this behavior was initiated, the self–serving behavior stopped. Third, we have the means to blunt the negative effects of power.

One study showed that simply expressing gratitude toward powerful others makes them less likely to act aggressively against us.

Finally, remember the saying that those with little power abuse what little they have ? There seems to be some truth to this in that the people most likely to abuse power are those who start low in status and gain power. Why is this the case ? It appears having low status is threatening, and the fear this creates is used in negative ways if power is later given. As you can see, some factors can moderate the negative effects of power. But there can be general positive effects. Power energizes and increases motivation to achieve goals. It also can enhance our motivation to help others. One study found, for example, that a desire to help others translated into actual work behavior when people felt a sense of power. This study points to an important insight about power. It is not so much that power corrupts as it reveals what we value. Supporting this line of reasoning, another study found that power led to self–interested behavior only in those with a weak moral identity (the degree to which morals are core to someone's identity). In those with a strong moral identity, power enhanced their moral awareness and willingness to act.

3.6 Politics : Power in Action :

Whenever people get together in groups, power will be exerted. People in organizations want to carve out a niche to exert influence, earn rewards, and advance their careers. If they convert their power into action, they are described as being engaged in politics. Those with good political skills have the ability to use their bases of power effectively. Politics are not only inevitable; they might be essential, too.

3.6.1 Definition of Organizational Politics :

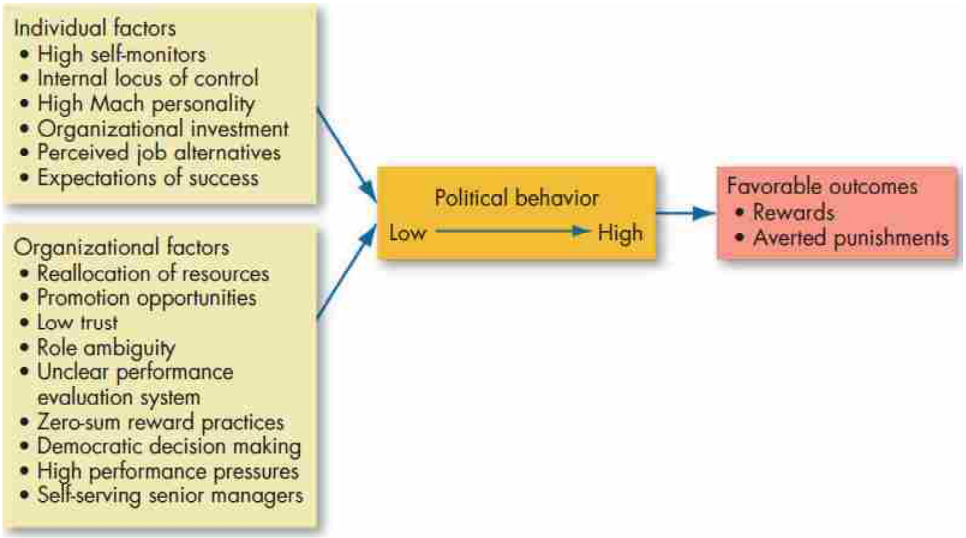
There is no shortage of definitions of organizational politics. Essentially, this type of politics focuses on the use of power to affect decision making in an organization, sometimes for self–serving and organizationally unsanctioned behaviors. For our purposes, political behavior in organizations consists of activities that are not required as part of an individual's formal role but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organization.

This definition encompasses what most people mean when they talk about organizational politics. Political behavior is outside specified job requirements. It requires some attempt to use power bases. It includes efforts to influence the goals, criteria, or processes used for decision making. The definition of politics includes varied political behaviors such as withholding key information from decision makers, joining a coalition, whistle–blowing, spreading rumors, leaking confidential information to the media, exchanging favors with others for mutual benefit, and lobbying on behalf of or against a particular individual or decision alternative. In this way, political behavior is often negative, but not always.

3.6.2 Causes of Political Behavior :

There are many factors that contribute to political behaviour in organizations.

Not all groups or organizations are equally political. In some organizations, politicking is overt and rampant, while in others politics plays a small role in influencing outcomes. Why this variation ? Research and observation have identified a number of factors that appear to encourage political behavior. Some are individual characteristics, derived from the qualities of the people the organization employs; others are a result of the organization's culture or internal environment. Following exhibit illustrates how both individual and organizational factors can increase political behavior and provide favorable outcomes (increased rewards and averted punishments) for individuals and groups in the organization.



3.6.2.1 Individual Factors :

At the individual level, researchers have identified certain personality traits, needs, and other factors likely to be related to political behavior. In terms of traits, we find that employees who are high self–monitors, possess an internal locus of control, and have a high need for power are more likely to engage in political behavior. The high self–monitor is more sensitive to social cues, exhibits higher levels of social conformity, and is more likely to be skilled in political behavior than the low self–monitor. Because they believe they can control their environment, individuals with an internal locus of control are more prone to take a proactive stance and attempt to manipulate situations in their favor. Not surprisingly, the Machiavellian personality–characterized by the will to manipulate and the desire for power–is consistent with using politics as a means to further personal interests. An individual's investment in the organization and perceived alternatives influence the degree to which he or she will pursue illegitimate means of political action. The more a person expects increased future benefits from the organization, and the more that person has to lose if forced out, the less likely he or she is to use illegitimate means. Conversely, the more alternate job opportunities an individual has–due to a favorable job market, possession of scarce skills or knowledge, prominent reputation, or influential contacts outside the organization–the more likely the person is to employ politics.

An individual with low expectations of success from political means is unlikely to use them. High expectations from such measures are most likely to be the province of both experienced and powerful individuals with polished political skills, and inexperienced and naïve employees who misjudge their chances. Finally, some individuals engage in more political behavior because they simply are better at it. Such individuals read interpersonal interactions well, fit their behavior to situational needs, and excel at networking.

These people are often indirectly rewarded for their political efforts. For example, a study of a construction firm in southern China found that politically skilled subordinates were more likely to receive recommendations for rewards from their supervisors, and that politically oriented supervisors were especially likely to respond positively to politically skilled subordinates. Other studies from countries around the world have similarly shown that higher levels of political skill are associated with higher levels of perceived job performance.

3.6.2.2 Organizational Factors :

Although we acknowledge the role individual differences can play, the evidence more strongly suggests that certain situations and cultures promote politics. Specifically, when an organization's resources are declining, when the existing pattern of resources is changing, and when their resources are reduced, people may engage in political actions to safeguard what they have. Also, any changes, especially those implying significant reallocation of resources within the organization, are likely to stimulate conflict and increase politicking.

Cultures characterized by low trust, role ambiguity, unclear performance evaluation systems, zero–sum (win–lose) reward allocation practices, democratic decision making, high pressure for performance, and self–serving senior managers will also create breeding grounds for politicking. Because political activities are not required as part of the employee's formal role, the greater the role ambiguity, the more employees can engage in unnoticed political activity. Role ambiguity means the prescribed employee behaviors are not clear. There are, therefore, fewer limits to the scope and functions of the employee's political actions. The more an organizational culture emphasizes the zero–sum or win–lose approach to reward allocations, the more employees will be motivated to engage in politicking.

Check Your Progress :

1. The legitimacy inherent in one's job is _____, whereas the ability to influence someone else is _____.

   (a) power; authority　　(b) influence; authority

   (c) authority; power　　(d) power; control

2. If a person can affect the thoughts, behavior, and feelings of another person, she has :

   (a) Influence (b) Power (c) authority (d) dominance

3. As a management trainee, you are assigned to a mentor and gain considerable insight into the nature of management and how to behave in different managerial situations. The relationship you have with the mentor is based on _____ power.

   (a) Reward (b) legitimate (c) referent (d) Expert

4. Assume you are a senior accounting major. A friend who is taking a Principles of Accounting course seeks you out for tutorial assistance. This is an example of _____ power.

   (a) reward (b) expert (c) referent (d) legitimate

5. Which of the following power sources is LEAST likely to be available to a non–supervisory, technical employee ?

   (a) expert (b) referent (c) knowledge (d) legitimate

6. The key element behind the factors used to explain power differences between groups based on the strategic contingency model is :

   (a) interdependency (b) synergy

   (c) independence (d) dependence

7. All of the following are conditions within an organization that can encourage unnecessary political behavior except :

   (a) ambiguous lines of authority

   (b) unclear goals

   (c) well–defined and understood problems

   (d) uncertainty

8. The use of power and influence in organizations is referred to as :

   (a) manipulative (b) negative

   (c) organizational politics (d) an alternative to authority

9. The textbook suggested that there were three ways a manager can use influence tactics well or in a positive manner. Which of the following is NOT one of the key ways to positively use influence ?

   (a) maintain open lines of communication in all directions

   (b) treat targets with basic respect

   (c) use job–related tactics

   (d) direct influence attempts toward organizational goals

10. You have a new boss, someone hired from outside the firm. He has several years of managerial experience in the industry of your firm, but, of course he doesn't have specific knowledge of operational matters for your firm. If you want to develop an effective work relationship with him, you should :

(a) provide information on performance deficiencies in the organization

(b) share information and keep him informed

(c) limit his time with other employees

(d) try to encourage a better match between his management style and those being supervised

3.7 Let Us Sum Up :

Few employees relish being powerless in their jobs and organizations. People respond differently to the various power bases. Expert and referent power are derived from an individual's personal qualities. In contrast, coercion, reward, and legitimate power are essentially organizationally granted.

An effective manager accepts the political nature of organizations. Some people are more politically astute than others, meaning they are aware of the underlying politics and can manage impressions. Those who are good at playing politics can be expected to get higher performance evaluations and, hence, larger salary increases and more promotions than the politically naïve or inept.

3.8 Answers for Check Your Progress :

1. c	**2.** a	**3.** c	**4.** b	**5.** d
6. d	**7.** c	**8.** c	**9.** c	**10.** b

3.9 Glossary :

Power A capacity that A has to influence the behavior of B so that B acts in accordance with A's wishes.

Dependence B's relationship to A when A possesses something that B requires.

Coercive Power A power base that is dependent on fear of the negative results from failing to comply.

Reward Power Compliance achieved based on the ability to distribute rewards that others view as valuable.

Legitimate Power The power a person receives as a result of his or her position in the formal hierarchy of an organization.

Expert Power Influence based on special skills or knowledge.

Referent Power Influence based on identification with a person who has desirable resources or personal traits.

Power Tactics Ways in which individuals translate power bases into specific actions.

Political Skill The ability to influence others in such a way as to enhance one's objectives.

Political Behavior Activities that are not required as part of a person's formal role in the organization but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organization.

Impression Management (IM) The process by which individuals attempt to control the impression others form of them.

3.10 Assignment :

1. What is the role of dependence in power relationships ?
2. In your opinion, what are the most often identified power or influence tactics and their contingencies ?

3.11 Activities :

How Much Should You Defer to Those in Power ?

Though it is not always easy to admit to ourselves, often we adapt our behavior to suit those in power. To some degree, it is important for organizational success that we do so. After all, people are in positions of authority for a reason, and if no one paid attention to the rules these people put in place, chaos would rule. But is it always ethical for us to defer to the powerful ? More often than we acknowledge, powerful individuals in organizations push our actions into ethical gray areas, or worse. For example, managers of restaurants and stores (including McDonald's, Taco Bell, and others) were persuaded to strip–search customers or employees when an individual impersonating a police officer phoned in and instructed them to do so. What would you do if you thought a police officer, definitely a symbol of power, ordered you to do something you'd never choose to do as manager ?

Outright abuses aside, power is wielded over us in more prosaic ways. For example, many stock analysts report pressure from their bosses to promote funds from which the organization profits most (a fact that is not disclosed to their clients). These might be good funds that the analysts would promote anyway. But maybe they're not. Should the analyst ever promote the funds without discussing the conflict of interest with the client ?

Few of us might think we would perform strip–searches. But examples of power taken to the limit highlight the disturbing tendency of many of us to conform to the wishes of those in power. For all of us, knowing that blindly deferring to those in power might cause us to cross ethical lines is enough to keep us thinking.

Questions :

1. Do you think people tailor their behavior to suit those in power more than they admit ? Is that something you do ?
2. What factors influence how we respond to those with power ?

3.12 Case Study :

Sharad's Peer Becomes His Boss

As Sharad looked out the window of his office in Takshashila, the gloomy October skies obscured his usual view of CN Tower. "That figures," Sharad thought to himself–his mood was just as gloomy.

Five months earlier, Sharad's company, CTM, a relatively small but growing technology firm, reorganized itself. Although such reorganizations often imperil careers, Sharad felt the change only improved his position. His coworker, Rahael, was promoted out of the department, which made sense because Rahael had been with the company for a few more years and had worked with the CEO on a successful project. Because Rahael was promoted and their past work roles were similar, Sharad thought his own promotion was soon to come.

However, 6 weeks ago, Sharad's boss left. Rahael was transferred back to the department and became Sharad's boss. Although Sharad felt a bit overlooked, he knew he was still relatively junior in the company and felt his good past relationship with Rahael would bode well for his future prospects. The new arrangement, however, brought nothing but disappointment. Although Rahael often told Sharad he was doing a great job, Sharad felt that opinion was not being shared with the higher–ups. Worse, a couple of Sharad's friends in the company showed Sharad e–mails in which Rahael had failed to make Sharad look good.

"Raphael is not the person I thought he was," thought Sharad.

What was his future in the company if no one understood his contributions ? He thought about looking for another job, but that prospect only darkened his mood further. He liked the company. He felt he did good work there. As Sharad looked out his window again, a light rain began to fall. The CN Tower was no more visible than before. He just didn't know what to do.

Questions :

1. Should Sharad complain about his treatment ? To whom ? If he does complain, what power tactics should Sharad use ?
2. Studies have shown those prone to complaining or "whining" tend to have less power in an organization. Do you think whining leads to diminished power and influence, or the other way around ? How can Sharad avoid appearing to be a "whiner" ?
3. Do you think Sharad should look for another job ? Why or why not ?

3.13 Further Readings :

D. A. Buchanan, "You Stab My Back, I'll Stab Yours : Management Experience and Perceptions of Organization Political Behavior," British Journal of Management 19, no. 1 (2008) : 49–64

B. Oc, M. R. Bashshur, and C. Moore, "Speaking Truth to Power : The Effect of Candid Feedback on How Individuals with Power Allocate Resources," Journal of Applied Psychology 100, no. 2 (2015) : 450–63

E. Landells and S. L. Albrecht, "Organizational Political Climate : Shared Perceptions about the Building and Use of Power Bases," Human Resource Management Review 23, no. 4 (2013) : 357–65

G. Yukl, "Use Power Effectively," in E. A. Locke (ed.), Handbook of Principles of Organizational Behavior (Malden, MA : Blackwell, 2004) : 242–47

Unit 4

GROUP BEHAVIOR – CONFLICT

: UNIT STRUCTURE :

4.0 Learning Objectives :

After learning power and politics, here further, the learner will be able to

- Debate the positive and negative consequences of conflict in the workplace
- Distinguish constructive conflict from relationship conflict and
- Describe three strategies for minimizing relationship conflict during constructive conflict episodes.

4.1 Introduction :

Forms of conflict and negotiation are often complex–and controversial–interpersonal processes. While we generally see conflict as a negative topic and negotiation as a positive one, what we deem positive or negative often depends on our perspective. Conflict can turn personal. It can create chaotic conditions that make it nearly impossible for employees to work as a team. However, conflict also has a less well–known positive side.

4.2 A Definition of Conflict :

Conflict is a perception. If no one is aware of a conflict, then it is generally agreed no conflict exists. Also needed to begin the conflict process are opposition or incompatibility, and interaction.

Conflict can be broadly defined as a process that begins when one party perceives another party has affected or is about to negatively affect something the first party cares about. Conflict describes the point in ongoing activity when interaction becomes disagreement. People experience a wide range of conflicts in organizations over an incompatibility of goals, differences in interpretations of facts, disagreements over behavioral expectations, and the like. This definition covers the full range of conflict levels, from overt and violent acts to subtle forms of disagreement. There is no consensus over the role of conflict in groups and organizations. In the past, researchers tended to argue about whether conflict was uniformly good or bad. Such simplistic views eventually gave way to approaches recognizing that not all conflicts are the same and that different types of conflict have different effects. Contemporary perspectives differentiate types of conflict based on their effects.

Functional conflict supports the goals of the group, improves its performance, and is thus a constructive form of conflict. For example, a debate among members of a work team about the most efficient way to improve production can be functional if unique points of view are discussed and compared openly.

Conflict that hinders group performance is destructive or dysfunctional conflict. A highly personal struggle for control in a team that distracts from the task at hand is dysfunctional. To understand different types of conflict, we will discuss next the types of conflict.

4.3 Types of Conflict :

One means of understanding conflict is to identify the type of disagreement, or what the conflict is about. Is it a disagreement about goals ? Is it about people who just rub one another the wrong way ? Or is it about the best way to get things done ? Although each conflict is unique, researchers have classified conflicts into three categories : task, relationship, or process.

Task conflict relates to the content and goals of the work. Relationship conflict focuses on interpersonal relationships. Process conflict is about how the work gets done.

Studies demonstrate that relationship conflicts, at least in work settings, are almost always dysfunctional. This is because, it appears that the friction and interpersonal hostilities inherent in relationship conflicts increase personality clashes and decrease mutual understanding, which hinders the completion of organizational tasks. Of the three types, relationship conflicts also appear to be the most psychologically exhausting to individuals. Because they tend to revolve around personalities, one can see how relationship conflicts can become destructive. After all, we can't expect to change our coworkers' personalities, and we would generally take offense at criticisms directed at who we are as opposed to how we behave.

While scholars agree that relationship conflict is dysfunctional, there is considerably less agreement about whether task and process conflicts are functional. Early research suggested that task conflict within groups correlated to higher group performance, but past studies found that generalized task conflict was essentially unrelated to group performance.

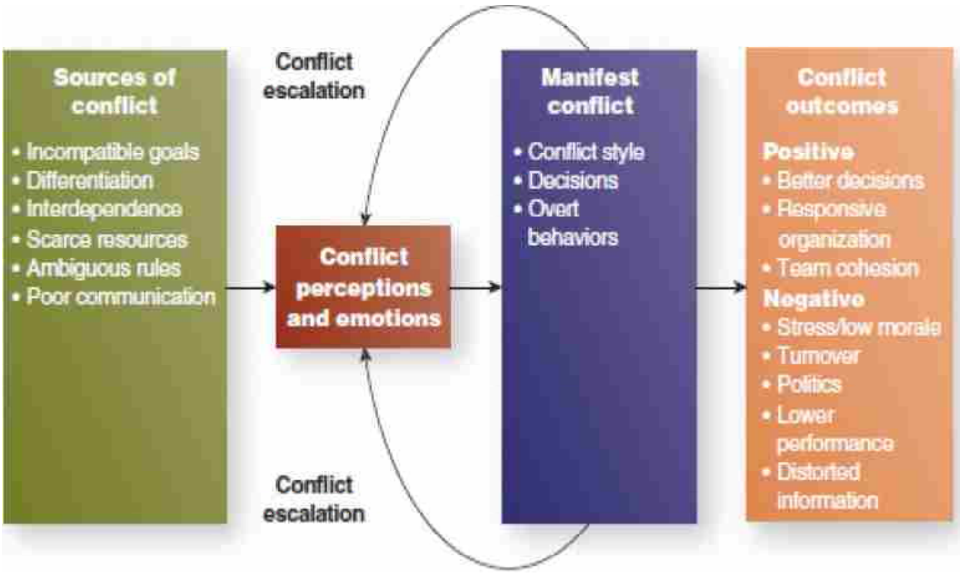
However, there were factors of the conflict that could create a relationship between conflict and performance. One such factor was whether the conflict included top management or occurred lower in the organization. Task conflict among top management teams was positively associated with performance, whereas conflict lower in the organization was negatively associated with group performance, perhaps because people in top positions may not feel as threatened in their organizational roles by conflict. It was also found that it mattered whether other types of conflict were occurring at the same time. If task and relationship conflict occurred together, task conflict was more likely negative, whereas if task conflict occurred by itself, it more likely was positive. Also, some scholars have argued that the strength of conflict is important–if task conflict is very low, people aren't really engaged or addressing the important issues. If task conflict is too high, however, infighting will quickly degenerate into relationship conflict. Moderate levels of task conflict may thus be optimal.

What about process conflict ? Researchers found that process conflicts are about delegation and roles. Conflicts over delegation often revolve around the perception of some members as shirking, and conflicts over roles can leave some group members feeling marginalized. Thus, process conflicts often become highly personalized and quickly devolve into relationship conflicts. It's also true, of course, that arguing about how to do something takes time away from actually doing it.

4.4 The Conflict Process :

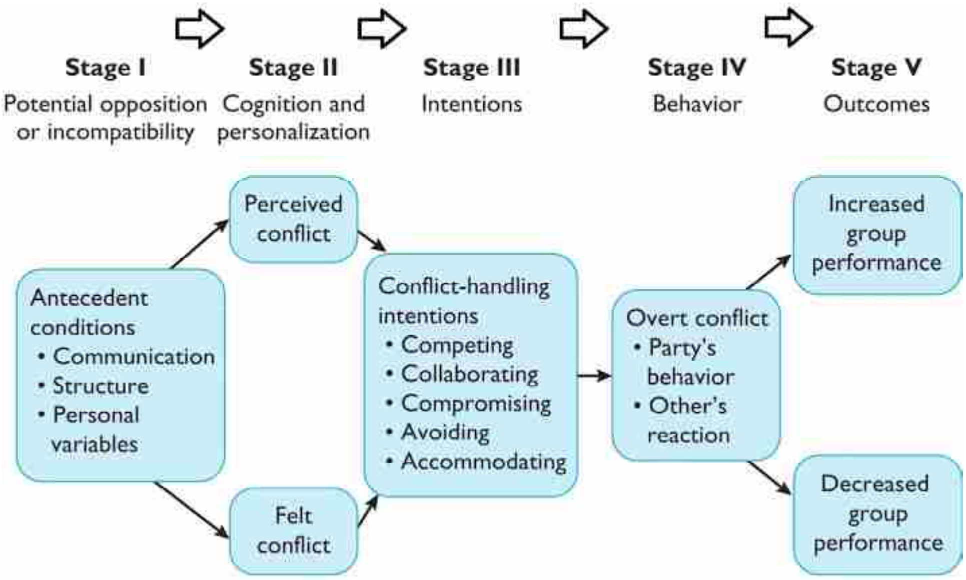
The conflict process is a process that has five stages : potential opposition or incompatibility, cognition and personalization, intentions, behavior, and outcomes. This conflict process model begins with the sources of conflict, which we will describe in more detail in the next section. At some point, the sources of conflict lead one or both parties to perceive that conflict exists. One (or each) party becomes aware that the other party's statements and actions are incompatible with his or her own goals. Such perceptions usually interact with emotions experienced about the conflict. Conflict perceptions and emotions manifest themselves in the decisions and behaviors of one party toward the other. These conflict episodes may range from subtle nonverbal behaviors to warlike aggression. Particularly when people experience high levels of conflict emotions, they have difficulty finding the words and expressions that communicate effectively without further irritating the relationship. Conflict is also manifested by the style each side uses to resolve the conflict. Some people tend to avoid the conflict, whereas others try to defeat those with opposing views.

Figure below shows arrows looping back from manifest conflict to conflict perceptions and emotions. These arrows illustrate that the conflict process is really a series of episodes that potentially cycle into conflict escalation. It doesn't take much to start this conflict cycle–just an inappropriate comment, a misunderstanding, or an action that lacks diplomacy. These behaviors cause the other party to perceive that conflict exists. Even if the first party did not intend to demonstrate conflict, the second party's response may create the perception that conflict exists.



Organizational conflict arises when the goals, interests or values of different individuals or groups are incompatible and those individuals or groups block or thwart one another's attempts to achieve their objective. Conflict Process shows how conflict works within the organization. Conflict Process consists of five stages that show how conflict begins, grows, and unfolds among individuals or groups with different goals, interests or values of the organization.

These stages are described below;



Stage 1 : Potential Opposition or Incompatibility

The first step in the conflict process is the presence of conditions that create opportunities for conflict to develop. These cause or create opportunities for organizational conflict to rise. They need not lead directly to conflict, but one of these conditions is necessary if the conflict is to surface.

For simplicity's sake, these conditions have been condensed into three general categories.

1. Communication,
2. Structure, and
3. Personal Variables.

Stage 2 : Cognition and Personalization

Conflict must be perceived by the parties to it whether or not the conflict exists is a perception issue, the second step of the Conflict Process.

If no one is aware of a conflict, then it is generally agreed that no conflict exists. Because conflict is perceived does not mean that is personalized.

For example;

A may be aware that B and A are in serious disagreements but it may not make A tense or nations and it may have no effect whatsoever on A's affection towards B.

It is the felt level when individuals become emotionally involved that parties experience anxiety, tension or hostility.

Stage–2 is the place in the process where the parties decide what the conflict is about and emotions play a major role in shaping perception.

Stage 3 : Intentions

Intentions are decisions to act in a given way, intentions intervene between people's perception and emotions and their overt behavior.

Using two dimensions cooperativeness (the degree to which one party attempts to satisfy the other party's concerns) and assertiveness (the degree to which one party attempts to satisfy his or her concerns) five conflict–handling intentions can be identified.

Stage 4 : Behavior

This is a stage where conflict becomes visible. The behavior stage includes the statements, actions, and reactions made by the conflicting parties.

These conflict behaviors are usually overt attempts to implement each party's intentions.

When most people think of conflict situations, they tend to focus on Stage 4.

Why ?

Because this is a stage where conflict becomes visible. The behavior stage includes the statements, actions, and reactions made by the conflicting parties;

These conflict behaviors are usually overt attempts to implement each party's intentions. But these behaviors have a stimulus quality that is separate from intentions.

As a result of miscalculations or unskilled enactments, overt behaviors sometimes deviate from original intentions.

It helps to think of stage 4 as a dynamic process of interaction.

Stage 5 : Outcomes

The action–reaction interplay between the conflicting parties results in consequences.

These outcomes may be functional in that the conflict results in an improvement in the group's performance, or dysfunctional in that it hinders group performance.

Conflict is constructive when it improves the quality of decisions that stimulates creativity and innovations encourage interest and curiosity among group members to provide the medium through which problems can be aired and tensions released and foster an environment of self–evaluation and change.

Conflict is dysfunctional when uncontrolled opposition breeds discontent, which acts to dissolve common ties and eventually leads to the destruction of the group. Among the more undesirable consequences are a retarding of communication, reductions in group cohesiveness and subordination of group goals to the primacy of infighting between members.

4.5 Conflict Management Techniques :

If conflict is too low to be functional and needs to be increased then it brings the organization to resort to techniques of conflict management. Conflict management is the use of resolution and stimulation techniques to achieve the desired level of conflict. The following figure lists the major resolution and stimulation techniques that allow managers to control conflict levels. Under ideal conditions, a person's intentions should translate into comparable behaviors.

Conflict-Resolution Techniques	
Problem solving	Meeting face to face for the purpose of identifying the problem and resolving it through open discussion.
Superordinate goals	Creating a shared goal that cannot be attained without the cooperation of each of the conflicting parties.
Expansion of resources	Expanding the supply of a scarce resource (for example, money, promotion, opportunities, office space).
Avoidance	Withdrawing from or suppressing the conflict.
Smoothing	Playing down differences while emphasizing common interests between the conflicting partie
Compromise	Having each party to the conflict give up something of value.
Authoritative command	Letting management use its formal authority to resolve the conflict and then communicating its desires to the parties involved.
Altering the human variable	Using behavioral change techniques such as human relations training to alter attitudes and behaviors that cause conflict.
Altering the structural variables	Changing the formal organization structure and the interaction patterns of conflicting parties through job redesign, transfers, creation of coordinating positions, and the like.

Conflict-Stimulation Techniques

Communication	Using ambiguous or threatening messages to increase conflict levels.
Bringing in outsiders	Adding employees to a group whose backgrounds, values, attitudes, or managerial styles differ from those of present members.
Restructuring the organization	Realigning work groups, altering rules and regulations, increasing interdependence, and making similar structural changes to disrupt the status quo.
Appointing a devil's advocate	Designating a critic to purposely argue against the majority positions held by the group.

ource: Based on S. P Robbins, *Managing Organizational Conflict: A Nontraditional Approach* (Upper Saddle River, NJ: Prentice Hall, 1974), 59–89.

4.6 Outcomes of Conflict Management :

The action–reaction interplay between conflicting parties creates consequences. these outcomes may be functional if the conflict improves the group's performance, or dysfunctional if it hinders performance.

Functional Outcomes : How might conflict act as a force to increase group performance ? It is hard to visualize a situation in which open or violent aggression could be functional. But it's possible to see how low or moderate levels of conflict could improve group effectiveness. Note that all our examples focus on task and process conflicts and exclude the relationship variety. Conflict is constructive when it improves the quality of decisions, stimulates creativity and innovation, encourages interest and curiosity among group members, provides the medium for problems to be aired and tensions released, and fosters self–evaluation and change. Mild conflicts also may generate energizing emotions so members of groups become more active, energized, and engaged in their work.

Dysfunctional Outcomes : The destructive consequences of conflict on the performance of a group or an organization are generally well known : Uncontrolled opposition breeds discontent, which acts to dissolve common ties and eventually leads to the destruction of the group. And, of course, a substantial body of literature documents how dysfunctional conflicts can reduce group effectiveness. Among the undesirable consequences are poor communication, reductions in group cohesiveness, and subordination of group goals to the primacy of infighting among members. All forms of conflict–even the functional varieties–appear to reduce group member satisfaction and trust. When active discussions turn into open conflicts between members, information sharing between members decreases significantly. At the extreme, conflict can bring group functioning to a halt and threaten the group's survival.

Check Your Progress :

1. Conflict involves disagreement between two or more parties because of :

   (a) mutual interest (b) incompatible goals

   (c) resource dependency (d) goal congruence

2. Conflict can be functional, or a positive force, in all of the following situations except :

   (a) when group and organizational cohesion is broken down

   (b) when it stimulates creativity out of a friendly rivalry

(c) when it causes individuals or groups to better understand themselves and their contribution to the organization

(d) when it motivates people to change

3. Which of the following is NOT a structural factor in causing conflict ?

(a) interdependence (b) status inconsistencies

(c) values and ethics (d) specialization

4. Two departments in a university are engaged in a conflict because one had its budget cut. This is an example of conflict based on :

(a) jurisdictional ambiguity (b) interdependence

(c) authority relationships (d) common resources

5. At a software company there is one person for databases, one for statistical packages, and another for expert systems. The structural cause for conflict between these individuals is :

(a) sharing common resources (b) status inconsistencies

(c) interdependence (d) specialization

4.7 Let Us Sum Up :

Conflict is the process in which one party perceives that his or her interests are being opposed or negatively affected by another party. For many years, conflict was viewed as undesirable and counterproductive. There is evidence that conflict can produce undesirable outcomes such as lower job satisfaction, team cohesion, and knowledge sharing as well as higher organizational politics and turnover.

However, experts later formed the opinion that organizations suffer from too little as well as too much conflict. Research reports that moderate conflict can improve decision making, organizational responsiveness to the environment, and team cohesion (when conflict is with sources outside the team). This current perspective involves distinguishing constructive conflict from relationship conflict. The former focuses on issues and a logical evaluation of ideas, whereas the latter pays attention to interpersonal incompatibilities and flaws. Although the ideal would be to encourage constructive conflict and minimize relationship conflict, relationship conflict tends to emerge in most constructive conflict episodes. However, relationship conflict is less likely to dominate when the parties are emotionally intelligent, have a cohesive team, and have supportive team norms.

Organizational behavior experts have identified several conflict–handling styles : problem solving, forcing, avoiding, yielding, and compromising. People who use problem solving have a win–win orientation. Other styles, particularly forcing, assume a win–lose orientation. In general, people gravitate toward one or two preferred conflict–handling styles that match their personality, personal and cultural values, and past experience. However, the best style depends on various characteristics of the situation.

Structural approaches to conflict management include emphasizing superordinate goals, reducing differentiation, improving communication and understanding, reducing interdependence, increasing resources, and clarifying rules and procedures.

4.8 Answers for Check Your Progress :

1. b	**2.** a	**3.** c	**4.** d	**5.** d

4.9 Glossary :

conflict A process in which one party perceives that his or her interests are being opposed or negatively affected by another party.

constructive conflict A type of conflict in which people focus their discussion on the issue while maintaining respect for people having other points of view.

dysfunctional conflict Conflict that hinders group performance.

functional conflict Conflict that supports the goals of the group and improves its performance.

task conflict Conflict over content and goals of the work.

relationship conflict Conflict based on interpersonal relationships.

process conflict Conflict over how work gets done.

intragroup conflict Conflict that occurs within a group or team.

intergroup conflict Conflict between different groups or teams.

4.10 Assignment :

Conflict among managers emerged soon after a French company acquired a Swedish firm. The Swedes perceived the French management as hierarchical and arrogant, whereas the French thought the Swedes were naive and cautious and lacked an achievement orientation. Describe ways to reduce dysfunctional conflict in this situation.

4.11 Activities :

THE DUTCH TEST FOR CONFLICT HANDLING

PURPOSE This self–assessment is designed to help you identify your preferred conflict–management style.

INSTRUCTIONS Read each of the statements below and circle the response that you believe best reflects your position regarding each statement. Then use the scoring key at the end of the activity to calculate your results for each conflict–management style. This exercise should be completed alone so that you can assess yourself honestly without concerns of social comparison.

Dutch Test for Conflict Handling

When I have a conflict at work, I do the following:	Not at all ▼				Very much ▼
1. I give in to the wishes of the other party.	1	2	3	4	5
2. I try to realize a middle-of-the-road solution.	1	2	3	4	5
3. I push my own point of view.	1	2	3	4	5
4. I examine issues until I find a solution that really satisfies me and the other party.	1	2	3	4	5
5. I avoid confrontation about our differences.	1	2	3	4	5
6. I concur with the other party.	1	2	3	4	5
7. I emphasize that we have to find a compromise solution.	1	2	3	4	5
8. I search for gains.	1	2	3	4	5
9. I stand for my own and other's goals and interests.	1	2	3	4	5
10. I avoid differences of opinion as much as possible.	1	2	3	4	5
11. I try to accommodate the other party.	1	2	3	4	5
12. I insist that we both give in a little.	1	2	3	4	5
13. I fight for a good outcome for myself.	1	2	3	4	5
14. I examine ideas from both sides to find a mutually optimal solution.	1	2	3	4	5
15. I try to make differences seem less severe.	1	2	3	4	5
16. I adapt to the parties' goals and interests.	1	2	3	4	5
17. I strive whenever possible toward a 50-50 compromise.	1	2	3	4	5
18. I do everything to win.	1	2	3	4	5
19. I work out a solution that serves my own and the other's interests as well as possible.	1	2	3	4	5
20. I try to avoid a confrontation with the other.	1	2	3	4	5

Source: C. K. W. de Dreu, A. Evers, B. Beersma, E. S. Kluwer, and A. Nauta, "A Theory-Based Measure of Conflict Management Strategies in the Workplace," *Journal of Organizational Behavior* 22 (2001), pp. 645–668.

Scoring Key for the Dutch Test for Conflict Handling

Scoring Instructions : To calculate your scores on the Dutch test for conflict handling, write the number circled for each statement on the appropriate line below (statement numbers are in parentheses), and add up each scale.

Yielding	___ +	___ +	___ +	___ =	___
	(1)	(6)	(11)	(16)	
Compromising	___ +	___ +	___ +	___ =	___
	(2)	(7)	(12)	(17)	
Forcing	___ +	___ +	___ +	___ =	___
	(3)	(8)	(13)	(18)	
Problem solving	___ +	___ +	___ +	___ =	___
	(4)	(9)	(14)	(19)	
Avoiding	___ +	___ +	___ +	___ =	___
	(5)	(10)	(15)	(20)	

Interpreting Your Score : The five conflict–handling dimensions are defined below, along with the range of scores for high, medium, and low levels of each dimension.

Conflict-handling dimension and definition	Score interpretation
Yielding: Yielding involves giving in completely to the other side's wishes or at least cooperating with little or no attention to your own interests. This style involves making unilateral concessions or unconditional promises and offering help with no expectation of reciprocal help.	High: 14 to 20 Medium: 9 to 13 Low: 4 to 8
Compromising: Compromising involves looking for a position in which your losses are offset by equally valued gains. It involves matching the other party's concessions, making conditional promises or threats, and actively searching for a middle ground between the interests of the two parties.	High: 17 to 20 Medium: 11 to 16 Low: 4 to 10

Conflict-handling dimension and definition	Score interpretation
Forcing: Forcing involves trying to win the conflict at the other's expense. It includes "hard" influence tactics, particularly assertiveness, to get one's own way.	High: 15 to 20 Medium: 9 to 14 Low: 4 to 8
Problem solving: Problem solving tries to find a mutually beneficial solution for all parties. Information sharing is an important feature of this style because all parties need to identify common ground and potential solutions that satisfy all of them.	High: 17 to 20 Medium: 11 to 16 Low: 4 to 10
Avoiding: Avoiding tries to smooth over or avoid conflict situations altogether. It represents a low concern for both self and the other party. In other words, avoiders try to suppress thinking about the conflict.	High: 13 to 20 Medium: 8 to 12 Low: 4 to 7

4.12 Case Study :

The chief operating officer (COO) of Sapa Engineering Inc. has noticed that production employees in the company's Mumbai manufacturing operations are unhappy with some of the production engineering decisions made by engineers in the company's headquarters in Chennai. At the same time, the engineers complain that production employees aren't applying their engineering specifications correctly and don't understand why those specifications were put in place. The COO believes that the best way to resolve this conflict is to have a frank and open discussion between some of the engineers and employees representing the Mumbai production crew. This open–dialogue approach worked well recently among managers in the company's Chennai headquarters, so it should work equally well between the engineers and production staff.

Question :

1. On the basis of your knowledge of communication and mutual understanding as a way to resolve conflict, discuss the COO's proposal.

4.13 Further Readings :

D. Tjosvold, A. S. H. Wong, and N. Y. F. Chen, "Constructively Managing Conflicts in Organizations," Annual Review of Organizational Psychology and Organizational Behavior 1 (March 2014) : 545–68

N. Halevy, E. Y. Chou, and A. D. Galinsky, "Exhausting or Exhilarating ? Conflict as Threat to Interests, Relationships and Identities," Journal of Experimental Social Psychology 48 (2012) : 530–37

J. Farh, C. Lee, and C. I. C. Farh, "Task Conflict and Team Creativity : A Question of How Much and When," Journal of Applied Psychology 95, no. 6 (2010) : 1173–80

V. Venkataramani and R. S. Dalal, "Who Helps and Harms Whom ? Relational Aspects of Interpersonal Helping and Harming in Organizations," Journal of Applied Psychology 92, no. 4 (2007) : 952–66

BLOCK SUMMARY

Study of collective organizational behavior includes group, teams and organization structure and system through proper hierarchy of leaders and employees that needs a flow of communication and conflict handling as and when arised. One can draw several implications from discussion of groups. First, norms control behavior by establishing standards of right and wrong. Second, status inequities create frustration and can adversely influence productivity and willingness to remain with an organization. Third, the impact of size on a group's performance depends on the type of task. Fourth, cohesiveness may influence a group's level of productivity, depending on the group's performance–related norms. Fifth, role conflict is associated with job–induced tension and job dissatisfaction. Groups can be carefully managed toward positive organizational outcomes and optimal decision–making.

Teams are groups of two or more people who interact and influence each other, are mutually accountable for achieving common goals associated with organizational objectives, and perceive themselves as a social entity within an organization. All teams are groups, because they consist of people with a unifying relationship; not all groups are teams, because some groups do not exist to serve organizational objectives.

Link between communication and employee satisfaction reflects that, the lesser the uncertainty, the greater the satisfaction. Distortions, ambiguities, and incongruities between verbal and nonverbal messages all increase uncertainty and reduce satisfaction. Careful attention to the methods and modes for each communication better ensures that the message is properly interpreted by the receiver.

Leadership is defined as the ability to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations of which they are members. Leaders use influence to motivate followers and arrange the work environment so that they do the job more effectively. Leaders exist throughout the organization, not just in the executive suite.

The competency perspective tries to identify the characteristics of effective leaders. Recent writing suggests that leaders have specific personality characteristics, positive self–concept, drive, integrity, leadership motivation, knowledge of the business, cognitive and practical intelligence, and emotional intelligence. The behavioral perspective of leadership identifies two clusters of leader behavior, people–oriented and task–oriented.

The contingency perspective of leadership takes the view that effective leaders diagnose the situation and adapt their style to fit that situation. The path–goal model is the prominent contingency theory that identifies four leadership styles–directive, supportive, participative, and achievement–oriented–and several contingencies relating to the characteristics of the employee and of the situation. Two other contingency leadership theories include the situational leadership theory and Fiedler's contingency theory.

Transformational leaders create a strategic vision, communicate that vision through framing and use of metaphors, model the vision by 'walking the talk' and acting consistently, and build commitment toward the vision. This contrasts with transactional leadership, which involves linking job performance to valued rewards and ensuring that employees have the resources needed to get the job done. The contingency and behavioral perspectives adopt the transactional view of leadership.

Few employees relish being powerless in their jobs and organizations. People respond differently to the various power bases. Expert and referent power are derived from an individual's personal qualities. In contrast, coercion, reward, and legitimate power are essentially organizationally granted.

An effective manager accepts the political nature of organizations. Some people are more politically astute than others, meaning they are aware of the underlying politics and can manage impressions. Those who are good at playing politics can be expected to get higher performance evaluations and, hence, larger salary increases and more promotions than the politically naïve or inept.

Conflict is the process in which one party perceives that his or her interests are being opposed or negatively affected by another party. For many years, conflict was viewed as undesirable and counterproductive. There is evidence that conflict can produce undesirable outcomes such as lower job satisfaction, team cohesion, and knowledge sharing as well as higher organizational politics and turnover.

However, experts later formed the opinion that organizations suffer from too little as well as too much conflict. Research reports that moderate conflict can improve decision making, organizational responsiveness to the environment, and team cohesion (when conflict is with sources outside the team). This current perspective involves distinguishing constructive conflict from relationship conflict. The former focuses on issues and a logical evaluation of ideas, whereas the latter pays attention to interpersonal incompatibilities and flaws. Although the ideal would be to encourage constructive conflict and minimize relationship conflict, relationship conflict tends to emerge in most constructive conflict episodes. However, relationship conflict is less likely to dominate when the parties are emotionally intelligent, have a cohesive team, and have supportive team norms.

Organizational behavior experts have identified several conflict–handling styles : problem solving, forcing, avoiding, yielding, and compromising. People who use problem solving have a win–win orientation.

Other styles, particularly forcing, assume a win–lose orientation. In general, people gravitate toward one or two preferred conflict–handling styles that match their personality, personal and cultural values, and past experience. However, the best style depends on various characteristics of the situation. Structural approaches to conflict management include emphasizing superordinate goals, reducing differentiation, improving communication and understanding, reducing interdependence, increasing resources, and clarifying rules and procedures.

BLOCK ASSIGNMENT

Short Answer Questions :

1. Distinguish transformational leadership from transactional and charismatic leadership.
2. What are the functions and process of communication ?
3. Contrast leadership and power.
4. Explain the three bases of formal power and the two bases of personal power.
5. Identify the causes, and consequences of political behavior.

Long Questions

1. Debate the positive and negative consequences of conflict in the workplace.
2. Describe three strategies for minimizing relationship conflict during constructive conflict episodes.
3. What are the communication differences between downward, upward, and lateral communication sent through small–group networks and the grapevine ?
4. How do the contemporary theories of leadership relate to earlier foundational theories ?

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Individual and Organisational Behaviour

BLOCK-4 COLLECTIVE ORGANIZATIONAL BEHAVIOUR

UNIT 1
THE ORGANIZATION – DESIGN AND STRUCTURE

UNIT 2
THE ORGANIZATION – STRUCTURE AND EMPLOYEE BEHAVIOUR

UNIT 3
THE ORGANIZATION – CULTURE, CULTURE CREATES CLIMATE

UNIT 4
THE ORGANIZATION – CHANGE AND CHANGE PRACTICES

BLOCK 4 : Collective Organizational Behaviour

Block Introduction

At the end of the block, the learner will get a decent idea about organizational structure and design, organizational culture and organizational change. Structural decisions are arguably the most fundamental ones a leader has to make toward sustaining organizational growth. In the first unit, we'll explore how structure affects employee behavior and the organization as a whole. Following it, the next unit will help the learner to analyse the behavioural implications of different organizational designs. The third unit, will enable the learner to describe common characteristics of organizational culture, show how culture is transmitted to employees and identify the factors that create and sustain an organization's culture. Finally, the learner will be able to understand the forces for change and contrast them with planned change, compare the four main approaches to managing organizational change and learn three ways of creating a culture for change.

Block Objectives

At the end of the block, one will be able to

- Define organizational design and structure, organizational culture and organizational change.
- Explore how structure affects employee behavior and the organization as a whole.
- To analyse the behavioural implications of different organizational designs.
- To describe common characteristics of organizational culture
- Show how culture is transmitted to employees and
- Identify the factors that create and sustain an organization's culture.
- Finally, the learner will be able to understand the forces for change and contrast them with planned change, compare the four main approaches to managing organizational change and learn three ways of creating a culture for change.

Block Structure

Unit 1

THE ORGANIZATION – DESIGN AND STRUCTURE, STRUCTURE AND EMPLOYEE BEHAVIOR

: UNIT STRUCTURE :

1.0 Learning Objectives :

At the end of the unit, one can clearly understand that

- Decisions are arguably the most fundamental ones a leader has to make toward sustaining organizational growth and
- Explore how structure affects employee behavior and the organization as a whole.

1.1 Introduction :

Even for a start–up with only a few employees, choosing an organizational structure requires far more than simply deciding who's the boss and how many employees are needed. The organization's structure will determine what relationships form, the formality of those relationships, and many work outcomes.

The structure may also change as organizations grow and shrink, as management trends dictate, and as research uncovers better ways of maximizing productivity. Structural decisions are arguably the most fundamental ones a leader has to make toward sustaining organizational growth.

1.2 Meaning of Organizational Structure :

An organizational structure defines how job tasks are formally divided, grouped, and coordinated. Managers should address seven key elements when they design their organization's structure : work specialization, departmentalization, chain of command, span of control, centralization and decentralization, formalization, and boundary spanning.

Key design questions and answers for designing the proper organizational structure is as follows :

The Key Question	The Answer Is Provided by
1. To what degree are activities subdivided into separate jobs?	Work specialization
2. On what basis will jobs be grouped together?	Departmentalization
3. To whom do individuals and groups report?	Chain of command
4. How many individuals can a manager efficiently and effectively direct?	Span of control
5. Where does decision-making authority lie?	Centralization and decentralization
6. To what degree will there be rules and regulations to direct employees and managers?	Formalization
7. Do individuals from different areas need to regularly interact?	Boundary spanning

1.2.1 Work specialization, or division of labor, describes the degree to which activities in the organization are divided into separate jobs. The essence of work specialization is to divide a job into a number of steps, each completed by a separate individual. Individuals specialize in doing part of an activity rather than the entirety. Specialization is a means of making the most efficient use of employees' skills and even successfully improving them through repetition. Less time is spent changing tasks, putting away tools and equipment from a prior step, and getting ready for another.

1.2.2 Departmentalization is the basis by which jobs in an organization are grouped together. Once jobs have been divided through work specialization, they must be grouped so common tasks can be coordinated. The basis by which jobs are grouped is called departmentalization. One of the most popular ways to group activities is by the functions performed. A manufacturing manager might organize a plant into engineering, accounting, manufacturing, human resources (HR), and supply chain departments. A hospital might have departments for research, surgery, intensive care, accounting, and so forth. A professional football franchise might have departments for player personnel, ticket sales, and travel and accommodations. The major advantage of this type of functional departmentalization is efficiencies gained from putting like specialists together.

One can also departmentalize jobs by the type of product or service the organization produces. When a firm is departmentalized on the basis of geography, or territory, the sales function, for instance, may have western, southern, midwestern, and eastern regions each, in effect, a department organized around geography. This form is valuable when an organization's customers are scattered over a large geographic area and have similar needs within their locations.

1.2.3 The chain of command is an unbroken line of authority that extends from the top of the organization to the lowest echelon and clarifies who reports to whom. While the chain of command was once a basic cornerstone in the design of organizations, it has far less importance today. But managers should still consider its implications, particularly in industries that deal with potential life–or–death situations when people need to quickly rely on decision makers. We can't discuss the chain of command without also discussing authority and unity of command. Authority refers to the rights inherent in a managerial position to give orders and expect them to be obeyed. To facilitate coordination, each managerial position is given a place in the chain of command, and each manager is given a degree of authority in order to meet his or her responsibilities. The principle of unity of command helps preserve the concept of an unbroken line of authority. It says a person should have one and only one superior to whom he or she is directly responsible. If the unity of command is broken, an employee might have to cope with conflicting demands or priorities from several superiors, as is often the case in organization charts' dotted–line reporting relationships depicting an employee's accountability to multiple managers.

1.2.4 **The span of control** describes the number of levels and managers an organization has. All things being equal, the wider or larger the span, the fewer levels, the more employees at each level, and the more efficient the organization. The trend in recent years has been toward wider spans of control. They're consistent with firms' efforts to reduce costs, cut overhead, speed decision making, increase flexibility, get closer to customers, and empower employees. However, to ensure performance doesn't suffer because of these wider spans, organizations have been investing heavily in employee training. Managers recognize they can handle a wider span best when employees know their jobs inside and out or can turn to coworkers with questions.

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

Centralized organizations are better for avoiding commission errors (bad choices), while decentralized organizations are better for avoiding omission errors (lost opportunities).

1.2.6 **Formalization** refers to the degree to which jobs within the organization are standardized. If a job is highly formalized, the employee has a minimal amount of discretion over what to do and when and how to do it, resulting in consistent and uniform output. There are explicit job descriptions, lots of organizational rules, and clearly defined procedures covering work processes. Formalization not only eliminates the possibility of employees engaging in alternative behaviors; it removes the need for them to consider alternatives. Conversely, where formalization is low, job behaviors are relatively unprogrammed and employees have a great deal of freedom to exercise discretion in their work.

1.2.7 **Organizations** create well–defined task structures and chains of authority. These systems facilitate control and coordination for specific tasks, but if there is too much division within an organization, attempts to coordinate across groups can be disastrous. One way to overcome compartmentalization and retain the positive elements of structure is to encourage or create boundary–spanning roles. Within a single organization, boundary spanning occurs when individuals form relationships with people outside their formally assigned groups.

An HR executive who frequently engages with the IT group is engaged in boundary spanning, as is a member of an R&D team who implements ideas from a production team. These activities help prevent formal structures from becoming too rigid and, not surprisingly, enhance organization and team creativity. Boundary–spanning activities occur not only within but also between organizations. Gathering information from external knowledge sources is especially advantageous in highly innovative industries where keeping up with the competition is challenging. Positive results are especially strong in organizations that encourage extensive internal communication; in other words, external boundary spanning is most effective when it is followed up with internal boundary spanning. Organizations can use formal mechanisms to facilitate boundary–spanning activities through their structures. One method is to assign formal liaison roles or develop committees of individuals from different areas of the organization. Development activities can also facilitate boundary spanning. Employees with experience in multiple functions, such as accounting and marketing, are more likely to engage in boundary spanning. Many organizations try to set the stage for these sorts of positive relationships by creating job rotation programs so new hires get a better sense of different areas of the organization. A final method to encourage boundary spanning is to bring attention to overall organizational goals and shared identity concepts.

1.3 Organizational Frameworks and Networks :

Organizational designs are known by many names and are constantly evolving in response to changes in the way work is done. Three of the more common organizational frameworks are the simple structure, the bureaucracy, and the matrix structure.

1.3.1 The Simple Structure :

The simple structure has a low degree of departmentalization, wide spans of control, authority centralized in a single person, and little formalization. It is a flat organization; it usually has only two or three vertical levels, a loose body of employees, and one individual with decision–making authority. Most companies start as a simple structure, and many innovative technology–based firms with short lifespans, like cell phone app development firms, remain compact by design.

The strength of the simple structure lies in its simplicity. It's fast, flexible, and inexpensive to operate, and accountability is clear. One major weakness is that it becomes increasingly inadequate as an organization grows because its low formalization and high centralization tend to create information overload at the top. Decision making typically becomes slower as the single executive tries to continue doing it all.

1.3.2 The Bureaucracy :

The bureaucracy is characterized by highly routine operating tasks achieved through specialization, strictly formalized rules and regulations, tasks grouped into units, centralized authority, narrow spans of control, and decision making that follows the chain of command. Bureaucracy incorporates all the strongest degrees of departmentalization described earlier.

It primarily has the ability to perform standardized activities in a highly efficient manner. Putting like specialties together in units results in economies of scale, minimum duplication of people and equipment, and a common language, employees all share. Bureaucracies can get by with less talented–and hence less costly–middle– and lower–level managers because rules and regulations substitute for managerial discretion. There is little need for innovative and experienced decision makers below the level of senior executives. But bureaucratic specialization can create conflicts in which the unit perspectives override the overall goals of the organization. The other major weakness of a bureaucracy is something we've all witnessed : obsessive concern with following the rules. When cases don't precisely fit the rules, there is no room for modification. The bureaucracy is efficient only as long as employees confront familiar problems with programmed decision rules. There are two aspects of bureaucracies we should explore : functional and divisional structures.

1.3.3 The Matrix Structure :

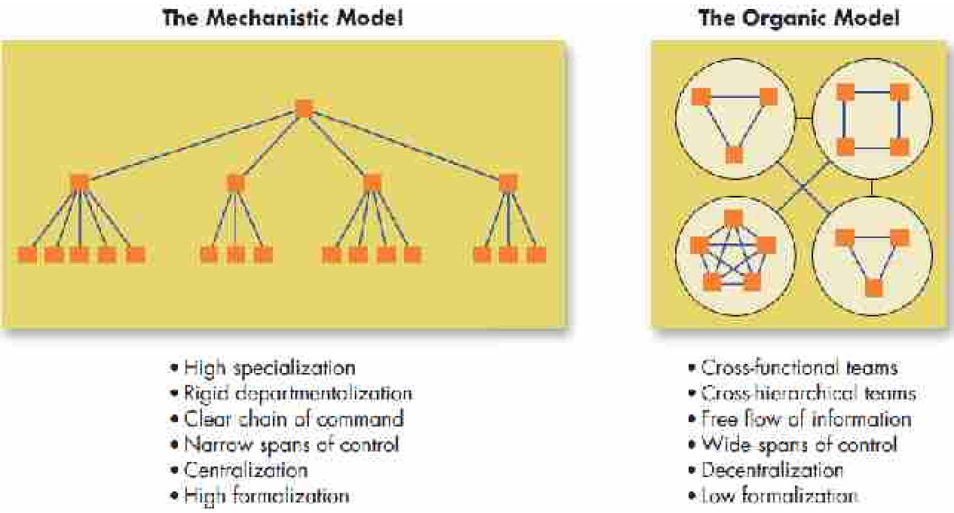
The matrix structure combines the functional and product structures, and we find it in advertising agencies, aerospace firms, R&D laboratories, construction companies, hospitals, government agencies, universities, management consulting firms, and entertainment companies. Companies that use matrix–like structures include ABB, Boeing, BMW, IBM, and P&G. The most obvious structural characteristic of the matrix is that it breaks the unity–of–command concept. Employees in the matrix have two bosses : their functional department managers and their product managers. The strength of the matrix is its ability to facilitate coordination when the organization has a number of complex and interdependent activities. Direct and frequent contacts between different specialties in the matrix can let information permeate the organization and more quickly reach the people who need it. The matrix reduces "bureaupathologies"–its dual lines of authority limit people's tendency to protect their territories at the expense of the organization's goals. A matrix also achieves economies of scale and facilitates the allocation of specialists by both providing the best resources and ensuring they are efficiently used.

The major disadvantages of the matrix lie in the confusion it creates, its tendency to foster power struggles, and the stress it places on individuals. For individuals who desire security and absence from ambiguity, this work climate can be stressful. Reporting to more than one boss introduces role conflict, and unclear expectations introduce role ambiguity. Without the unity of command concept, ambiguity about who reports to whom is significantly increased and often leads to conflict and power struggles between functional and product managers.

1.4 Structural Models :

Organizations have design options. Two extreme models of organizational design are mechanistic model and organic model. Mechanistic model is generally synonymous with the bureaucracy in that it has highly standardized processes for work, high formalization, and more managerial hierarchy. While organic model is flat, has fewer formal procedures for making decisions, has multiple decision makers, and favors flexible practices.

The following figure gives an idea of contrasting mechanic versus organic models.



Organizational design options are based on the following factors.

1.4.1 Organizational Strategies :

Because structure is a means to achieve objectives, and objectives derive from the organization's overall strategy, it's only logical that structure should follow strategy. If management significantly changes the organization's strategy or its values, the structure must change to accommodate.

1.4.2 Innovation Strategy :

An innovation strategy strives to achieve meaningful and unique innovations. Obviously, not all firms pursue innovation. Innovative firms use competitive pay and benefits to attract top candidates and motivate employees to take risks. Some degree of the mechanistic structure can actually benefit innovation. Well–developed communication channels, policies for enhancing long–term commitment, and clear channels of authority all may make it easier for rapid changes to occur smoothly.

1.4.3 Cost–Minimization Strategy :

An organization pursuing a cost–minimization strategy tightly controls costs, refrains from incurring unnecessary expenses, and cuts prices in selling a basic product. This describes the strategy pursued by Walmart and the makers of generic or store–label grocery products. Cost–minimizing organizations usually pursue fewer policies meant to develop commitment among their workforce.

1.4.4 Imitation Strategy :

Organizations following an imitation strategy try to both minimize risk and maximize opportunity for profit, moving new products or entering new markets only after innovators have proven their viability.

The following figure explains the strategy–structure relationship for imitation.

Strategy	Structural Option
Innovation	**Organic:** A loose structure; low specialization, low formalization, decentralized
Cost minimization	**Mechanistic:** Tight control; extensive work specialization, high formalization, high centralization
Imitation	**Mechanistic and organic:** Mix of loose with tight properties; tight controls over current activities and looser controls for new undertakings

1.5 Organization Size :

An organization's size significantly affects its structure. Organizations that employ 2,000 or more people tend to have more specialization, more departmentalization, more vertical levels, and more rules and regulations than do small organizations. However, size becomes less important as an organization expands. This is because at around 2,000 employees, an organization is already fairly mechanistic; 500 more employees won't have much impact. But adding 500 employees to an organization of only 300 is likely to significantly shift it toward a more mechanistic structure.

1.6 Technology :

Technology describes the way an organization transfers inputs into outputs. Every organization has at least one technology for converting financial, human, and physical resources into products or services. For example, the Chinese consumer electronics company Haier uses an assembly–line process for mass–produced products, which is complemented by more flexible and innovative structures to respond to customers and design new products.44 Also, colleges may use a number of instructional technologies– the ever– popular lecture, case analysis, experiential exercise, programmed learning, online instruction, and distance learning. Regardless, organizational structures adapt to their technology.

1.7 Environment :

An organization's environment includes outside institutions or forces that can affect its structure, such as suppliers, customers, competitors, and public pressure groups. Dynamic environments create significantly more uncertainty for managers than do static ones. To minimize uncertainty in key market arenas, managers may broaden their structure to sense and respond to threats. Any organization's environment has three dimensions : capacity, volatility, and complexity.

1.8 Institutions :

Another factor that shapes organizational structure is institutions. These are cultural factors that act as guidelines for appropriate behavior. Institutional theory describes some of the forces that lead many organizations to have similar structures and, unlike the theories we've described so far, focuses on pressures that aren't necessarily adaptive. In fact, many institutional theorists try to highlight the ways corporate behaviors sometimes seem to be performance oriented but are actually guided by unquestioned social norms and conformity. The most obvious institutional factors come from regulatory pressures; certain industries under government contracts, for instance, must have clear reporting relationships and strict information controls. Sometimes simple inertia determines an organizational form– companies can be structured in a particular way just because that's the way things have always been done. Organizations in countries with high power distance might have a structural form with strict authority relationships because it's seen as more legitimate in that culture.

Check Your Progress :

1. An organization chart shows :
   (a) formal lines of authority and supervisor–employee reporting relationships
   (b) how many people are employed by an organization
   (c) the tasks for each job
   (d) the number of positions in each department
2. The process of constructing and adjusting an organization's structure to achieve its goals is :
   (a) strategic management (b) strategy–structure fit
   (c) organizational design (d) organizational reconfiguration
3. Flat organization structures are characterized by :
   (a) narrow spans of control
   (b) close supervision
   (c) long communication channels
   (d) high ratios of employees to supervisors
4. Organization complexity would be considered greatest in which of the following organizations ?
   (a) a university
   (b) a high school basketball team
   (c) an office of a car rental agency at a busy airport
   (d) an auto repair shop of an auto dealership

5. Cisco Systems' organizational structure is so complex that it can take 15 minutes and a whiteboard to fully explain. John Chambers describes the benefits simply : speed, skill, and flexibility. The core "structural" unit at the heart of Chambers concept is the :

   (a) circle structure (b) management team

   (c) network structure (d) virtual team

1.9 Let Us Sum Up :

Organizational structure is the division of labor as well as the patterns of coordination, communication, workflow, and formal power that direct organizational activities. All organizational structures divide labor into distinct tasks and coordinate that labor to accomplish common goals. The primary means of coordination are informal communication, formal hierarchy, and standardization.

The four basic elements of organizational structure are span of control, centralization, formalization, and departmentalization.

The optimal span of control–the number of people directly reporting to the next level in the hierarchy–depends on the presence of coordinating mechanisms other than formal hierarchy, as well as on whether employees perform routine tasks and how much interdependence there is among employees within the department.

Centralization occurs when formal decision authority is held by a small group of people, typically senior executives. Many companies decentralize as they become larger and more complex, but some sections of the company may remain centralized while other sections decentralize.

Formalization is the degree to which organizations standardize behavior through rules, procedures, formal training, and related mechanisms. Companies become more formalized as they get older and larger. Formalization tends to reduce organizational flexibility, organizational learning, creativity, and job satisfaction. Span of control, centralization, and formalization cluster into mechanistic and organic structures. Mechanistic structures are characterized by a narrow span of control and a high degree of formalization and centralization. Companies with an organic structure have the opposite characteristics.

Departmentalization specifies how employees and their activities are grouped together. It establishes the chain of command, focuses people around common mental models, and encourages coordination through informal communication among people and subunits.

1.10 Answers for Check Your Progress :

1. a **2.** c **3.** d **4.** a **5.** b

1.11 Glossary :

organizational structure The way in which job tasks are formally divided, grouped, and coordinated.

work specialization The degree to which tasks in an organization are subdivided into separate jobs.

departmentalization The basis by which jobs in an organization are grouped together.

chain of command The unbroken line of authority that extends from the top of the organization to the lowest echelon and clarifies who reports to whom.

authority The rights inherent in a managerial position to give orders and to expect the orders to be obeyed.

unity of command The idea that a subordinate should have only one superior to whom he or she is directly responsible.

span of control The number of subordinates a manager can efficiently and effectively direct.

centralization The degree to which decision making is concentrated at a single point in an organization.

formalization The degree to which jobs within an organization are standardized.

simple structure An organizational structure characterized by a low degree of departmentalization, wide spans of control, authority centralized in a single person, and little formalization.

bureaucracy An organizational structure with highly routine operating tasks achieved through specialization, very formalized rules and regulations, tasks that are grouped into functional departments, centralized authority, narrow spans of control, and decision making that follows the chain of command.

functional structure An organizational structure that groups employees by their similar specialties, roles, or tasks.

divisional structure An organizational structure that groups employees into units by product, service, customer, or geographical market area.

matrix structure An organizational structure that creates dual lines of authority and combines functional and product departmentalization.

innovation strategy A strategy that emphasizes the introduction of major new products and services.

cost–minimization strategy A strategy that emphasizes tight cost controls, avoidance of unnecessary innovation or marketing expenses, and price cutting.

imitation strategy A strategy that seeks to move into new products or new markets only after their viability has already been proven.

1.12 Assignment :

What are seven key elements to define an organization's structure ?

What are the characteristics of the functional, divisional, and matrix structures ?

How might downsizing affect organizational structures and employees ?

1.13 Activities :

THE CLUB ACTIVITY

PURPOSE This activity is designed to help you understand the issues to consider when designing organizations at various stages of growth.

INSTRUCTIONS Each student discusses the scenario presented. The first scenario is presented below.

After reading the Scenario presented below, each student will design an organizational chart (departmentalization) that is most appropriate for the situation. Students should be able to describe the type of structure drawn and explain why it is appropriate.

Scenario : Determined never to shovel snow again, you are establishing a new resort business on a small Caribbean island. The resort is under construction and is scheduled to open one year from now. You decide it is time to draw up an organizational chart for this new venture, called Club Ed.

Based on information on the given scenario the student should describe the type of structure drawn and explain why it is appropriate.

1.14 Case Study :

Hinduja Group of Companies – Reading the Culture

Group of Hinduja businesses have very complex vertically structured organizations. Each of the key departments of the organization has its own vertical structure and operates rather like individual businesses. There is very little inter–relationship between departments. Each department has very clearly defined roles. When the business interacts with customers, it is the sales and marketing departments that handle negotiations. Even when the customer needs technical information and support, sales and marketing are often involved as an intermediary between the company engineers and the customer. It is common for sales specialists to take on the role of negotiators on behalf of the manufacturing department or research and development. Inter–departmental communications are not common. One of the problems is that salespeople rarely have technical expertise. The majority of salespeople would not have studied science and technology and are more likely to be qualified in the arts. They are chosen for the sales role due to their social skills. The perception is that engineers and technical specialists are not as sociable and are therefore not good sellers.

In their offices, larger Hinduja companies tend to have open plan spaces. This allows the departmental head to learn what other people do and to ensure that they share information. In smaller Hinduja businesses it is common for the business owner to also be based in an open plan environment.

The key to success is "reading the air" or reading the firm. Keeping alert to what is being said and what is being done means that Hinduja managers have instant access to up–to–date information. It means that they know what individual employees know. Individuals in a department are comfortable with this situation; informal information sharing is seen as an effective and vital process.

Questions :

1. Complex vertical organizational structures are very hierarchical in nature. They are very rigid, with each department having clearly defined roles. Is such an organization capable of being agile and responsive or is it a disadvantage ?
2. What are the problems in having such strictly defined roles ?
3. Is reading the culture just eavesdropping and spying on others ? Would most employees be comfortable with this situation ?

1.15 Further Readings :

L. Garicano and Y. Wu, "Knowledge, Communication, and Organizational Capabilities," Organization Science, September–October 2012, 1382–97.

R. L. Daft, Organization Theory and Design, 10th ed. (Cincinnati, OH : South–Western Publishing, 2010).

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Unit 2

THE ORGANIZATION – ORGANIZATIONAL DESIGN AND EMPLOYEE BEHAVIOR

: UNIT STRUCTURE :

2.0 Learning Objectives :

The current unit will help the learner to

- Analyse the behavioural implications of different organizational designs.

2.1 Introduction :

An organization's structure can have significant effects on its members. Most organizational behavior theories and concepts have contingencies :

Ideas that work well in one situation might not work as well in another situation. This contingency approach is certainly relevant when choosing the most appropriate organizational structure. But four contingencies of organizational design are external environment, size, technology, and strategy. The question is whether specific contingencies can be associated with specific elements of structure (centralization, formalization, etc.) or whether we need to examine configurations of contingencies with broad typologies of organizational structure (such as organic versus mechanistic).

2.2 Behavioral Implications of Organizational Designs :

Not everyone prefers the freedom and flexibility of organic structures. Different factors stand out in different structures as well. In highly formalized, heavily structured, mechanistic organizations, the level of fairness in formal policies and procedures (organizational justice) is a very important predictor of satisfaction.

Organic or Mechanistic Organizations :

In more personal, individually adaptive organic organizations, employees value interpersonal justice more. Some people are most productive and satisfied when work tasks are standardized and ambiguity is minimized–that is, in mechanistic structures. So, any discussion of the effect of organizational design on employee behavior has to address individual differences. For example employee preferences for work specialization, span of control, and centralization also differ.

2.2.1 Work Specialization :

The evidence generally indicates that work specialization contributes to higher employee productivity–but at the price of job satisfaction. However, work specialization is not an unending source of higher productivity. Problems start to surface, and productivity begins to suffer, when the human diseconomies of doing repetitive and narrow tasks overtake the economies of specialization.

As the workforce has become more highly educated and desirous of jobs that are intrinsically rewarding, we seem to reach the point at which productivity begins to decline as a function of specialization more quickly than in the past. While decreased productivity often prompts companies to add oversight and inspection roles, the better answer may be to reorganize work functions and accountability.

There is still a segment of the workforce that prefers the routine and repetitiveness of highly specialized jobs. Some individuals want work that makes minimal intellectual demands and provides the security of routine; for them, high work specialization is a source of job satisfaction. The question is whether they represent 2 percent of the workforce or 52 percent. Given that some self–selection operates in the choice of careers, we might conclude that negative behavioral outcomes from high specialization are most likely to surface in professional jobs occupied by individuals with high needs for personal growth and diversity.

2.2.2 Span of Control :

It is probably safe to say no evidence supports a relationship between span of control and employee satisfaction or performance. Although it is intuitively attractive that large spans might lead to higher employee performance because they provide more distant supervision and more opportunity for personal initiative, research fails to support this notion. Some people like to be left alone; others prefer the security of a boss who is quickly available at all times. Consistent with several of the contingency theories of leadership one can expect factors such as employees' experiences and abilities, and the degree of structure in their tasks, to explain when wide or narrow spans of control are likely to contribute to performance and job satisfaction.

However, some evidence indicates that a manager's job satisfaction increases as the number of employees supervised increases.

Linking centralization and job satisfaction has also been witnessed in organizations. In general, less centralized organizations have a greater amount of autonomy. And autonomy appears positively related to job satisfaction. But, again, while one employee may value freedom, another may find autonomous environments frustratingly ambiguous.

2.2.3 Personal Characteristics :

We can draw one obvious insight : people don't select employers randomly. They are attracted to, are selected by, and stay with organizations that suit their personal characteristics. Job candidates who prefer predictability are likely to seek out and take employment in mechanistic structures, and those who want autonomy are more likely to end up in organic structures. Thus, the effect of structure on employee behavior is undoubtedly reduced when the selection process facilitates proper matching of individual characteristics with organizational characteristics. Furthermore, companies should strive to establish, promote, and maintain the unique identity of their structures since skilled employees may quit as a result of dramatic changes.

2.2.4 National Culture :

Research suggests national culture influences the preference for structure. Organizations that operate with people from high power–distance cultures, such as Greece, France, and most of Latin America, often find their employees are much more accepting of mechanistic structures than are employees from low power–distance countries. So consider cultural differences along with individual differences when predicting how structure will affect employee performance and satisfaction.

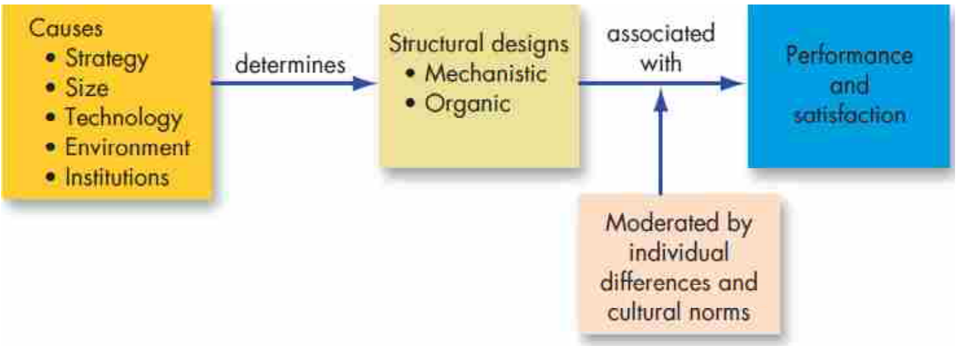
2.2.5 Landscape :

Finally, the changing landscape of organizational structure designs has implications for the individual progressing on a career path. Research with managers in Japan, the United Kingdom, and the United States indicated that employees who weathered downsizing and resulting hybrid organizational structures considered their future career prospects diminished.

While this may or may not have been correct, their thinking shows that organizational structure does affect the employee and thus must be carefully designed.

The following diagram summarises the choice aspect.

Figure : Organizational Structure : Its determinants and Outcomes



2.3 Contingencies of Organizational Design :

Most organizational behavior theories and concepts have contingencies : Ideas that work well in one situation might not work as well in another situation. This contingency approach is certainly relevant when choosing the most appropriate organizational structure. In this section, we introduce four contingencies of organizational design : external environment, size, technology, and strategy.

However, the question is whether specific contingencies can be associated with specific elements of structure (centralization, formalization, etc.) or whether we need to examine configurations of contingencies with broad typologies of organizational structure (such as organic versus mechanistic). Some writers further suggest that more than two different structural typologies might work equally well in a particular situational configuration. With these caveats in mind, let's examine the four main contingencies of organizational structure.

2.3.1 External Environment :

The best structure for an organization depends on its external environment. The external environment includes anything outside the organization, including most stakeholders (e.g., clients, suppliers, government), resources (e.g., raw materials, human resources, information, finances), and competitors. Four characteristics of external environments influence the type of organizational structure best suited to a particular situation : dynamism, complexity, diversity, and hostility.

2.3.1.1 Dynamic Versus Stable Environments :

Dynamic environments have a high rate of change, leading to novel situations and a lack of identifiable patterns. Organic structures are better suited to this type of environment so that the organization can adapt more quickly to changes, but only if employees are experienced and coordinate well in teamwork. In contrast, stable environments are characterized by regular cycles of activity and steady changes in supply and demand for inputs and outputs. Events are more predictable, enabling the firm to apply rules and procedures. Mechanistic structures are more efficient when the environment is predictable, so they tend to work better than organic structures.

2.3.1.2 Complex Versus Simple Environments :

Complex environments have many elements, whereas simple environments have few things to monitor. As an example, a major university library operates in a more complex environment than a small–town public library. The university library's clients require several types of services–book borrowing, online full–text databases, research centers, course reserve collections, and so on. A small–town public library has fewer of these demands placed on it. The more complex the environment, the more decentralized the organization should become. Decentralization is a logical response to complexity because decisions are pushed down to people and subunits with the necessary information to make informed choices.

2.3.1.3 Diverse Versus Integrated Environments :

Organizations located in diverse environments have a greater variety of products or services, clients, and regions. In contrast, an integrated environment has only one client, product, and geographic area. The more diversified the environment, the more the firm needs to use a divisional structure aligned with that diversity. If it sells a single product around the world, a geographic divisional structure would align best with the firm's geographic diversity, for example.

2.3.1.4 Hostile Versus Munificent Environments :

Firms located in a hostile environment face resource scarcity and more competition in the marketplace. Hostile environments are typically dynamic ones because they reduce the predictability of access to resources and demand for outputs. Organic structures tend to be best in hostile environments. However, when the environment is extremely hostile–such as a severe shortage of supplies or lower market share–organizations tend to temporarily centralize so that decisions can be made more quickly and executives feel more comfortable being in control. Ironically, centralization may result in lower–quality decisions during organizational crises, because top management has less information, particularly when the environment is complex.

2.3.2 Organizational Size :

Larger organizations should have different structures from smaller organizations. As the number of employees increases, job specialization increases due to a greater division of labor. The greater division of labor requires more elaborate coordinating mechanisms. Thus, larger firms make greater use of standardization (particularly work processes and outcomes) to coordinate work activities. These coordinating mechanisms create an administrative hierarchy and greater formalization. Historically, larger organizations make less use of informal communication as a coordinating mechanism. However, emerging information technologies and increased emphasis on empowerment have caused informal communication to regain its importance in large firms.

Larger organizations also tend to be more decentralized. Executives have neither sufficient time nor expertise to process all the decisions that significantly influence the business as it grows. Therefore, decision–making authority is pushed down to lower levels, where incumbents are able to cope with the narrower range of issues under their control.

2.3.3 Technology :

Technology is another factor to consider when designing the best organizational structure for the situation. Technology refers to the mechanisms or processes by which an organization turns out its product or service. One technological contingency is variability –the number of exceptions to standard procedure that tend to occur. In work processes with low variability, jobs are routine and follow standard operating procedures. Another contingency is analyzability –the predictability or difficulty of the required work. The less analyzable the work, the more it requires experts with sufficient discretion to address the work challenges. An organic, rather than a mechanistic, structure should be introduced where employees perform tasks with high variety and low analyzability, such as in a research setting. The reason is that employees face unique situations with little opportunity for repetition. In contrast, a mechanistic structure is preferred where the technology has low variability and high analyzability, such as an assembly line. The work is routine and highly predictable, an ideal situation for a mechanistic structure to operate efficiently.

2.3.4 Organizational Strategy :

Organizational strategy refers to the way the organization positions itself in its setting in relation to its stakeholders, given the organization's resources, capabilities, and mission. In other words, strategy represents the decisions and actions applied to achieve the organization's goals. Although size, technology, and environment influence the optimal organizational structure, these contingencies do not necessarily determine structure. Instead, corporate leaders formulate and implement strategies that shape both the characteristics of these contingencies as well as the organization's resulting structure.

2.4 Implications for Managers :

The following are the implications for managers :

(1) Specialization can make operations more efficient, but remember that excessive specialization can create dissatisfaction and reduced motivation.

(2) Avoid designing rigid hierarchies that overly limit employees' empowerment and autonomy.

(3) Balance the advantages of remote work against the potential pitfalls before adding flexible workplace options into the organization's structure.

(4) Downsize your organization to realize major cost savings, and focus the company around core competencies–but only if necessary, because downsizing can have a significant negative impact on employee affect.

(5) Consider the scarcity, dynamism, and complexity of the environment, and balance organic and mechanistic elements when designing an organizational structure.

Thus, an organization's internal structure contributes to explaining and predicting behavior. That is, in addition to individual and group factors, the structural relationships in which people work have a bearing on employee attitudes and behaviour.

Check Your Progress :

1. Organizational design is a process of specifying structural features of an organization. This process begins with :

   (a) the organization's goals

   (b) task specifications of each job

   (c) arranging jobs into departments

   (d) diagramming formal channels of communication

2. The process of constructing and adjusting an organization's structure to achieve its goals is :

   (a) strategic management (b) strategy–structure fit

   (c) organizational design (d) organizational reconfiguration

3. Span of control defines :

   (a) the number of organization levels

   (b) vertical differentiation

   (c) who reports to whom in the chain of command

   (d) the number of employees a manager supervises

4. Of the following, which is NOT a major contextual variable of organizational design ?

   (a) external environment (b) leadership style

   (c) strategy and goals (d) Technology

5. The most appropriate measure of organization size when considering alternative structural designs is :

   (a) number of units produced (b) total assets

   (c) sales volume (d) number of employees

2.5 Let Us Sum Up :

An organization's internal structure contributes to explaining and predicting behavior. That is, in addition to individual and group factors, the structural relationships in which people work have a bearing on employee attitudes and behavior. To the degree that an organization's structure reduces ambiguity for employees and clarifies concerns such as "What am I supposed to do ?", "How am I supposed to do it ?", "To whom do I report ?", and "To whom do I go if I have a problem ?" it shapes their attitudes and facilitates and motivates them to higher levels of performance.

Strategy, size, technology, environment and institutions determine structural designs like mechanistic or organic. The design decision while being associated with and moderated by individual differences and cultural norms leads to performance and satisfaction. The four contingencies of organizational design are external environment, size, technology, and strategy.

The best organizational structure depends on the firm's external environment, size, technology, and strategy. The optimal structure depends on whether the environment is dynamic or stable, complex or simple, diverse or integrated, and hostile or munificent. As organizations increase in size, they become more decentralized and more formalized. The work unit's technology–including variety of work and analyzability of problems– influences whether to adopt an organic or mechanistic structure.

These contingencies influence but do not necessarily determine structure. Instead, corporate leaders formulate and implement strategies that shape both the characteristics of these contingencies as well as the organization's resulting structure.

2.6 Answers for Check Your Progress :

1. a **2.** c **3.** d **4.** b **5.** d

2.7 Glossary :

Organic organizations A structure that is flat, uses cross–hierarchical and cross–functional teams, has low formalization, possesses a comprehensive information network, and relies on participative decision making.

Work specialization The degree to which tasks in an organization are subdivided into separate jobs.

Span of control The number of subordinates a manager can efficiently and effectively direct.

Centralization The degree to which decision making is concentrated at a single point in an organization.

Organizational strategy The way the organization positions itself in its setting in relation to its stakeholders, given the organization's resources, capabilities, and mission.

2.8 Assignment :

What are the behavioral implications of different organizational designs ?

2.9 Activities :

The Lemon–Soda Shop :

The managers of a new chain of lemon–soda shops will need to determine what types of soda consumers want and find recipes and ingredients.

Ingredient sources, prices, and other logistical requirements (like refrigeration) will need to be determined, purchasing decisions will be ongoing, and supplier relationships will need to be managed. Financing must also be arranged at this early phase. With this groundwork, the company will move to the next stage of marketing, including pricing and the development of advertising materials.

Finally, selecting and training workers will occur.

Create the following :

A Simple Structure

Determine what a simple structure would look like for this organization. Recall that a simple structure is one in which there is little hierarchy, wide spans of control, and centralized decision making. To whom would the various tasks described above be assigned ? What sort of delegation might take place ? Who would coordinate the multiple operations ? About how many people would be acting in an administrative role, and what sort of spans of control would they have ? What challenges will the organization face as it grows ?

A Bureaucracy

Determine what a bureaucratic structure would look like for this organization. Bureaucracies are marked by more hierarchy, small spans of control, and specialized decision making. Again, you will want to establish task assignments, delegation, coordination, and the number of individuals required. Also consider possibilities for future growth with a bureaucratic system.

A Virtual Structure

Determine what a virtual structure would look like for this organization if many of the aspects of the business are outsourced. Consider which tasks can be adequately performed by individuals who do not work within the restaurant chain, and which should be kept in house.

Justify which system of organization seems most beneficial for this business.

2.10 Case Study :

Boeing Dreamliner : Engineering Nightmare or Organizational Disaster ?

As a flight of imagination, Boeing's 787 Dreamliner was an excellent idea : made of composite materials, the plane would be lightweight enough to significantly reduce fuel costs while maintaining a passenger load up to 290 seats. Airline carriers chose options from a long list of unprecedented luxuries to entice the flying public and placed their orders well ahead of the expected completion dates. And then the problems started. An airplane like the 787 has a design about as complex as that of a nuclear power plant, and Boeing's equally complex offshore organizational structure didn't help the execution.

Boeing outsources 67 percent of its manufacturing and many of its engineering functions. While the official assembly site is in Everett, Washington, parts were manufactured at 100 supplier sites in countries across the globe, and some of those suppliers subcontracted piecework to other firms. Because the outsourcing plan allowed vendors to develop their own blueprints, language barriers became a problem back in Washington as workers struggled to understand multilingual assembly instructions. When components didn't fit together properly, the fixes needed along the supply chain and with engineering were almost impossible to implement. The first aircraft left the runway on a test flight in 2009, but Boeing had to buy one of the suppliers a year later (cost : $1 billion) to help make the planes. The first customer delivery was still years away. If Boeing and industry watchers thought its troubles were over when the first order was delivered to All Nippon Airways (ANA) in 2011, 3 years behind schedule and after at least seven manufacturing delays, they were wrong. Besides the continuing woes of remaining behind schedule, Boeing's Dreamliner suffered numerous mechanical problems. After the plane's technologically advanced lithiumion batteries started a fire on one aircraft and forced another into an emergency landing in January 2013, ANA and Japan Airlines grounded their fleets. The FAA followed suit, grounding all 787s in the United States. The remaining 50 flying Dreamliners worldwide were then confined to the tarmac until a solution could be found. This looked like an organizational structure problem, both at corporate headquarters and abroad. However, there have been so many management changes during the 787's history that it would be difficult for anyone to identify responsibility for errors in order to make changes in the team or the organizational structure. For the work done abroad, restructuring reporting relationships in favor of smaller spans of control to heighten management accountability and tie suppliers to the organizational structure of corporate Boeing could be considered. Or "reshoring" to bring manufacturing physically close to the final assembly site and under Boeing's control while centralizing the organizational structure could be an option.

Questions :

What type of executive management structure do you think would be most conducive to getting the Dreamliner past a component failure and back in flight ? Is this a different structure than you would suggest for fixing the ongoing manufacturing problems ? Sketch out the potential design.

2.11 Further Readings :

H. M. Latapie and V. N. Tran, "Subculture Formation, Evolution, and Conflict between Regional Teams in Virtual Organizations," The Business Review, Summer 2007, 189–93

N. Anand and R. L. Daft, "What Is the Right Organization Design ?" Organizational Dynamics 36, no. 4 (2007) : 329–44

J. R. Galbraith, Designing Matrix Organizations That Actually Work : How IBM, Procter & Gamble, and Others Design for Success (San Francisco : Jossey Bass, 2009); and E. Krell, "Managing the Matrix," HRMagazine, April 2011, 69–71

Unit 3

THE ORGANIZATION – CULTURE, CULTURE CREATES CLIMATE

: UNIT STRUCTURE :

3.0 Learning Objectives :

At the end of the unit, one will be able to

- Describe common characteristics of organizational culture
- Show how culture is transmitted to employees and
- Identify the factors that create and sustain an organization's culture.

3.1 Introduction :

Just as tribal cultures have totems and taboos that dictate how each member should act toward fellow members and outsiders, organizations have rules and norms that govern how members behave. We call these expectations the organizational culture. Every organization has a culture that, depending on its strength, can have a significant influence on the attitudes and behaviors of organization members, even if that effect is hard to measure precisely. Even strong improvements to decision making in organizations challenge the organizational culture.

Organizations, just like individuals, have their own personalities– more typically known as organizational cultures. Understanding how culture is created, communicated, and changed will help one to be a more effective manager. Culture lies in the P–O–L–C (Planning, Organizing, Leading and Controlling) framework of organizing. Organizational culture refers to a system of shared assumptions, values, and beliefs that show people what is appropriate and inappropriate behavior. These values have a strong influence on employee behavior as well as organizational performance. In fact, the term organizational culture was made popular in the 1980s when Peters and Waterman's best–selling book In Search of Excellence made the argument that company success could be attributed to an organizational culture that was decisive, customer–oriented, empowering, and people–oriented. Since then, organizational culture has become the subject of numerous research studies, books, and articles. Organizational culture is still a relatively new concept. In contrast to a topic such as leadership, which has a history spanning several centuries, organizational culture is a young but fast–growing area within management. Culture is largely invisible to individuals just as the sea is invisible to the fish swimming in it. Even though it affects all employee behaviors, thinking, and behavioral patterns, individuals tend to become more aware of their organization's culture when they have the opportunity to compare it to other organizations. It is related to the second of the three facets that compose the P–O–L–C function of organizing. The organizing function involves creating and implementing organizational design decisions. The culture of the organization is closely linked to organizational design. For instance, a culture that empowers employees to make decisions could prove extremely resistant to a centralized organizational design, hampering the manager's ability to enact such a design. However, a culture that supports the organizational structure (and vice versa) can be very powerful.

It is important to know what organizational culture is, how it affects employee attitudes and behavior, where it comes from, and whether it can be changed.

3.2 Meaning and Characteristics of Organizational Culture :

An organization's culture may be one of its strongest assets or its biggest liability. In fact, it has been argued that organizations that have a rare and hard–to–imitate culture enjoy a competitive advantage. Leaders of successful businesses, are quick to attribute their company's success to their organization's culture.

Culture, or shared values within the organization, may be related to increased performance. Researchers found a relationship between organizational cultures and company performance, with respect to success indicators such as revenues, sales volume, market share, and stock prices.

At the same time, it is important to have a culture that fits with the demands of the company's environment. To the extent that shared values are proper for the company in question, company performance may benefit from culture. For example, if a company is in the high–tech industry, having a culture that encourages innovativeness and adaptability will support its performance. However, if a company in the same industry has a culture characterized by stability, a high respect for tradition, and a strong preference for upholding rules and procedures, the company may suffer because of its culture. In other words, just as having the "right" culture may be a competitive advantage for an organization, having the "wrong" culture may lead to performance difficulties, may be responsible for organizational failure, and may act as a barrier preventing the company from changing and taking risks. In addition to having implications for organizational performance, organizational culture is an effective control mechanism dictating employee behavior. Culture is a more powerful way of controlling and managing employee behaviors than organizational rules and regulations. For example, when a company is trying to improve the quality of its customer service, rules may not be helpful, particularly when the problems customers present are unique. Instead, creating a culture of customer service may achieve better results by encouraging employees to think like customers, knowing that the company priorities in this case are clear : Keeping the customer happy is preferable to other concerns, such as saving the cost of a refund. Therefore, the ability to understand and influence organizational culture is an important item for managers to have in their tool kit when they are carrying out their controlling P–O–L–C function as well as their organizing function.

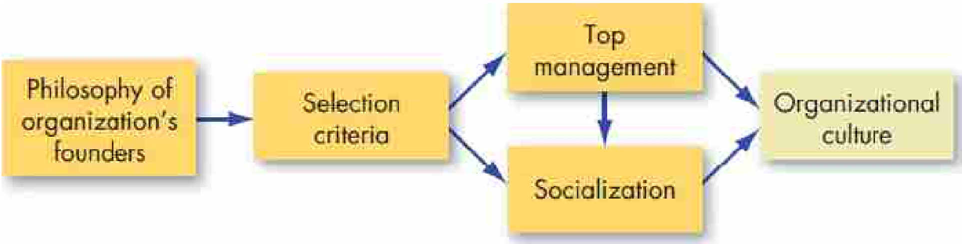
Organizational culture refers to a system of shared meaning held by members that distinguishes the organization from other organizations. Seven primary characteristics seem to capture the essence of an organization's culture :

1. **Innovation and risk taking.** The degree to which employees are encouraged to be innovative and take risks.
2. **Attention to detail.** The degree to which employees are expected to exhibit precision, analysis, and attention to detail.
3. **Outcome orientation.** The degree to which management focuses on results or outcomes rather than on the techniques and processes used to achieve them.
4. **People orientation.** The degree to which management decisions take into consideration the effect of outcomes on people within the organization.
5. **Team orientation.** The degree to which work activities are organized around teams rather than individuals.
6. **Aggressiveness.** The degree to which people are aggressive and competitive rather than easy–going.

7. **Stability.** The degree to which organizational activities emphasize maintaining the status quo in contrast to growth.

Each of these characteristics exists on a continuum from low to high. Appraising an organization on the strength of each provides a basis for the shared understanding members have about the organization, how things are done in it, and the way they are supposed to behave.

The following figure summarizes how an organization's culture is established and sustained.



The original culture derives from the founder's philosophy and strongly influences hiring criteria as the firm grows. The success of socialization depends on the deliberateness of matching new employees' values to those of the organization in the selection process and on top management's commitment to socialization programs. Top managers' actions set the general climate, including what is acceptable behavior and what is not, and employees sustain and perpetuate the culture.

3.3 Transmission of Culture to Employees :

Culture is transmitted to employees in a number of forms, the most potent being stories, rituals, material symbols, and language.

3.3.1 Stories :

When Henry Ford II was chairman of Ford Motor Company, you would have been hard pressed to find a manager who hadn't heard how he reminded his executives, when they got too arrogant, "It's my name that's on the building." The message was clear : Henry Ford II ran the company. Today, a number of senior Nike executives spend much of their time serving as corporate storytellers. When they tell how co–founder (and Oregon track coach) Bill Bowerman went to his workshop and poured rubber into a waffle iron to create a better running shoe, they're talking about Nike's spirit of innovation. When new hires hear tales of Oregon running star Steve Prefontaine's battles to make running a professional sport and attain better performance equipment, they learn of Nike's commitment to helping athletes. Stories such as these circulate through many organizations, anchoring the present in the past and legitimating current practices. They typically include narratives about the organization's founders, rule breaking, rags–to–riches successes, workforce reductions, relocations of employees, reactions to past mistakes, and organizational coping. Employees also create their own narratives about how they came to either fit or not fit with the organization during the process of socialization, including first days on the job, early interactions with others, and first impressions of organizational life.

3.3.2 Rituals :

Rituals are repetitive sequences of activities that express and reinforce the key values of the organization–what goals are most important, and/or which people are important versus which are expendable. Some companies have nontraditional rituals to help support the values of their cultures. Kimpton Hotels & Restaurants, one of Fortune's 100 Best Companies to Work For, maintains its customer–oriented culture with traditions like a Housekeeping Olympics that includes blindfolded bedmaking and vacuum races. At marketing firm United Entertainment Group, employees work unusual hours a few times a year, arriving in the late afternoon and working until early morning. CEO Jarrod Moses does this to support a culture of creativity. He says, "You mess with somebody's internal clock, and some interesting ideas come out."

3.3.3 Symbols :

The layout of corporate headquarters, the types of automobiles top executives are given, and the presence or absence of corporate aircraft are a few examples of material symbols. Others include the size of offices, the elegance of furnishings, perks, and attire. These convey to employees who is important, the degree of egalitarianism top management desires, and the kinds of behavior that are appropriate, such as risk–taking, conservative, authoritarian, participative, individualistic, or social.

3.3.4 Language :

Many organizations and subunits within them use language to help members identify with the culture, attest to their acceptance of it, and help preserve it. Unique terms describe equipment, officers, key individuals, suppliers, customers, or products that relate to the business. New employees may at first be overwhelmed by acronyms and jargon that, once assimilated, act as a common denominator to unite members of a given culture or subculture.

3.4 Identification of Factors that Create and Sustain An Organization's Culture :

An organization's culture doesn't pop out of thin air, and once established it rarely fades away.

3.4.1 Factors that Create Culture :

An organization's customs, traditions, and general way of doing things are largely due to what it has done before and how successful it was in doing it. This leads us to the ultimate source of an organization's culture : the founders. Founders have a vision of what the organization should be, and the firm's initial small size makes it easy to impose that vision on all members. Culture creation occurs in three ways. First, founders hire and keep only employees who think and feel the same way they do. Second, they indoctrinate and socialize employees to their way of thinking and feeling. And finally, the founders' own behavior encourages employees to identify with them and internalize their beliefs, values, and assumptions. When the organization succeeds, the founders' personalities become embedded in the culture.

3.4.2 Factors that Sustain Organizational Culture :

Once a culture is in place, practices within the organization maintain it by giving employees a set of similar experiences. The selection process, performance evaluation criteria, training and development activities, and promotion procedures ensure those hired fit in with the culture, reward those employees who support it, and penalize (or even expel) those who challenge it. Three forces play a particularly important part in sustaining a culture : selection practices, actions of top management, and socialization methods.

3.4.2.1 Selection :

The explicit goal of the selection process is to identify and hire individuals with the knowledge, skills, and abilities to perform successfully. The final decision, because it is significantly influenced by the decision maker's judgment of how well candidates will fit into the organization, identifies people whose values are consistent with at least a good portion of the organization's. The selection process also provides information to applicants. Those who perceive a conflict between their values and those of the organization can remove themselves from the applicant pool. Selection thus becomes a two–way street, allowing employer and applicant to avoid a mismatch and sustaining an organization's culture by removing those who might attack or undermine its core values, for better or worse.

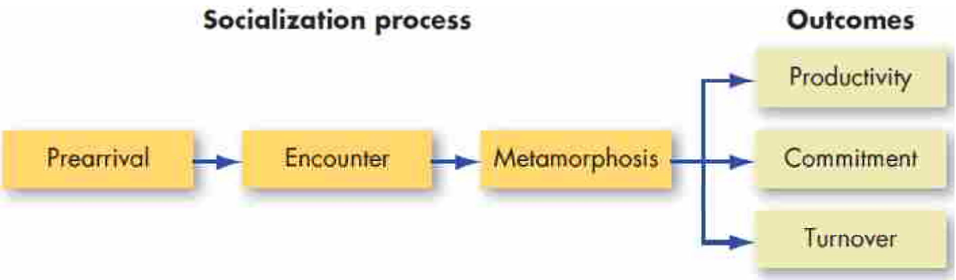
3.4.2.2 Top Management :

The actions of top management have a major impact on the organization's culture. Through words and behavior, senior executives establish norms that filter through the organization about, for instance, whether risk–taking is desirable, how much freedom managers give employees, what is appropriate dress, and what actions earn pay raises, promotions, and other rewards. Top management at the company believes in taking care of employees to enhance satisfaction and loyalty. Top management also plays a role to sustain the positive organizational culture begun by its founding members.

3.4.2.3 Socialization :

No matter how good a job the organization does in recruiting and selection, new employees need help adapting to the prevailing culture. That help is socialization. Socialization can help alleviate the problem many employees report that their new jobs are different than expected. Facebook, Google, and other companies are adopting fresh onboarding (new hire acclimation) procedures, including assigning "peer coaches," holding socializing events, personalizing orientation programs, and giving out immediate work assignments. socialization is a process with three stages

: prearrival, encounter, and metamorphosis. This process has an impact on the new employee's work productivity, commitment to the organization's objectives, and decision to stay with the organization.



The three–part entry socialization process is complete when new members have internalized and accepted the norms of the organization and their work groups, are confident in their competence, and feel trusted and valued by their peers. They understand the system–not only their own tasks but the rules, procedures, and informally accepted practices as well. Finally, they know what is expected of them and what criteria will be used to measure and evaluate their work. successful metamorphosis should have a positive impact on new employees' productivity and their commitment to the organization, and reduce their propensity to leave the organization (turnover).

Check Your Progress :

1. A pattern of basic assumptions that are considered valid and that are taught to new members as the way to perceive, think, and feel in the organization is known as :

   (a) Socialization (b) corporate culture

   (c) psychological contract (d) value system

2. Which of the following is NOT an important attribute of organizational culture ?

   (a) shared norms and values (b) Symbolism

   (c) employee socialization (d) pervasiveness and endurance

3. Which of the following statements is NOT true regarding values ?

   (a) Values are the last and deepest level of culture.

   (b) Values reflect a person's underlying beliefs.

   (c) Values are often consciously articulated in a company's mission statement.

   (d) There may be a difference between espoused and enacted values.

4. The strong culture perspective states that organizations with strong cultures :

   (a) are more adaptable

   (b) have less turnover

   (c) perform better than other organizations

   (d) tend to less conflicted

5. Corporate leaders can greatly influence and shape organizational culture through :
   (a) delegating crisis management
   (b) consistently demonstrating corporate values in measuring and rewarding employee performance
   (c) acting quickly when sales decline by displacing employees
   (d) paying attention to detail and letting others attend to the big picture

3.5 Let Us Sum Up :

Organizational culture consists of the values and assumptions shared within an organization. Shared assumptions are nonconscious, taken–for–granted perceptions or beliefs that have worked so well in the past that they are considered the correct way to think and act toward problems and opportunities. Values are stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations. Employees form an overall subjective perception of the organization based on factors such as the degree of risk tolerance, team emphasis, and support of individuals. This overall perception represents, in effect, the organization's culture or personality and affects employee performance and satisfaction, with stronger cultures having greater impact.

3.6 Answers for Check Your Progress :

1. b	**2.** d	**3.** a	**4.** c	**5.** b

3.7 Glossary :

organizational culture The values and assumptions shared within an organization.

strong culture A culture in which the core values are intensely held and widely shared.

socialization A process that adapts employees to the organization's culture.

rituals Repetitive sequences of activities that express and reinforce the key values of the organization, which goals are most important, which people are important, and which are expendable.

positive organizational culture A culture that emphasizes building on employee strengths, rewards more than punishes, and emphasizes individual vitality and growth.

3.8 Assignment :

The CEO of a manufacturing firm wants everyone to support the organization's dominant culture of lean efficiency and hard work. The CEO has introduced a new reward system to reinforce this culture and personally interviews all professional and managerial applicants to ensure that they bring similar values to the organization. Some employees who criticized these values had their careers side–lined until they left. Two midlevel managers were fired for supporting contrary values, such as work–life balance.

Based on your knowledge of organizational cultures, what potential problems is the CEO creating ?

3.9 Activities :

Suppose you are asked by senior officers of a city government to identify ways to reinforce a new culture of teamwork and collaboration. The senior executive group clearly supports these values, but it wants everyone in the organization to embrace them. Identify four types of activities that would strengthen these cultural values.

3.10 Case Study :

The Place Makes the People

At Gerson Lehrman Group, you won't find an employee working in a cubicle day after day. You also won't find an employee working in a free–form open office area consistently either. The reason is that Gerson Lehrman is invested in "activity–based working." In this system, employees have access to cubicle spaces for privacy, conference rooms for group meetings, café seating for working with a laptop, and full open–office environments. Where you work on a particular day is entirely up to you.

It may be hard to remember, but office allocations were a uniform signal of hierarchical status and part of organizational culture until fairly recently. As organizations have become flatter and the need for creativity and flexibility has increased, the "open office" plan has become a mainstay of the business world. The goal is to encourage free–flowing conversation and discussion, enhance creativity, and minimize hierarchy–in other words, to foster a creative and collaborative culture and remove office space from its status position.

Research on open offices, however, shows there is a downside. Open offices decrease the sense of privacy, reduce the feeling of owning your own space, and create a distracting level of background stimulation. As psychology writer Maria Konnikova noted, "When we're exposed to too many inputs at once–a computer screen, music, a colleague's conversation, the ping of an instant message–our senses become overloaded, and it requires more work to achieve a given result."

So is the activity–based hybrid described earlier a potential solution ? With its constantly shifting workspace and lack of consistent locations, this may be an even less controlled environment than an open office. However, it does signal a culture that values the autonomy of individual workers to choose their own best environment at a particular time. The lack of consistency creates other problems, though. Workers cannot achieve even the modest level of personal control over any specific space that they had with the open design. Design expert Louis Lhoest notes that managers in an activity–based office "have to learn to cope with not having people within their line of sight." This is a difficult transition for many managers to make, especially if they are used to a command–and–control culture. Whether a traditional, open, or activity–based design is best overall is obviously hard to say. Perhaps the better question is, which type will be appropriate for each organization ?

Questions :

1. The case describes activity–based working and the ways in which the office and work are organized. What are the inherent managerial concerns or problems with this approach and office design ?
2. Can the effects of a new office design be assessed objectively ? How could you go about measuring whether new office designs are improving the organizational culture ?
3. What types of jobs do you think might benefit most from the various forms of office design described above ?

3.11 Further Readings :

B. Schneider, M. G. Ehrhart,vand W. H. Macey, "Organizational Climate and Culture," Annual Review of Psychology, 2013, 361–88

C. Ostroff, A. J. Kinicki, and M. M. Tamkins, "Organizational Culture and Climate," in W. C. Borman, D. R. Ilgen, and R. J. Klimoski (eds.), Handbook of Psychology : Industrial and Organizational Psychology, 2003, 565–93.

P. Bansal, "From Issues to Actions : The Importance of Individual Concerns and Organizational Values in Responding to Natural Environmental Issues," Organization Science 14 (2003) : 510–27;

S. D. Pugh, J. Dietz, A. P. Brief, and J. W. Wiley, "Looking Inside and Out : The Impact of Employee and Community Demographic Composition on Organizational Diversity Climate," Journal of Applied Psychology 93, no. 6 (2008) : 1422–28; K. H. Ehrhart

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Unit 4

THE ORGANIZATION – CHANGE AND CHANGE PRACTICES

: UNIT STRUCTURE :

4.0 Learning Objectives :

Here the learner will be able to understand

- The forces for change
- Contrast them with planned change

- Compare the four main approaches to managing organizational change and
- Learn three ways of creating a culture for change

4.1 Introduction :

While changes can be good, many changes bring stress to everyone involved. There is a need to understand the environmental forces that require firms to change, the reasons people and organizations often resist change, and the way this resistance can be overcome. This encourages firm to follow the processes for managing organizational change.

4.2 Change :

No company today is in a particularly stable environment. Even those with a dominant market share must change, sometimes radically. In many markets, competitors are constantly entering and exiting the field, gaining and losing ground quickly.

4.2.1 Forces of Change :

Managers across the globe know the universal fact – "Change or die!". six specific forces stimulating change are changing nature of the workforce, Technology, Economic shocks, Competition, Social trends and world politics. The following figure summarises the changes.

Forces of change :

Force	Examples
Nature of the workforce	More cultural diversity
	Aging population
	Increased immigration and outsourcing
Technology	Faster, cheaper, and more mobile computers and handheld devices
	Emergence and growth of social networking sites
	Deciphering of the human genetic code
Economic shocks	Rise and fall of global housing market
	Financial sector collapse
	Global recession
Competition	Global competitors
	Mergers and consolidations
	Increased government regulation of commerce
Social trends	Increased environmental awareness
	Liberalization of attitudes toward gay, lesbian, and transgender employees
	More multitasking and connectivity
World politics	Rising health care costs
	Negative social attitudes toward business and executives
	Opening of new markets worldwide

Almost every organization must adjust to a multicultural environment, demographic changes, immigration, and outsourcing including the changing nature of the workforce. Technology is continually changing jobs and organizations. It is not difficult to imagine the idea of an office becoming an antiquated concept in the near future. Economic shocks also have a huge impact on organizations. During the great recession of 2007 to 2009, millions of jobs were lost worldwide, home values dropped dramatically, and many large, well–known corporations disappeared or were acquired. Competition is changing. Competitors are as likely to be across the ocean as across town. Successful organizations are fast on their feet, capable of developing new products rapidly and getting them to market quickly. In other words, they are flexible and require an equally flexible and responsive workforce.

Social trends don't remain static either. Consumers who are otherwise strangers now meet and share product information in chat rooms and blogs. Organizations must therefore continually adjust product and marketing strategies to be sensitive to changing social trends. Consumers, employees, and organizational leaders are increasingly sensitive to environmental concerns. "Green" practices are quickly becoming expected rather than optional. Not even globalization's strongest proponents could have imagined the change in world politics in recent years. Throughout the industrialized world, businesses–particularly in the banking and financial sectors–have come under new scrutiny.

4.2.2 Planned Changed :

Planned change is change activities that are intentional and goal oriented. A major automobile manufacturer spent several billion dollars to install state–of–the–art robotics. One area that received the new equipment was quality control, where sophisticated computers significantly improved the company's ability to find and correct defects. Because the new equipment dramatically changed the jobs in the quality–control area, and because management anticipated considerable employee resistance to it, executives developed a program to help people become familiar with the change and deal with any anxieties they might be feeling. This scenario describes planned change.

Organizations treat change as an intentional, goal–oriented activity. The goals of planned change are that first, it seeks to improve the ability of the organization to adapt to changes in its environment and second, it seeks to change employee behavior. Change agents in organizations are responsible for managing change activities. They are the persons who act as catalysts and assume the responsibility for managing change activities. They see a future for the organization others have not identified, and they are able to motivate, invent, and implement this vision.

Change agents can be managers or nonmanagers, current or new employees, or outside consultants. Some change agents look to transform old industries to meet new capabilities and demands.

4.3 Approaches to Managing Organizational Change :

The main approaches to managing change include (1) Lewin's classic three–step model of the change process, (2) Kotter's eight–step plan, (3) action research, and (4) organizational development.

4.3.1 Lewin's Classic Three–Step Model of the Change Process :

Kurt Lewin argued that successful change in organizations should follow three steps : unfreezing the status quo, movement to a desired end state, and refreezing the new change to make it permanent. By definition, status quo is an equilibrium state. To move from equilibrium–to overcome the pressures of both individual resistance and group conformity–unfreezing must happen in one of three ways. For one, the driving forces, which direct behavior away from the status quo, can be increased. For another, the restraining forces, which hinder movement away from equilibrium, can be decreased. A third alternative is to combine the first two approaches. Companies that have been successful in the past are likely to encounter restraining forces because people question the need for change.

Once the movement stage begins, it's important to keep the momentum going. Organizations that build up to change do less well than those that get to and through the movement stage quickly. When change has been implemented, the new situation must be refrozen so it can be sustained over time. Without this last step, change will likely be short–lived and employees will attempt to revert to the previous equilibrium state. The objective of refreezing, then, is to stabilize the new situation by balancing the driving and restraining forces.

4.3.2 Kotter's Eight–Step Plan :

John Kotter of Harvard Business School built on Lewin's three–step model to create a more detailed approach for implementing change. Kotter began by listing common mistakes managers make when trying to initiate change. They may fail to create a sense of urgency about the need for change, a coalition for managing the change process, a vision for change and effectively communicate it, and/or to anchor the changes into the organization's culture. They also may fail to remove obstacles that could impede the vision's achievement and/or provide short–term and achievable goals. Finally, they may declare victory too soon.

Kotter's eight–Step plan for implementing change :

1. Establish a sense of urgency by creating a compelling reason for why change is needed.
2. Form a coalition with enough power to lead the change.
3. Create a new vision to direct the change and strategies for achieving the vision.
4. Communicate the vision throughout the organization.
5. Empower others to act on the vision by removing barriers to change and encouraging risk taking and creative problem solving.
6. Plan for, create, and reward short–term “wins” that move the organization toward the new vision.
7. Consolidate improvements, reassess changes, and make necessary adjustments in the new programs.

8. Reinforce the changes by demonstrating the relationship between new behaviors and organizational success.

Source : *Based on M. du Plessis, "Re–implementing an Individual Performance Management System as a Change Intervention at Higher Education Institutions Overcoming Staff Resistance," Proceedings of the 7th European Conference on Management Leadership and Governance, 2011, 105–15.*

Kotter's first four steps essentially extrapolate Lewin's "unfreezing" stage. While, steps 5, 6, and 7 represent "movement," and the final step works on "refreezing." So Kotter's contribution lies in providing managers and change agents with a more detailed guide for successfully implementing change.

4.3.3 Action Research :

Action research is a change process based on the systematic collection of data and selection of a change action based on what the analyzed data indicate. Its value is in providing a scientific methodology for managing planned change. Action research consists of five steps (note how they closely parallel the scientific method) : **diagnosis, analysis, feedback, action, and evaluation.**

The change agent, often an outside consultant in action research, begins by gathering information about problems, concerns, and needed changes from members of the organization. This diagnosis is analogous to the physician's search to find specifically what ails a patient. In action research, the change agent asks questions, reviews records, and interviews employees, actively listening to their concerns.

Diagnosis is followed by analysis. What problems do people key in on ? What patterns do these problems seem to take ? The change agent synthesizes this information into primary concerns, problem areas, and possible actions. Action research requires the people who will participate in a change program to help identify the problem and determine the solution.

So, the third step–feedback–requires sharing with employees what has been found from the first and second steps. The employees, with the help of the change agent, develop action plans for bringing about needed change.

Now the action part of action research is set in motion. The employees and the change agent carry out the specific actions they have identified to correct the problem.

The final step, consistent with the scientific underpinnings of action research, is evaluation of the action plan's effectiveness, using the initial data gathered as a benchmark.

Action research provides at least two specific benefits.

First, its problem focused. The change agent objectively looks for problems, and the type of problem determines the type of change action. This is a process that makes intuitive sense. Unfortunately, this is too often not the case in reality. Change activities can become solution–centered and therefore erroneously predetermined. The change agent has a favorite solution–for example, implementing flexitime, teams, or a process reengineering program–and then seeks out problems that the solution fits.

A second benefit of action research is the lowering of resistance. Because action research engages employees so thoroughly in the process, it reduces resistance to change. Once employees have actively participated in the feedback stage, the change process typically takes on a momentum of its own.

4.3.4 Organizational Development :

Organizational development (OD) is a collection of change methods that try to improve organizational effectiveness and employee well–being. OD methods value human and organizational growth, collaborative and participative processes, and a spirit of inquiry. Contemporary OD borrows heavily from postmodern philosophy in placing heavy emphasis on the subjective ways people see and make sense of their work environment. The change agent may take the lead in OD, but there is a strong emphasis on collaboration.

Some OD techniques or interventions for bringing about change are

4.3.4.1 Sensitivity Training :

Training groups that seek to change behavior through unstructured group interaction.

4.3.4.2 Survey Feedback :

The use of questionnaires to identify discrepancies among member perceptions; discussion follows, and remedies are suggested.

4.3.4.3 Process Consultation :

A meeting in which a consultant assists a client in understanding process events with which he or she

must deal and identifying processes that need improvement.

4.3.4.4 Team Building :

High interaction among team members to increase trust and openness.

4.3.4.5 Intergroup Development :

Organizational development (OD) efforts to change the attitudes, stereotypes, and perceptions that groups have of each other.

4.3.4.6 Appreciative Inquiry :

An approach that seeks to identify the unique qualities and special strengths of an organization, which can then be built on to improve performance.

4.4 Creating a Culture for Change :

Organizations can adapt to change trough various methods. But there can be a more proactive approach of how organizations can embrace change by transforming their cultures. Such three approaches include : managing paradox, stimulating an innovative culture, and creating a learning organization.

4.4.1 Managing Paradox :

In a paradox situation, we are required to balance tensions across various courses of action. There is a constant process of finding a balancing point, a dynamic equilibrium, among shifting priorities over time. Think of riding a bicycle : you must maintain forward momentum or you'll fall over. From this perspective, there is no such thing as a separate discipline of "change management" because all management is dealing with constant change and adaptation. Several key paradoxes have been identified. Learning is a paradox because it requires building on the past while rejecting it at the same time. Organizing is a paradox because it calls for setting direction and leading while requiring empowerment and flexibility. Performing is a paradox between creating organization–wide goals to concentrate effort and recognizing the diverse goals of stakeholders inside and outside the organization. And finally, belonging is a paradox between establishing a sense of collective identity and acknowledging our desire to be recognized and accepted as unique individuals.

4.4.2 Stimulating An Innovative Culture :

Innovation is a new idea applied to initiating or improving a product, process, or service. Organizations can become more innovative by developing a stream of diverse products. Although there is no guaranteed formula, in order to boost innovation, organizations create flat, unique lattice type organizational structure (now termed an open allocation structure) run by employees (associates) working in self–organized project groups. certain characteristics structural, cultural, and human resource characteristics are found in innovative organizations. Change agents should consider introducing these characteristics into their organizations to create an innovative climate.

There are various sources of innovation. Structural variables are one potential source of innovation. A comprehensive review of the structure–innovation relationship leads to the following conclusions.

1. **Organic structures positively influence innovation.** Because they're lower in vertical differentiation, formalization, and centralization, organic organizations facilitate the flexibility, adaptation, and cross–fertilization that make the adoption of innovations easier.
2. **Long tenure in management is associated with innovation.** Managerial tenure can provide the legitimacy and knowledge of how to accomplish tasks and obtain desired outcomes through creative methods.

3. **Innovation is nurtured when there are slack resources.** Having an abundance of resources allows an organization to afford to purchase or develop innovations, bear the cost of instituting them, and absorb failures.
4. **Interunit communication is high in innovative organizations.** These organizations are heavy users of committees, task forces, cross–functional teams, and other mechanisms that facilitate interaction across departmental lines.

4.4.3 Creating a Learning Organization :

Another way an organization can proactively manage change is to make continuous growth part of its culture–to become a learning organization. Learning organization is an organization that has developed the continuous capacity to adapt and change. Some characteristics of learning organizations are :

1. There exists a shared vision that everyone agrees on.
2. People discard their old ways of thinking and the standard routines they use for solving problems or doing their jobs.
3. Members think of all organizational processes, activities, functions, and interactions with the environment as part of a system of interrelationships.
4. People openly communicate with each other (across vertical and horizontal boundaries) without fear of criticism or punishment.
5. People sublimate their personal self–interest and fragmented departmental interests to work together to achieve the organization's shared vision.

Source : *Based on P. M. Senge, The Fifth Discipline : The Art and Practice of the Learning Organization (New York : Doubleday, 2006).*

With the help of these characteristics, a learning organization becomes–one in which people put aside their old ways of thinking, learn to be open with each other, understand how their organization really works, form a plan or vision everyone can agree on, and work together to achieve that vision. Proponents of the learning organization envision it as a remedy for three fundamental problems of traditional organizations : fragmentation, competition, and reactiveness.

Check Your Progress :

1. Which of the following is NOT a term to describe the organizations that will succeed in meeting the competitive challenges that businesses face ?

   (a) adaptiveness (b) flexibility

   (c) responsiveness (d) mechanistic

2. Which of the following is NOT an external force that can stimulate the need for change ?
   (a) labor market
   (b) competitor's pricing decisions
   (c) changes in employee's expectations
   (d) effective date of new federal employment law
3. Technological changes bring about profound change because they are not just changes in the way work is performed, but also result in :
   (a) frustration
   (b) changes in work relationships and organizational structures
   (c) control being transferred to upper levels within the organizations because of the upper echelon's access to more and better information
   (d) richer forms of communication
4. When an organization moves to a radically different, and sometimes unknown, future state, they have made what type of change ?
   (a) strategic (b) transactional
   (c) transformational (d) incremental
5. When the organization changes its mission, culture, culture, goals, strategy, and structure it has :
   (a) attempted a turnaround
   (b) made strategic changes
   (c) made a transformational change
   (d) made a transactional change
6. A person who acts as the initiator and assumes responsibility for change management is called a/an :
   (a) consultant (b) change agent
   (c) arbitrator (d) liaison official
7. Outside change agents may be preferred by employees because they are viewed as :
   (a) being the outside expert
   (b) having the support of top management
   (c) impartial
   (d) having limited knowledge of the organization's history and won't be trapped by the past
8. In a situation of significant organizational change, uncertainty or _____ may be prevalent.
   (a) fear of failure (b) personality conflicts
   (c) fear of loss (d) fear of the unknown

9. Lewin's model proposes that successful change efforts require :
   (a) there must be top management support
   (b) they must be introduced incrementally and receive the necessary resource allocation
   (c) effective communication will be essential
   (d) the three–stage process must be completed

10. All of the following are targets of diagnosis in organization development except :
   (a) job analysis
   (b) Structure
   (c) Leadership
   (d) support systems

4.5 Let Us Sum Up :

Need for change is constant. If environments were perfectly static, if employees' skills and abilities were always up to date and incapable of deteriorating, and if tomorrow were always exactly the same as today, organizational change would have little or no relevance to managers. But the real world is turbulent, requiring organizations and their members to undergo dynamic change if they are to perform at competitive levels.

Lewin's force field analysis model states that all systems have driving and restraining forces. Change occurs through the process of unfreezing, changing, and refreezing. Unfreezing produces disequilibrium between the driving and restraining forces. Refreezing realigns the organization's systems and structures with the desired behaviors. Organizational change also requires driving forces.

This means that employees need to have an urgency for change by becoming aware of the environmental conditions that demand change in the organization. The change process also requires refreezing the new behaviors by realigning organizational systems and team dynamics with the desired changes. Every successful change also requires change agents with a clear, well–articulated vision of the desired future state. The change process also often applies a diffusion process in which change begins as a pilot project and eventually spreads to other areas of the organization.

John Kotter of Harvard Business School built on Lewin's three–step model to create a more detailed approach for implementing change. Kotter's first four steps essentially extrapolate Lewin's "unfreezing" stage. While, steps 5, 6, and 7 represent "movement," and the final step works on "refreezing."

Action research is a highly participative, open–systems approach to change management that combines an action orientation (changing attitudes and behavior) with research orientation (testing theory). It is a data–based, problem–oriented process that diagnoses the need for change, introduces the intervention, and then evaluates and stabilizes the desired changes. Large–group interventions, such as future–search conferences, are highly participative events that typically try to get the entire system into the room.

A fourth organizational change approach, called parallel learning structures, relies on social structures developed alongside the formal hierarchy with the purpose of increasing the organization's learning. They are highly participative arrangements, composed of people from most levels of the organization who follow the action research model to produce meaningful organizational change.

4.6 Answers for Check Your Progress :

1. d	**2.** c	**3.** b	**4.** c	**5.** c
6. b	**7.** c	**8.** d	**9.** d	**10.** a

4.7 Glossary :

Change Making things different.

Planned Change Change activities that are intentional and goal oriented.

Change Agents Persons who act as catalysts and assume the responsibility for managing change activities.

Driving Forces Forces that direct behavior away from the status quo (Lewin).

Restraining Forces Forces that hinder movement from the existing equilibrium (Lewin).

Action Research A change process based on systematic collection of data and then selection of a change action based on what the analyzed data indicate.

Organizational Development (OD) A collection of planned change interventions, built on humanistic–democratic values, that seeks to improve organizational effectiveness and employee well–being.

4.8 Assignment :

What are the four main approaches to managing organizational change ?

4.9 Activities :

PURPOSE This exercise is designed to help you identify strategies for facilitating organizational change in various situations.

INSTRUCTIONS The student will diagnose each scenario to determine the most appropriate set of change management practices. Where appropriate, these practices should (a) create an urgency to change, (b) minimize resistance to change, and (c) refreeze the situation to support the change initiative. Each of these scenarios is based on real events.

The student has to defend his/her change management practice.

SCENARIO 1 : GREENER TELCO

The board of directors at a large telephone company wants its executives to make the organization more environmentally friendly by encouraging employees to reduce waste in the workplace. Government and other stakeholders expect the company to take this action and be publicly successful. Consequently, the managing director wants to significantly reduce paper usage, refuse, and other waste throughout the company's many widespread offices. Unfortunately, a survey indicates that employees do not value environmental objectives and do not know how to "reduce, reuse, recycle." As the executive responsible for this change, you have been asked to develop a strategy that might bring about meaningful behavioral change toward this environmental goal.

What would you do ?

SCENARIO 2 : GO FORWARD AIRLINE

A major airline had experienced a decade of rough turbulence, including two bouts of bankruptcy protection, 10 managing directors, and morale so low that employees had removed company logos from their uniforms out of embarrassment. Service was terrible, and the airplanes rarely arrived or left the terminal on time. This was costing the airline significant amounts of money in passenger layovers. Managers were paralyzed by anxiety, and many had been with the firm so long that they didn't know how to set strategic goals that worked. One–fifth of all flights were losing money, and the company overall was near financial collapse (just three months to defaulting on payroll obligations). You and the newly hired managing director must get employees to quickly improve operational efficiency and customer service.

What actions would you take to bring about these changes in time ?

Defend your actions taken/suggested or change management practice.

4.10 Case Study :

Diya looked at the records of Jose's workstation logins, and she wasn't pleased. Day after day, week after week, the record showed that Jose had consistently been at his computer, writing code and compiling data on user experiences. In the tech industry, long hours without a break are expected, but Diya knew that her friend Jose was pushing himself past the point of exhaustion. He had been suffering for weeks from an unidentified upper respiratory ailment, and she worried that without rest he'd never get better. But pressure for rapid progress from their supervisor left Jose feeling like he had little choice but to keep grinding out the long hours, sick or not.

The problem of absenteeism, not showing up for work when expected, is a classic struggle for managers. Recent attention has suggested, however, that absenteeism has an opposite (with its own negative consequences)– presenteeism. Presenteeism occurs when an employee continues to go to work despite illness. Unlike absenteeism, presenteeism may arise specifically because management is pushing for it. An employee can engage in presenteeism for a variety of reasons, but as the story of Jose describes, sometimes it's a response to work pressure. Companies that put extensive resources into monitoring employee attendance also tend to experience higher levels of presenteeism. In other words, empirical evidence suggests companies are sending signals to employees that attendance is required– even when they are too ill to work.

Some companies have started to buck the trend. Microsoft, for example, has pushed its contractors to provide employees with greater access to sick–leave benefits. Pressure to come to work when sick is obviously a significant source of stress. And stress weakens the immune response. This means a culture of presenteeism will eventually lead to long–term illness. It therefore seems Diya's concerns for Jose's long–term health are well–founded. When sick employees come into work, it also increases the odds that others will be infected. Over time, this can result in systemic work delays. A large, stable organization like Microsoft may have a comparatively easy time seeing the big–picture positive consequences of discouraging presenteeism. In a small firm that has short–term contracts with larger organizations, like the one Jose and Diya work for, it can be very tempting to push employees to come into work no matter what. A few days off the job could mean the loss of a significant business opportunity. And so employees give in to pressure and struggle through their work days, as long as they can.

Question :

How might a company work to change employee attitudes and behaviors about presenteeism ?

Two Horses Rider :

Hindustan defence equipment suppliers Ltd (Hadsel), is a Bangalore–based mega public sector undertaking of the government of India, Ministry of defence. This 50 years old giant had been meeting the needs of Indian arm forces and had touched a turnover of Rs.1000 crore per annum in 1985. Unfortunately, the company had been so busy in meeting the national needs that it never looked to overseas markets. This approach also match to the national policy of non–proliferation of warlike activities in the land of Gandhi and Gautam Buddha. However, the position changed with the change of the government at Delhi. This coincided with the Period of shortage of the foreign exchange in the country and the need to boost exports had become paramount. Performance of Hadsel in this area was very poor, because its annual export awnings had been a meagre Rs.20 lakh. There had been a cry about the low profitability of the public sector undertakings too. It was argued that huge funds had been invested in these undertakings many years ago and that the government should now get some returns on those investments. Here again, Hadsel, did not come to the expectations. A focused review office performance showed that the company carried an inventory of Rs.2400 crore that is 29 months of turnover. Fortunately, general manager of materials retired at that time and the blame could be easily put on him. The top management realise that two areas that required urgent attention for inventory controlled and augmentation of exports. The company had a vacancy of a general manager for heading the materials management department. It was decided that the area of responsibility of that GM could be increased to include marketing. This would enable the company to assign the areas requiring additional attention to a new entrant who was likely to be keen to prove his merit. The post of GM for materials which had fallen vacant, was converted into general manager for marketing and material management. A bright, highly qualified and experienced Mr Khosla was recruited. He was given the twin target of reducing the inventory to Rs.2000 crore and boosting the exports to at least Rs.1,00,00,000. Mr Khosla soon realised that, not only did he have an uphill task of achieving his targets, but he also was going to face problems in the organisation. Firstly, he was required to achieve a reduction of the inventory while the trend in the company had been just a reverse. He was not welcome in the company being an outsider and having frustrated the ambitions of the officers who had been waiting to become GM. Generally, people ridiculed the very idea of half the GM bringing down the inventory when a full GM had only been able to restrain the rate of growth of that very inventory. Lastly, while the marketing department reported to director of production planning, the materials management department was the baby of the director, finance. Mr Khosla Das had two bosses. The riding of two horses, with the associated problems proved fatal for Mr Khosla's career, even though he met the assigned targets. The company discontinued the twin task GM assignment with the exit of Mr Khosla.

Questions :

1. What changes would you bring in the organisation to meet the requirements if you were in Mr Khosla's shoes ?
2. What would have been your approach if you were the chairman and managing director of Hadsel ?

4.11 Further Readings :

J. Welch and S. Welch, "What Change Agents Are Made Of," Business–Week, October 20, 2008, 96

S. Oreg, "Personality, Context, and Resistance to Organizational Change," European Journal of Work and Organizational Psychology 15, no. 1 (2006) : 73–101

S. M. Elias, "Employee Commitment in Times of Change : Assessing the Importance of Attitudes toward Organizational Change," Journal of Management 35, no. 1 (2009) : 37–55

J. Manchester, D. L. Gray–Miceli, J. A. Metcalf, C. A. Paolini, A. H. Napier, C. L. Coogle, and M. G. Owens, "Facilitating Lewin's Change Model with Collaborative Evaluation in Promoting Evidence Based Practices of Health Professionals," Evaluation and Program Planning, December 2014, 82–90

R. J. Marshak and D. Grant, "Organizational Discourse and New Organization Development Practices," British Journal of Management 19, no. 1 (2008) : S7–S19

BLOCK SUMMARY

Organizational structure is the division of labor as well as the patterns of coordination, communication, workflow, and formal power that direct organizational activities. All organizational structures divide labor into distinct tasks and coordinate that labor to accomplish common goals. The primary means of coordination are informal communication, formal hierarchy, and standardization.

The four basic elements of organizational structure are span of control, centralization, formalization, and departmentalization.

The optimal span of control–the number of people directly reporting to the next level in the hierarchy–depends on the presence of coordinating mechanisms other than formal hierarchy, as well as on whether employees perform routine tasks and how much interdependence there is among employees within the department.

Centralization occurs when formal decision authority is held by a small group of people, typically senior executives. Many companies decentralize as they become larger and more complex, but some sections of the company may remain centralized while other sections decentralize.

Formalization is the degree to which organizations standardize behavior through rules, procedures, formal training, and related mechanisms. Companies become more formalized as they get older and larger. Formalization tends to reduce organizational flexibility, organizational learning, creativity, and job satisfaction. Span of control, centralization, and formalization cluster into mechanistic and organic structures. Mechanistic structures are characterized by a narrow span of control and a high degree of formalization and centralization. Companies with an organic structure have the opposite characteristics.

Departmentalization specifies how employees and their activities are grouped together. It establishes the chain of command, focuses people around common mental models, and encourages coordination through informal communication among people and subunits.

An organization's internal structure contributes to explaining and predicting behavior. That is, in addition to individual and group factors, the structural relationships in which people work have a bearing on employee attitudes and behavior. To the degree that an organization's structure reduces ambiguity for employees and clarifies concerns such as "What am I supposed to do ?", "How am I supposed to do it ?", "To whom do I report ?", and "To whom do I go if I have a problem ?" it shapes their attitudes and facilitates and motivates them to higher levels of performance.

Strategy, size, technology, environment and institutions determine structural designs like mechanistic or organic. The design decision while being associated with and moderated by individual differences and cultural norms leads to performance and satisfaction. The four contingencies of organizational design are external environment, size, technology, and strategy.

The best organizational structure depends on the firm's external environment, size, technology, and strategy. The optimal structure depends on whether the environment is dynamic or stable, complex or simple, diverse or integrated, and hostile or munificent. As organizations increase in size, they become more decentralized and more formalized. The work unit's technology–including variety of work and analyzability of problems–influences whether to adopt an organic or mechanistic structure.

These contingencies influence but do not necessarily determine structure. Instead, corporate leaders formulate and implement strategies that shape both the characteristics of these contingencies as well as the organization's resulting structure.

Organizational culture consists of the values and assumptions shared within an organization. Shared assumptions are nonconscious, taken–for–granted perceptions or beliefs that have worked so well in the past that they are considered the correct way to think and act toward problems and opportunities. Values are stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations. Employees form an overall subjective perception of the organization based on factors such as the degree of risk tolerance, team emphasis, and support of individuals. This overall perception represents, in effect, the organization's culture or personality and affects employee performance and satisfaction, with stronger cultures having greater impact.

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BLOCK ASSIGNMENT

Short Questions :

1. Identify the characteristics of the functional structure, the divisional structure, and the matrix structure.
2. Analyze the behavioral implications of different organizational designs.
3. What are organic organizations ?
4. How do structural designs of an organization affect performance and satisfaction of employees ?
5. Describe the elements of organizational culture.

Long Questions :

1. Discuss the conditions under which organizational culture strength improves organizational performance.
2. Describe the elements of Lewin's force field analysis model.
3. Describe the action research approach to organizational change.
4. Discuss what are the functional and dysfunctional effects of organizational culture.

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