

203 MA HRM

by Cde Anu

Submission date: 19-Jul-2025 09:35AM (UTC+0530)

Submission ID: 2717119385

File name: 203_M.A._HRM_-OB.pdf (14.34M)

Word count: 88499

Character count: 489096

ORGANISATIONAL BEHAVIOR

M.A (H.R.M), Semester – II, Paper-III

LESSON WRITERS

Dr. V. Tulasi Das
Associate Professor
Dept. of HRM, ANU

Dr. M. Rama Satyanarayana
Faculty, Dept. of HRM, ANU

Dr. K. Madhu Babu
Faculty, Dept. of HRM, ANU

Dr. V. Naga Nirmala
Faculty, Dept. of HRM, ANU

EDITOR & LESSON WRITER

Dr. Nagaraju Battu
Associate Professor
Dept. of HRM, ANU

Director

Dr. NAGARAJU BATTU

MBA., MHRM., LL.M., M.Sc. (Psy), MA (Soc), M.Ed., M.Phil., Ph.D

CENTRE FOR DISTANCE EDUCATION

ACHARAYA NAGARJUNA UNIVERSITY

NAGARJUNA NAGAR – 522 510

Ph: 0863-2293299, 2293214,

0863-2346259 (Study Material)

Website: www.anucde.info

e-mail: anucdedirector@gmail.com

M.A. (H.R.M)

First Edition : 2021

No. of Copies :

©Acharya Nagarjuna University

This book is exclusively prepared for the use of students of M.A (HRM) Centre for Distance Education, Acharya Nagarjuna University and this book is meant for limited circulation only.

Published by:

Dr. NAGARAJU BATTU,

Director

Centre for Distance Education,
Acharya Nagarjuna University

Printed at:

FOREWORD

Since its establishment in 1976, Acharya Nagarjuna University has been forging ahead in the path of progress and dynamism, offering a variety of courses and research contributions. I am extremely happy that by gaining 'A' grade from the NAAC in the year 2016, Acharya Nagarjuna University is offering educational opportunities at the UG, PG levels apart from research degrees to students from over 443 affiliated colleges spread over the two districts of Guntur and Prakasam.

The University has also started the Centre for Distance Education in 2003-04 with the aim of taking higher education to the door step of all the sectors of the society. The centre will be a great help to those who cannot join in colleges, those who cannot afford the exorbitant fees as regular students, and even to housewives desirous of pursuing higher studies. Acharya Nagarjuna University has started offering B.A., and B.Com courses at the Degree level and M.A., M.Com., M.Sc., M.B.A., and L.L.M., courses at the PG level from the academic year 2003-2004 onwards.

To facilitate easier understanding by students studying through the distance mode, these self-instruction materials have been prepared by eminent and experienced teachers. The lessons have been drafted with great care and expertise in the stipulated time by these teachers. Constructive ideas and scholarly suggestions are welcome from students and teachers involved respectively. Such ideas will be incorporated for the greater efficacy of this distance mode of education. For clarification of doubts and feedback, weekly classes and contact classes will be arranged at the UG and PG levels respectively.

It is my aim that students getting higher education through the Centre for Distance Education should improve their qualification, have better employment opportunities and in turn be part of country's progress. It is my fond desire that in the years to come, the Centre for Distance Education will go from strength to strength in the form of new courses and by catering to larger number of people. My congratulations to all the Directors, Academic Coordinators, Editors and Lesson- writers of the Centre who have helped in these endeavors.

Prof. P. Raja Sekhar
Vice-Chancellor (FAC)
Acharya Nagarjuna University

ORGANISATIONAL BEHAVIOR

SYLLABUS

UNIT – I

Organisational Behaviour (OB): Definition, Scope, Approaches of Organizational Behavior, Elements of Organisational Behaviour; Approaches to OB: Classical organization Approach: F.W.Taylor, Henry Fayol: Human Relations Movement and Behaviouralism.

UNIT –II

Foundations of Individual Behaviour: Personality; Learning; Attitudes; Alienation; Stress; Counselling;

UNIT – III

Concept, Leader Vs. Manager; Classical Studies on Leadership; Trait Theories; Behavioral Theories; Group and Exchange Theories; Contingency Theory of Leadership; Leadership Styles'

UNIT – IV

Motivation: Types of Motives, Theories of Maslow, Herzberg, Mc Gregor, Job Enlargement, Job Enrichment.

UNIT-V

Formal and Informal Organizations: Origin of Formal and Informal Organizations; Problems Associated with Informal Organizations Concept; Approaches to O E; Adoptive Coping Cycle for Effectiveness; Achieving OE, Organizational Climate.

Prescribed Books:

1. Euthans, Fred: Organisational Behaviour, Tata McGraw-Hill co. New Delhi, 2004.
2. Stepehn, P. Robins: Organisational Behavior, Prentice – Hall of India Pvt., Ltd., 2004.
3. John, W. Newstrom & Davis, Keith: Organisational Behavior (Human Behaviour at Work), Tata McGraw-Hill, New Delhi, 2002.
4. Bhatia, Hans Raj: General Psychology, Oxford and IBH Publishers, New Delhi, 2004.
5. Harrel, W. Thaomas : Industrial Psychology, Oxford IBH Publishers, New Delhi, 1998.
6. Hilgard, R.E. Nest and Atkinson C. Richard & Atkinson L. Rita: Introduction to Psychology, Oxford and IBH Publishers, New Delhi, 1976.
7. Mc Cormic J. Earnest and Ilgen, Daniel: Industrial Psychology, Prentice-Hall of India Pvt., Ltd., New Delhi, 1994.
8. Munn L. Norman, Fernald, Jr. L. Dodge, & Fernald s. Peter: Introduction to Psychology, Oxford IBH Publishers, New Delhi, 2000.
9. Korman, K. ;Abrahm : Organisational Behaviour.
10. Tifen, J.I and McCormic: Industrial Psychology.
11. Sehneider Engene, V: Industrial Sociology.
12. VSP Rao, Organisational Behavior Excel Books New Delhi 2009

CONTENTS

	LESSON	Page No.
1	INTRODUCTION TO ORGANISATIONAL BEHAVIOR	1.1 – 1.7
2	APPROACHES OF ORGANIZATIONAL BEHAVIOUR	2.1 – 2.9
3	CLASSICAL ORGANIZATIONAL APPROACHES	3.1 – 3.7
4	TAYLOR VS. FAYOL IN MANAGEMENT EVOLUTION	4.1 – 4.12
5	PERSONALITY	5.1 – 5.10
6	LEARNING	6.1 – 6.8
7	ATTITUDES & ALIENATION	7.1 – 7.9
8	STRESS & COUNSELLING	8.1 – 8.11
9	LEADER , CONCEPT AND LEADER VS MANAGER	9.1 – 9.12
10	CLASSICAL STUDIES ON LEADERSHIP AND TRAIT THEORIES	10.1 – 10.14
11	BEHAVIORAL THEORIES	11.1 – 11.14
12	GROUPS AND EXCHANGING, CONTINGENCY LEADERSHIP THEORY AND LEADERSHIP STYLES	12.1 – 12.13
13	MOTIVATION, TYPES OF MOTIVES, THEORIES OF MOTIVATION	13.1 – 13.12
14	MODERN THEORIES OF MOTIVATION	14.1 – 14.2
15	JOB ANALYSIS	15.1 – 15.11
16	JOB ENLARGEMENT AND JOB ENRICHMENT	16.1 – 16.11
17	ORIGIN OF FORMAL AND INFORMAL ORGANISATION	17.1 – 17.12
18	PROBLEMS ASSOCIATED WITH THE INFORMAL ORGANIZATION	18.1 – 18.13
19	ORGANIZATIONAL EFFECTIVENESS	19.1 – 19.13
20	ORGANIZATIONAL CLIMATE	20.1 – 20.12

LESSON-1

INTRODUCTION TO ORGANISATIONAL BEHAVIOR

Learning Objectives

- ✓ To learn the Introduction to Organizational Behaviour
- ✓ To understand Meaning and Definitions of Organizational Behavior
- ✓ To discuss the Scope of Organizational Behaviour
- ✓ To study Nature and characteristics of Organizational Behaviour

Structure

- 1.0 Introduction to Organizational Behavior
- 1.1 Meaning and Definitions of Organizational Behavior
- 1.2 Scope of Organizational Behavior
- 1.3 Nature of Organizational Behavior
- 1.4 Characteristics of Organizational Behavior
- 1.5 Summary
- 1.6 Key words
- 1.7 Self Assessment Questions
- 1.8 Further Readings

1.0 INTRODUCTION OF ORGANIZATIONAL BEHAVIOUR

The study of Organizational Behavior (OB) is very interesting and challenging too. It is related to individuals, group of people working together in teams. The study becomes more challenging when situational factors interact. The study of organizational behavior relates to the expected behavior of an individual in the organization.

No two individuals are likely to behave in the same manner in a particular work situation. It is the predictability of a manager about the expected behavior of an individual. There are no absolutes in human behavior. It is the human factor that is contributory to the productivity hence the study of human behavior is important. Great importance therefore must be attached to the study.

Researchers, management practitioners, psychologists, and social scientists must understand the very credentials of an individual, his background, social framework, educational update, impact of social groups and other situational factors on behavior.

Managers under whom an individual is working should be able to explain, predict, evaluate and modify human behavior that will largely depend upon knowledge, skill and experience of the manager in handling large group of people in diverse situations. Preemptive

actions need to be taken for human behavior forecasting.

The value system, emotional intelligence, organizational culture, job design and the work environment are important causal agents in determining human behavior. Cause and effect relationship plays an important role in how an individual is likely to behave in a particular situation and its impact on productivity.

An appropriate organizational culture can modify individual behavior. Recent trends exist in laying greater stress on organizational development and imbibing a favorable organizational culture in each individual. It also involves fostering a team spirit and motivation so that the organizational objectives are achieved. There is a need for commitment on the part of the management that should be continuous and incremental in nature.

1.1 ORGANIZATIONAL BEHAVIOR – MEANING AND DEFINITIONS

According to K Aswathappa, Stephen P. Robbins, L. M. Prasad, Newstrom and a Few Others.

In words of K Aswathappa, "OB is the study of human behaviour in organisational setting, of the interface between human behaviour and organization and of the organization itself."

In words of Stephen P. Robbins, "OB is a field of study that investigates the impact that individuals, groups and structures have on behaviour within organisations for the purpose of applying such knowledge towards improving an organisation's effectiveness."

According to L. M. Prasad, "Organizationalbehaviour can be defined as the study and application of knowledge about human behaviour related to other elements of an organisation such as structure, technology and social systems."

According to Davis and Newstrom, "Organizationalbehavior is the study and application of knowledge about how people act within organizations."

According to Fred Luthans, "Behaviour is directly concerned with the understanding, prediction and control of human behaviour in organizations."

In words of John Newstrom and Keith Devis, "Organizationalbehavior is the study and application of knowledge about how people as individuals and as groups act within organizations. It strives to identify ways in which people can act more effectively."

O B is the study of individual behavior in isolation, when in group and as a part of an organisation. The study of individual behavior only, would be incomplete because behavior is affected by the people surrounding us as well as by the organisation, in which we work. Studying only individuals or only organizations would be of no use. It is essential to study both simultaneously.

Personality, perception, learning, attitude, family background, training, motivation, job satisfaction, performance appraisal, leadership effectiveness, norms, values and ethics are the factors which affect the individual behavior. Group dynamics, communication,

organizational environment, individual and organizational culture affect group behavior. Organizational structure, power & politics, status, relation with juniors & seniors, conflicts and culture affect the individual behavior in the organisation.

These various factors relate to different disciplines including psychology, sociology, social psychology, political science, anthropology, etc.

Study about individual behavior, group behavior and organizations give the inferences about how different people react to different situations. It guides regarding the motivation styles and the leadership styles to be adopted for different persons. Due to the individual differences, diverse leadership styles, incentive schemes, motivators, communication styles should be applied.

Study of organizational behavior helps in studying:

- i. Why people behave in a particular way?
- ii. Why one person is more effective than the other?
- iii. Why one group is more effective than the other?
- iv. Why one person is more effective in one organisation as compared to the other organizations?

The study of above things gives sound knowledge about human behavior and this knowledge can be applied in shaping the behavior and taking various decisions related to policy making in human resource management.

1.2 SCOPE OF ORGANIZATIONAL BEHAVIOR

The scope of the organizational behavior is as under:

- Impact of personality on performance
- Employee motivation
- Leadership
- How to create effective teams and groups
- Study of different organizational structures
- Individual behavior, attitude and learning
- Perception
- Design and development of effective organization
- Job design
- Impact of culture on organizational behavior
- Management of change
- Management of conflict and stress
- Organizational development
- Organizational culture
- Transactional analysis
- Group behavior, power and politics
- Job design
- Study of emotions

The field of the organizational behavior does not depend upon deductions based on gut feelings but attempts to gather information regarding an issue in a scientific manner under controlled conditions. It uses information and interprets the findings so that the behavior of

an individual and group can be canalized as desired.

Large number of psychologists, social scientists and academicians has carried out research on various issues related to organization behavior. Employee performance and job satisfaction are determinants of accomplishment of individual and organizational goals.

Organizations have been set up to fulfill needs of the people. In today's competitive world, the organizations have to be growth-oriented. This is possible when productivity is ensured with respect to quantity of product to be produced with zero error quality. Employee absenteeism and turnover has a negative impact on productivity.

Employee who absents frequently cannot contribute towards productivity and growth of the organization. In the same manner, employee turnover causes increased cost of production. Job satisfaction is a major factor to analyze performance of an individual towards his work. Satisfied workers are productive workers who contribute towards building an appropriate work culture in an organization.

Organizations are composed of number of individuals working independently or collectively in teams, and number of such teams makes a department and number of such departments makes an organization. It is a formal structure and all departments have to function in a coordinated manner to achieve the organizational objective.

It is therefore important for all employees to possess a positive attitude towards work. They need to function in congenial atmosphere and accomplish assigned goals. It is also important for managers to develop an appropriate work culture. Use of authority, delegation of certain powers to subordinates, division of labor, efficient communication.

Benchmarking, re-engineering, job re-design and empowerment are some of the important factors so that an organization can function as well-oiled machine. This is not only applicable to manufacturing organizations but also to service and social organizations.

1.3 NATURE OF ORGANIZATIONAL BEHAVIOR

A Separate Field of Study and Not a Discipline Only, An Interdisciplinary Approach, An Applied Science and a Few Others
Organizational behaviour has emerged as a separate field of study.
The nature it has acquired is identified as follows:

1. A Separate Field of Study and Not a Discipline Only:

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

2. An Interdisciplinary Approach:

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

3. An Applied Science:

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

4. A Normative Science:

Organizational Behavior is a normative science also. While the positive science discusses only cause effect relationship, Organizational Behavior prescribes how the findings of applied researches can be applied to socially accepted organizational goals. Thus, Organizational Behavior deals with what is accepted by individuals and society engaged in an organization. Yes, it is not that Organizational Behavior is not normative at all. In fact, Organizational Behavior is normative as well that is well underscored by the proliferation of management theories.

5. A Humanistic and Optimistic Approach:

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

6. A Total System Approach:

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

1.4 CHARACTERISTICS OF ORGANIZATIONAL BEHAVIOR

According to Keith Davis, 'Organizational behavior is an academic discipline concerned with understanding and describing human behavior in an organizational environment'. It seeks to shed light on the whole complex human factor in organizations by identifying causes and effects of that behavior.

Another definition provided by Joe Kelly states, 'Organizational behavior is the systematic study of the nature of organizations, how they begin, grow, develop, and their effect on individual members, constituent groups, other organizations and larger institutions'.

Modern organizational behavior is characterized by the acceptance of a human resource model. It takes a more positive view of human beings. People are accepted as they are and not prejudged using stereotypes.

Some of the important characteristics of organizational behavior are discussed as follows:

1. Organizational behavior is a rational thinking, not an emotional feeling about people. The

major goals of organizational behavior are to explain and predict human behavioural in organizations. It is action-oriented and goal-directed.

2. Organizational behavior seeks to balanced human and technical values at work. It seeks to achieve productivity by building and maintaining employee's dignity, growth and satisfaction, rather than at the expense of these values.

3. Organizational behavior integrates behavioral sciences. Many of its core concepts are borrowed from others fields and discipline like social psychology, sociology, and anthropology, etc.

4. Organizational behavior is both a science and an art, the knowledge about human behavior in organizations leans towards being science. Modern organizational behavior is, at once, empirical, interpretative, and critical. It is an interpretative science in the pursuit of knowledge and meaning.

The basic purpose is to make meaningful the facts of organizational life. Modern OB is an optic perspective; a process for looking at events, a way of life. It has empirical facts, and interesting interpretations and powerful paradigms.

However it is an inaccurate science to provide specific answers to specific organizational problems. As such very little can be prescribed to consistently predict relationships between a variable on broad scale. The skills in applying the knowledge clearly lean towards being art.

5. Organizational behavior exists at multiple like levels. Behavior occurs at the individual, the group, and the organizational systems levels. Behavior that is attributable to each of these levels can be both identified and isolated but at the same time these three levels interact with each other and OB-being affected by the behavior of individuals, group level behavior is affected by the organizational level phenomena and so on.

6. Organizational behavior does not exist in vacuum. Organizations are made up of both social and technical components and therefore characterized as social-technical systems. The operational implication of this is that any approach of looking at behavior must also take into account the technical component of organisation especially such issues as the nature of work and the technology. Organizations at the same time, must take into account the constructs of the working environment, for example, the extent to which the market and the product is changing.

1.5 SUMMARY

The study of Organizational Behavior (OB) is very interesting and challenging too. It is related to individuals, group of people working together in teams. The study becomes more challenging when situational factors interact. The study of organizational behavior relates to the expected behavior of an individual in the organization. No two individuals are likely to behave in the same manner in a particular work situation. It is the predictability of a manager about the expected behavior of an individual. There are no absolutes in human behavior. It is the human factor that is contributory to the productivity hence the study of human behavior is important. Great importance therefore must be attached to the study. The field of the organizational behavior does not depend upon deductions based on gut feelings but attempts to gather information regarding an issue in a scientific manner under controlled conditions. It uses information and interprets the findings so that the behavior of an individual and group can be canalized as desired. Organizational behavior is an academic discipline concerned with understanding and describing human behavior in an organizational environment'. It seeks to shed light on the whole complex human factor in organizations by identifying causes and effects of that behavior.

1.6 KEY WORDS

Organizational Behavior- OB is a field of study that investigates the impact that individuals, groups and structures have on behavior within organizations for the purpose of applying such knowledge towards improving an organization's effectiveness."

Job satisfaction- Job satisfaction is a major factor to analyze performance of an individual towards his work. Satisfied workers are productive workers who contribute towards building an appropriate work culture in an organization

Humanistic Approach- Humanistic approach towards people working in the organization. It deals with the thinking and feeling of human beings.

Total System Approach- The system approach is one that integrates all the variables, affecting organizational functioning. The systems approach has been developed by the behavioral scientists to analyses human behavior in view of his/her socio-psychological framework.

An Interdisciplinary Approach- Organizational behavior is essentially an interdisciplinary approach to study human behavior at work

1.8 Self Assessment Questions

- 1) Define and explain the Nature of Organizational Behavior?
- 2) Explain the Scope of Organizational Behavior?
- 3) Discuss in detail the Characteristics of Organizational Behavior?

1.9 Suggested Reading

1. Edwin B. Flippo, Personnel Management, Mc.Graw Hill Book Co. Ltd., Tokyo .
2. Decenzo and Robbins, Personnel/Human Resource Management, Prentice Hall of India Pvt.Ltd., New Delhi .
3. Monappa, Arun and Saiyadain, Mirza, Personnel Management, Tata McGraw Hill Publications Co. Ltd., New Delhi .
4. Storey, Hohn, Managing Human Resources – Preparing for the 21st Century, Beacon Books, New Delhi .
5. Fisher, SWchoenfeldt and Shaw, Human Resource Management, All India Publishers and Distributors, Chennai.
6. Mondy, wayne and Noe, Rober, Human Resource Management, Allwyns and Bacon, London .
7. Yoder, Dale and Staudohar, Paul, D. Personnel Management and Industrial Relations, Prentice Hall of India Ltd., New Delhi.
8. French, Windell, Human Resource Management, All India Publishers and Distributors, Chennai.
9. Venkataratnam, C.S. and Shrivastav, Personnel Management and Human Resources, Tata Mc Graw Hill Publishing Co., Ltd., New Delhi.
10. Aswathappa, K., Human Resources and Personnel Management, Tata Mc Graw Hill Publishing co., Ltd., New Delhi .

Dr. Nagaraju Battu

LESSON 2

APPROACHES OF ORGANIZATIONAL BEHAVIOUR

Learning Objective

- ✓ To study Approaches of Organizational Behavior
- ✓ To learn Elements of Organizational Behaviour

Structure

- 2.0 Introduction**
- 2.1 Approaches of Organizational Behaviour**
 - 2.1.1 HR approach
 - 2.1.2 Contingency Approach
 - 2.1.3 Productivity Approach
 - 2.1.4 Systems Approach
- 2.2 Elements of Organizational Behaviour**
 - 2.2.1 People
 - 2.2.2 Structure
- 2.3 Mechanistic Form of Organisation**
- 2.4 Organic Form of Organisation**
 - 2.4.1 Jobs and tasks
 - 2.4.2 Core Job characteristics
 - 2.4.3 Task Variety
 - 2.4.4 Task Significance
 - 2.4.6 Autonomy
 - 2.4.7 Feedback from job itself
 - 2.4.8 Job Design
 - 2.4.9 Job Simplification
 - 2.4.10 Job Rotation
 - 2.4.11 Job Enlargement
 - 2.4.12 Job Enrichment
 - 2.4.13 Technology
 - 2.4.14 Environment
- 2.5 Summary**

2.6 Key words**2.4 Self Assessment Questions****2.5 Suggested Readings****2.0 INTRODUCTION**

Organizational behavior, relates to the relationship between employees and employers in an organization both are working toward the realization of the goals and objectives of any organization, and a close and fruitful coordination between the two is one of the major factors towards this realization. Organizational behavior approaches are a result of the research done by experts in this field. There are few approaches to organizational behaviour.

2.1 APPROACHES TO ORGANIZATIONAL BEHAVIOR**2.1.1 Human Resources Approach**

This approach recognizes that human resources in an organisation are the central force. Their development will contribute to the success of the organisation. Human resources approach provides for the changes in the managerial role. It requires that the managers, instead of controlling the employees, should provide active support to them by treating them as part of the group.

The superiors and managers should practice a style where workers are given the opportunities and encouragement to perform under loose supervision. By treating individuals as mature adults, organizations can increase productivity and at the same time meet the needs of individuals for independence and growth.

2.1.2. Contingency Approach:

The approach stresses that there is no single way to manage effectively under all circumstances. The methods of behaviors which work effectively in one situation may fail in another. The organizational structure and the processes of management are governed by the external environment and several aspects of the internal environment. Effective management processes will vary in different situations depending on the individuals and groups in the organisation, the nature of the job and technology, the environment facing the organisation and its structure.

The manager's task therefore, is to identify which method will, in a particular situation, under particular circumstances and at a particular time, best contribute to the attainment of organization's goals. Thus, the manager will have to analyze each situation prior to action and different managerial practices and styles are needed for effective management.

2.1.3. Productivity Approach:

Productivity means the numerical value of the ratio of output to input. Higher the value of this ratio, greater is the efficiency and effectiveness of the management. The traditional concept of productivity was concerned with economic inputs and output only. But nowadays

human and social inputs and outputs are equally important. Productivity, a significant part of organizational behavior decisions, is recognized and discussed extensively. These decisions relate to human, social and economic issues. For example if better organizational behavior can reduce worker's turnover or the number of absentees, a human output or benefit occurs.

2.1.4. System Approach

The systems approach is of the view that an organisation is a powerful system with several subsystems which are highly and closely interconnected. Any action taken to solve the problems in one subsystem will have its effect on the other subsystems as well; since all the parts of the organisation are closely connected. Thus, this approach gives the managers a way of looking at the organisation as a whole, whole group, and the whole social system. Systems approach has become an integral part of modern organizational theory. Organizations are termed as complex systems comprising of interrelated and interlocking systems.

According to this approach, an organisation receives several inputs from its environment such as material, human and financial. These inputs are then processed so as to produce the final output in terms of products or services.

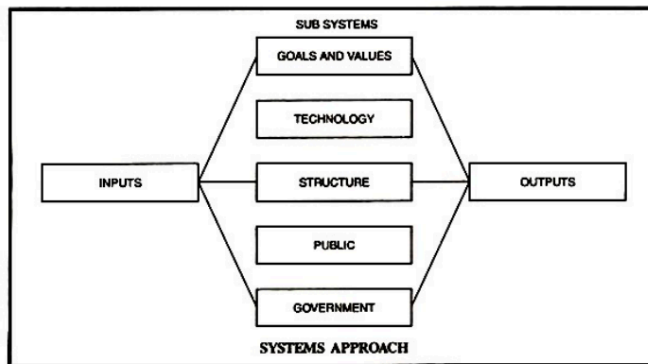


Figure 2.1 System Approach to Study of Organizational Behavior

The public and government have been included keeping in view the relationship between organisation and external environment. The other subsystems are integral part of overall organizations.

2.2 ELEMENTS OF ORGANIZATIONAL BEHAVIOR

The key elements in organizational behavior are people, structure, technology and the external elements in which the organization operates. When people join together in an organization to accomplish an objective, some kind of infrastructure is required. People also use technology to help get the job done, so there is an interaction of people, structure and

technology. In addition, these elements are influenced by the external environment, and they influence it. Each of the four elements of organizational behavior will be considered briefly.

2.2.1 People

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

Individual employee who are expected to perform the tasks allotted to them
Dyadic relationships such as superior-subordinate interactions
Groups who work as teams and have the responsibility for getting the job done
People outside the organization system such as customers and government officials

2.2.2 Structure

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

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

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

Span of Control: This refers to the total number of subordinates over whom a manager has authority

Specialization: This refers to the number of specialities performed within the organization.

Standardization: It refers to the existence of procedures for regularly recurring events or activities

Formalization: This refers to the extent to which rules, procedures, and communications are written down

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

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

Organizations can be structured as relatively rigid, formalized systems or as relatively loose, flexible systems. Thus the structure of the organizations can range on a continuum of high rigidity to high flexibility. There are two broad categories of organization:

- i) Mechanistic form of organization
- ii) Organic form of Organization

2.3 MECHANISTIC FORM OF ORGANISATION

It is characterized by high levels of complexity, formalization and centralization. A highly mechanistic system is characterized by centralized decision making at the top, a rigid hierarchy of authority, well but narrowly defined job responsibilities especially at lower levels, and extensive rules and regulations which are explicitly made known to employees through written documents. In mechanistic organization, labor is divided and subdivided into many highly specialized tasks (high complexity), workers are granted limited discretion in performing their tasks and rules and procedures are carefully defined (high formalization); and there is limited participation in decision making which tends to be conducted at the highest levels of management high centralization.

2.4 ORGANIC FORM OF ORGANISATION

A highly organic system is characterized by decentralized decision-making which allows people directly involved with the job to make their own decisions, very few levels in the hierarchy with flexible authority and reporting patterns, loosely defined job responsibilities for members, and very few written rules and regulations. It is relatively simple, informal and decentralized. Compared with mechanistic organizations, employees in organic organizations, such as design firms or research labs, tend to be more generalist in their orientation.

2.4.1 Jobs and Tasks

Job refers to the sum total of an individual's assignment at the workplace. Tasks refer to the various activities that need to be performed to get the job done. The nature of tasks, its executives by various individuals, nature of interdependence and inter-relatedness, group activities etc have implication for organizational effectiveness. Thus the jobs and tasks have to be designed and managed properly.

2.4.2 Core Job Characteristics

There are five job characteristics which are central to providing potential motivation to workers. They are: Skill variety, Task identity, Task significance, Autonomy, and Feedback from the job itself.

2.4.3 Task Variety

This denotes the extent to which any particular job utilizes a range of skills, abilities and talents of the employees. If number of different skills is used by the employee on the job, the job is going to provide challenge and growth experience to the workers.

2.4.4 Task Identity

This indicates the extent to which the job involves a 'whole' and identifiable piece of work. If the job involves the whole components (eg – painting a portrait), then the individual can identify with the ultimate creation turned out by him and derive pride and satisfaction

from having done a good job.

2.4.5 Task significance

This refers to the meaningfulness or significance of the impact that a job has on the lives of others – both inside and outside of the organization. If what one does has an impact on the well being of others, the job becomes psychologically rewarding to the person who performs it.

2.4.6 Autonomy

This refers to the extent to which the job provides an employee the freedom, independent and discretion to schedule work and make decision and formulate the procedures to get the job done without interference from others. The greater the degree of autonomy, the more the person doing the job feels in control.

2.4.7 Feedback from the Job itself

This indicates the extent to which the person who is working on the job can assess whether they are doing things right or wrong even as they are performing the job. That is, the job itself is stimulating one and enjoyable.

2.4.8 Job Design

Jobs can be designed to range from highly simple to highly complex tasks in terms of the use of the workers skill. Some of the job design options are as follows:

2.4.9 Job Simplification

The jobs are broken down into very small parts as in the assembly line operations where a fragmented task is repeatedly done over and over again by the same individual.

2.4.10 Job Rotation

This involves moving employees among different tasks over a period of time. Management does not have to bother with combining tasks, but at the same time, the workers do not get bored with doing one simple task over several years. The employee is periodically rotated from one job to another within the work setting.

2.4.11 Job Enlargement

This involves simply adding more tasks to the job so that the workers have a variety of simple tasks to perform rather than doing just one task repetitively. Two or more tasks are combined and the individual does the combined tasks altogether.

2.4.12 Job Enrichment

This offers a greater challenge to the workers because it requires the use of variety of skills possessed by them. This involves building in motivating factors into the job, giving the workers more responsibility and control over work, and offering learning opportunities for the individual on the job.

2.4.13 Technology

Organizations have technologies for transforming inputs and outputs. These technologies consist of physical objects, activities and process, knowledge, all of which are brought to bear on raw materials labor and capital inputs during a transformation process. The core technology is that set of productive components most directly associated with the

transformation process, for example, production or assembly line in manufacturing firm. Technology provides the physical and economic resources with which people work. They cannot accomplish much with their bare hands, so they build buildings, design machines, create work processes and assemble resources. The technology that results has a significant influence on working relationships. An assembly line is not the same as a research laboratory, and a steel mill does not have the same working conditions as a hospital. The great benefit of technology is that it allows people to do more and better work, but it also restricts people in various ways. It has costs as well as benefits.

Classification of Technology:

Thomson classified technology into three categories: Long-linked technology, Mediating Technology and Intensive Technology.

Long linked Technology: In this, tasks are broken into a number of sequential and interdependent steps, where the outputs of one unit become the input of the next. (eg. Assembly line) this facilitates to have high volume of output and efficiency. This technology calls for mechanistic structures with high levels of specialization, standardization and formalization.

Mediating Technology: This links different parties who need to be brought together in a direct or indirect way (eg. Banks – use mediating technology to lend money to borrowers by taking money from depositors)

Intensive Technology: It is used when a group of specialists are brought together to solve complex problems using a variety of technologies (eg. Hospital – parties are treated with the help of experts drawn from different fields of specialization). Coordination of the different activities is achieved in the system primarily through mutual adjustment among those engaged in solving the problem in the different units. Organic structures would fit in this system using intensive technology.

2.4.14 Environment

All organizations operate within an external environment. A single organization does not exist alone. It is part of a larger system that contains thousand of other elements. All these mutually influence each other in a complex system that becomes the life style of the people. Individual organization, such as a factory or school cannot escape from being influenced by this external environment. It influences the attitudes of people, affects working conditions, and provides competition for resources and power. Every organization interacts with other members of its environment. The interactions allow the organization to acquire raw material, hire employees, secure capital, obtain knowledge, and build, lease or buy facilities and equipment. Since the organization process a product or service for consumption by the environment, it will also interact with its customers. Other environmental actions, who regulate or over see these exchanges, interact with the organization as well (distributors, advertising agencies, trade associations, government of the countries in which business is conducted)

Two Distinct Sets of Environment:

i) Specific Environment: This includes the suppliers, customers, competitors, governments' agencies, employees, unions, political parties etc.

ii) General Environment: It includes the economic, political, cultural, technological and

social factors in which the organization embedded. Organizations are embedded in an environment within which they operate. Some of the external factors may be completely beyond the control of the organization to change, such as the cultural, social or economic, or governmental aspects. However, many of the other factors such as sizing up the market, being in tune with the technological changes takes place, being a step ahead of competition, or stocking up and buffering supplies when certain materials are likely to be in short supply, are all within the control of the organization. Effectively managing these situations, however, requires constant and close vigilance, adaptability to changes, and being able to manage problematical situations through good decisions making. Those organizations which are proactive (that is, watchful and take action before crisis situations occur) and can manage their external environment are more effective than those that are reactive (that is, caught off guard and wake up after facing the crises situation) and are unable to cope effectively.

Fit between Environment and Structure: Firms facing a fast changing or turbulent external environment were very effective when they had more organic structures which provided flexibility for quick changes to be made within the internal environment of the system. Similarly, firms which operated in a relatively stable external environment were very effective when they had more mechanistic structures. This mechanistic structure allowed the system to operate in a predictable manner since authority, responsibility, procedures, and rules were clearly specified.

2.5 SUMMARY

Organizational behavior, relates to the relationship between employees and employers in an organization both are working toward the realization of the goals and objectives of any organization, and a close and fruitful coordination between the two is one of the major factors towards this realization. Organizational behavior approaches are a result of the research done by experts in this field. There are few approaches to organizational behaviour.

Firms facing a fast changing or turbulent external environment were very effective when they had more organic structures which provided flexibility for quick changes to be made within the internal environment of the system. Similarly, firms which operated in a relatively stable external environment were very effective when they had more mechanistic structures. This mechanistic structure allowed the system to operate in a predictable manner since authority, responsibility, procedures, and rules were clearly specified.

2.6 KEY WORDS

Mechanistic form of Organisation- In mechanistic organization, labor is divided and subdivided into many highly specialized tasks (high complexity), workers are granted limited discretion in performing their tasks and rules and procedures

Organic Form of Organisation- A highly organic system is characterized by decentralized decision-making which allows people directly involved with the job to make their own decisions, very few levels in the hierarchy with flexible authority and reporting patterns, loosely defined job responsibilities for members, and very few written rules and regulations

Job Simplification- The jobs are broken down into very small parts as in the assembly line operations where a fragmented task is repeatedly done over and over again by the same individual.

Job Rotation-This involves moving employees among different tasks over a period of time. Management does not have to bother with combining tasks, but at the same time, the workers do not get bored with doing one simple task over several years. The employee is periodically rotated from one job to another within the work setting.

Job Enlargement-This involves simply adding more tasks to the job so that the workers have a variety of simple tasks to perform rather than doing just one task repetitively. Two or more tasks are combined and the individual does the combined tasks altogether.

Job Enrichment- This offers a greater challenge to the workers because it requires the use of variety of skills possessed by them. This involves building in motivating factors into the job, giving the workers more responsibility and control over work, and offering learning opportunities for the individual on the job.

2.7 SELF ASSESSMENT QUESTIONS

- 1) Explain the overview of approaches in Organizational Behavior ?
- 2) Explain the elements of Organizational Behaviour?

2.8 SUGGESTED READINGS

1. Edwin B. Flippo, Personnel Management, Mc.Graw Hill Book Co. Ltd., Tokyo .
2. Decenzo and Robbins, Personnel/Human Resource Management, Prentice Hall of India Pvt.Ltd., New Delhi .
3. Monappa, Arun and Saiyadain, Mirza, Personnel Management, Tata McGraw Hill Publications Co. Ltd., New Delhi .
4. Storey, Hohn, Managing Human Resources – Preparing for the 21st Century, Beacon Books, New Delhi .
5. Fisher, SWchoenfeldt and Shaw, Human Resource Management, All India Publishers and Distributors, Chennai.
6. Mondy, wayne and Noe, Rober, Human Resource Management, Allwyns and Bacon, London .
7. Yoder, Dale and Staudohar, Paul, D. Personnel Management and Industrial Relations, Prentice Hall of India Ltd., New Delhi.
8. French, Windell, Human Resource Management, All India Publishers and Distributors, Chennai.
9. Venkataratnam, C.S. and Shrivastav, Personnel Management and Human Resources, Tata Mc Graw Hill Publishing Co., Ltd., New Delhi.
10. Aswathappa, K., Human Resources and Personnel Management, Tata Mc Graw Hill Publishing co., Ltd., New Delhi .

Dr. Nagaraju Battu

LESSON 3

CLASSICAL ORGANIZATIONAL APPROACHES

Learning objectives

- ✓ To study Introduction to Classical Theories of Management
- ✓ To understand Features of Management in the Classical Period
- ✓ To learn Traditional theory, Bureaucratic Model, Scientific Management (F. W. Taylor)

Structure

- 3.0 Introduction to Classical Theories of Management
- 3.2 Features of Management in the Classical Period
- 3.3 Traditional theory
 - 3.3.1 Bureaucratic Model
 - 3.3.2 Scientific Management (F. W. Taylor)
 - 3.3.3 Administrative (Process) Management Theory (H. Fayol and Others)
- 3.4 Summary
- 3.5 Key words
- 3.6 Self Assessment Questions
- 3.7 Further Readings

3.0 INTRODUCTION TO CLASSICAL THEORIES OF MANAGEMENT

At about 1900, a set of principles and concepts about organization and management, now called as classical theory, began to be extensively developed. Even at present the influence of classical theory of organizations is quite profound or remarkable. The existence of complex and large organizations even today can be accounted appreciably through classical concepts of management thought.

This point of view regarding an organisation is expressed fully by three streams of the classical theory, viz:

- (i) Bureaucracy;
- (ii) Scientific Management; and
- (iii) Process Management.

We have mechanistic structure of an organisation and it is considered as a closed system. Let us describe the three streams of classical theory of management.

3.1 FEATURES OF MANAGEMENT IN THE CLASSICAL PERIOD

- (i) Hierarchy of authority involving superior-subordinate relationship and chain of command;
- (ii) Clear-cut division of work, based upon competence and functional specialization. An

ordered hierarchy takes the advantage of specialization;

(iii) A system of rules, regulations and procedures. A bureau-cratic seeks rationality, routine, objectivity and consistency for his organisation. Behavior is subject to systematic discipline and control;

(iv) A rule by law leads to impersonality of inter-personal or mutual relations. Interpersonal relations are based on positions and not on personalities. We have mechanical and impersonal behavior ;

(v) A system of work procedures involving standardization of methods;

(vi) Selection and promotion of employees based upon managerial and or technical competence; and

(vii) Authority and power rest in the office.

Bureaucracy recognizes only legal power and authority given to each office or position in the organisation. The power does not belong to an individual. It is a part of the office.

Assessment of Bureaucracy:

Bureaucracy provided a rigid machine model of an organisation. It could not account for humanistic model of an organisation which could recognize importance of human interpersonal or mutual relations in an organisation. Bureaucratic organisation may be preferred where change is not anticipated or where rate of change is slow and it can be predicted.

In a stable or static organisation (considered as closed system) bureaucracy can work and may be preferred. It is usual in government and in many stable large businesses. But in a dynamic business organisation (considered as an open system) we cannot use bureaucracy.

There are many glaring disadvantages in bureaucratic organizations- Rigidity, impersonal and mechanical or dehumanized environment, higher cost of controls, tendency to forget ultimate goals of the organisation. Self-perpetuation and empire building, difficulty of co-ordination and communication, blind faith in rules, regulations and procedures. Above all, bureaucracy cannot offer satisfaction of higher level wants of employees and to that extent it fails miserably to exploit fully the human potential.

It offers limited scope for the development of human resources or for management development. Many of the problems of bureaucracy probably would be reduced if the individual needs and characteristics of all people are remembered and are duly considered in making managerial decisions. In other words, we must humanise bureaucracy.

3.2.2 Scientific Management (F. W. Taylor)

F. W. Taylor (1856-1915) eventually became acclaimed as "the Father of Scientific Management."

Taylor, Gilbreth (Frank and his wife, Lillian), Gantt and others launched what they called scientific management. According to these experts it was not proper to just find a way of doing something. A manager had to find the one right way. They used time and motion study for developing a right way.

According to them analysis, planning and control of work should be separated from the execution of work and management should be responsible for detailed analysis, investigation and planning of work in advance, whereas workers should be responsible for the performance of the work as per plans.

Scientific management revolutionized the entire shop or plant management. It led to the development of time and motion study, and it refined wage incentive plans. It provided necessary foundation for industrial engineering. If we take a broad view of Taylorism or scientific management, the contributions of Taylor and his eminent followers were truly out-standing and many features of their contributions have proved to be enduring and classical. The basic theme of Taylor was that managers should study work scientifically in order to identify "one best way" to get the job done. Taylor codified his ideas in terms of certain principles which were very popular.

The essence of positive view of scientific management was described by Taylor as follows:

- (i) All jobs can be observed and analyzed in order to determine the one best way of accomplishing them. Management must use scientific, rather than the rule-of-thumb approach.
- (ii) The best man for the job can be scientifically selected and trained.
- (iii) You can insure that the one best way is followed by paying the man on incentive basis tying his wage or salary to how much he produces.
- (iv) Put a manager in charge of analysing, planning, preparing and inspecting work. The worker simply carries out the directions and instructions issued by the manager.
- (v) Harmonious organisation can be obtained by assigning the appropriate man to each set of operations. This will prevent any discord.
- (vi) Management has to choose the best means of economical production. Specialisation of workers is essential to increase efficiency of production.
- (vii) Co-operation between labour and management can be achieved. This will ensure maximum output, in place of restricted output by workers.
- (viii) A striving for enterprise and the development of each man to his greatest efficiency and prosperity must be accomplished.
- (ix) Workers must be inspired or trained to use the scientific methods developed through time and motion study.
- (x) Management must organise in such a way that it can properly manage and carry out its duties.

Taylor's Mechanism:

Taylor's mechanism covered three elements:

- (i) Time study with the help of stop watch to determine the precise time for each element of a man's work;
- (ii) Differential piece rate system offering a premium for producing above the standard.
- (iii) Functional foremanship creating right supervisors or foremen each acting as a specialist having functional authority over the workers.

However, this element created multiple bosses for each worker and we could not maintain the unity of command, i.e. one boss for each subordinate.

The most colourful contributors to Taylorism were Frank and Lillian Gilbreth, F. Gilbreth (1868-1924) gave us motion study. He developed 17 basic motions which were called 'therbligs.' His wife, Lillian Gilbreth was Ph. D., in psychology. L. Gilbreth (1878-1972) emphasized the human factor in industry and stressed psychological effects of fatigue.

Frank and Lillian Gilbreth made pioneering efforts in the field of motion study and they laid the entire foundation of our modern applications of job simplification, meaningful work standards and incentive wage plans. Mrs. L. Gilbreth had a unique background in psychology and management and the couple could embark on a quest for better work

methods. F. Gilbreth is regarded as the father of motion study.

Taylor (a stop-watch man) and Gilbreth (a motion-study man) both are responsible for inculcating in the minds of managers the questioning frame of mind and the search for a better way.

Henry L. Gantt, (1816-1919), an ardent advocate of scientific management, made four important contributions to the concepts of management-

- (1) Gantt Chart to compare actual to planned performance,
- (2) Task and Bonus plan for remunerating workers indicating a more humanitarian approach,
- (3) Psychology of employee relations indicating management responsibility to teach and train workers,
- (4) Emphasis on service rather than on profits. Gantt's contributions were more in the nature of refinements rather than fundamental concepts. They made scientific management more humanized and meaningful to devotees of Taylor

H. Emerson (1853-1931) coined the term efficiency engineering to describe his brand of efficiency. He announced twelve principles of efficiency- five relating to employer-employee relations and seven relating to systems in management. He was one of the America's first consultants, thus bringing emphasis to the staff principle.

He was the first to codify a set of principles to guide management. D.H.S. Person was called Mr. Management. He was in the education line. Person's contribution was to give scientific management a new academic respectability and to vigorously spread the idea that scientific management was not dedicated to the stop watch and speed-up, but rather dedicated to the purposive and scientific determination of effective ways to accomplish given tasks.

Assessment of Scientific Management:

Scientific management is also called Taylorism. It emphasized detailed, precise planning of work to achieve efficiency, standardization, specialization, simplification. It relied on formal top-down budgeting which led to centralized control system. Scientific techniques of management were employed for the management of physical resources rather than for human resources.

Primary emphasis was on the analysis, planning and control functions related to performance of basic tasks. It was assumed that normal economic incentives were enough for implementation of plans and policies. It aimed at improving the efficiency of human work but it considered human being as a rational economic man and he can act just like a machine.

Great advances in managerial practice were made to determine faster and better methods of production and more efficient forms of organisation and management. But workers were assumed as standardized units of production interchangeable in organisation slots-cogs in the organisation machine. No advances were made in human areas.

Scientific management assumed that industrial efficiency can be improved through the application of the methods of science and the movement to high wages for higher, productivity. It advocated that standardization of working conditions, work methods, time study, motion study, standardization of work, planning of daily tasks, etc., can promote industrial efficiency.

Taylor emphasized five concepts on which management theory and practice could be based:

- (1) Research
- (2) Standards,
- (3) Planning,
- (4) Control and
- (5) Co-operation.

Scientific management certainly used a systematic experimental techniques; on the other hand, it showed mechanistic assumptions about human behavior. To Taylor, human behaviour was indeed a component of a large productive machine. Only those individuals who acted like machines had a place in his productive system. Taylor failed to understand the complexities of human behavior.

The essence of positive view of scientific management was described by Taylor as follows:

Science, not rule of thumb. Harmony, not discord. Co-operation, not individualism. Maximum output, in place of restricted output. The development of each man to his greatest efficiency and prosperity.

Integration of scientific management, human relations movement of Fayol's administrative theory can give us a broader and sound base for organisation and management.

3.3.3 Administrative (Process) Management Theory (H. Fayol and Others)

Scientific management was launched in the U. S. A. by Taylor, and his followers at about 1910. At about the same time administrative theory of management (process management) was initiated by H. Fayol, a French engineer-cum-manager in Europe. Sheldon, Mooney and Reiley, H. Simon, L. F. Urwick, L. Gulick, C. Barnard were the followers of Fayol and they contributed a lot to the administrative theory of management.

It is also called process school of management. Koontz and O'Donnell, G. Terry, E. Dale, R. C. Davis are also strong advocates of the process school of management. This book is also based on process school of management.

The pattern of management was established by Henry Fayol. The pyramidal form of organisation, scalar principle, departmentation, delegation, unity of command, exception principle, span of control, authority-responsibility, etc., are some of the important management concepts set forth by the advocates of process school of management.

Fayol stressed the general applicability of management principles. He pointed out that technical ability is more dominating on the lower level of management whereas managerial ability is more important on the higher level of management.

He also stressed the value of staff to assist line managers in complex organizations. Fayol in his landmark book 'General and Industrial Management' described fourteen management principles that can capture the entire flavor of the administrative theory of management.

Management Process as per Fayol:

Fayol proposed that all operations in business organizations can be classified under six headings:

- (1) Technical (production),
- (2) Commercial (purchase and sales),
- (3) Financial (finding and controlling capital)

- (4) Security (protection of property and persons)
- (5) Accounting (stocktaking and balance sheet, costing, records), and
- (6) Administrative activities (planning, organising, commanding, coordinating, and controlling).

He further noted that with regard to administrative operations:

- (1) To plan means to study the future and arrange the plan of operations,
- (2) To organise means to build up the material and human organisation of the business,
- (3) To command means to make the staff do their work,
- (4) To co-ordinate means to unite all activities and
- (5) To control means to see that everything is done in accordance with the rules that have been laid down and instructions given.

Other Contributors:

J. Mooney (1884-1957) and Alan Reiley were the advocates of process management school. These two management experts identified and elaborated principles of organisation such as coordination, scalar principle, line and staff duties, etc. Two other individuals L. Urwick and L. Gulick also emphasised the functional or process approach to management. They synthesized the ideas of various writers on process management theory and indicated the probability of the science of management

Assessment of Administrative or Process Management Theory:

Elements of administrative or process management theory include:

- (1) Principles of management given by Fayol, and others,
- (2) Concepts of line and staff organisation,
- (3) Committees, and
- (4) Functions of management as given by Fayol and others,
- (5) Co-ordination expressing the central task of management.

Gulick coined the management functions as POSDCORB', i.e. Planning, Organizing, Staffing, Directing, Co-ordinating, Reporting and Budgeting. Two popular management text-books (Koontz and O'Donnell, and G. Terry) are organized around the management functions. It is clear that the study of organizations through an analysis of management functions has been and even today is important. The present book also is based around management functions and management as an ongoing process.

Social scientists described administrative theory as an ideal bureaucracy. It places heavy emphasis on the power and authority structure of an organisation. It enjoys all the advantages of bureaucracy such as order, stability, and certainty.

It also suffers its disadvantages such as rigidity, impersonality, and excessive categorization. It is institutionally power-centered and cannot give greater scope for individualism. Hence, it cannot provide democratic organizations. Administrative theory is a way to achieve bureaucracy.

If you desire bureaucracy administrative theory will also be valued. If you desire more democracy, you will have to modify administrative theory considerably.

3.4 SUMMARY

At about 1900, a set of principles and concepts about organisation and management, now called as classical theory, began to be extensively developed. Even at present the influence of classical theory of organizations is quite profound or remarkable. The existence of complex and large organizations even today can be accounted appreciably

through classical concepts of management thought.

Social scientists described administrative theory as an ideal bureaucracy. It places heavy emphasis on the power and authority structure of an organisation. It enjoys all the advantages of bureaucracy such as order, stability, and certainty.

It also suffers its disadvantages such as rigidity, impersonality, and excessive categorization. It is institutionally power-centered and cannot give greater scope for individualism. Hence, it cannot provide democratic organizations. Administrative theory is a way to achieve bureaucracy.

If you desire bureaucracy administrative theory will also be valued. If you desire more democracy, you will have to modify administrative theory considerably.

3.5 KEY WORDS

Bureaucracy-Bureaucracy provided a rigid machine model of an organisation. It could not account for humanistic model of an organisation which could recognize importance of human interpersonal or mutual relations in an organisation

Scientific management- Scientific management is also called Taylorism. It emphasized detailed, precise planning of work to achieve efficiency, standardization, specialization, simplification

3.6 SELF ASSESSMENT QUESTIONS

- 1) Define and explain the Features of Management in the Classical Period?
- 2) Explain the Scientific Management (F. W. Taylor)?
- 3) Discuss in detail the Administrative (Process) Management Theory (H. Fayol and Others)?

3.7 FURTHER READINGS

1. Edwin B. Flippo, Personnel Management, Mc.Graw Hill Book Co. Ltd., Tokyo .
2. Decenzo and Robbins, Personnel/Human Resource Management, Prentice Hall of India Pvt. Ltrd., New Delhi .
3. Monappa, Arun and Saiyadain, Mirza, Personnel Management, Tata McGraw Hill Publications Co. Ltd., New Delhi .
4. Storey, Hohn, Managing Human Resources – Preparing for the 21st Century, Beacon Books, New Delhi .
5. Fisher, SWchoenfeldt and Shaw, Human Resource Management, All India Publishers and Distributors, Chennai.
6. Mondy, wayne and Noe, Rober, Human Resource Management, Allwyns and Bacon, London .
7. Yoder, Dale and Staudohar, Paul, D. Personnel Management and Industrial Relations, Prentice Hall of India Ltd., New Delhi.
8. French, Windell, Human Resource Management, All India Publishers and Distributors, Chennai.
9. Venkataratnam, C.S. and Shrivastav, Personnel Management and Human Resources, Tata Mc Graw Hill Publishing Co., Ltd., New Delhi.
10. Aswathappa, K., Human Resources and Personnel Management, Tata Mc Graw Hill Publishing co., Ltd., New Delhi .

Dr. Nagaraju Battu

LESSON 4

TAYLOR VS. FAYOL IN MANAGEMENT EVOLUTION

Learning Objectives

- ✓ To study Introduction of Taylor Vs. Fayol in Management Evolution
- ✓ To Know about the Scientific Management (Taylorism)
- ✓ To Learn Taylor's chief ideas

Structure

- 4.0 Introduction of Taylor Vs. Fayol in Management Evolution
- 4.2 Scientific Management (Taylorism)
- 4.3 Taylor's chief ideas
- 4.4 Other ideals of Fayol
- 4.5 Other Principles of Management
- 4.6 Hawthorne Experiment
 - 4.6.1 Testroom studies
 - 4.6.2 Human Attitudes and Sentiment
 - 4.6.3 Social Organization
 - 4.6.4 Absenteeism in Industries
 - 4.6.5 Characteristics of HR approach
 - 4.6.7 Impact of Social & Human factor in Productivity
 - 4.6.8 Man is not only an Economic man
 - 4.6.9 Discard of Rabole Hypothesis
 - 4.6.10 Satisfaction of Psychological need of workers
 - 4.6.11 Liberal Supervisory Style
 - 4.6.12 Worker Participation or Group Endeavor
 - 4.6.13 Organisation as a social system
 - 4.6.14 Other characteristics
 - 4.6.15 Critical Evaluation
 - 4.6.16 Unscientific Enquiry
 - 4.6.17 Anti Union and Pro-Management Bias
 - 4.6.18 Economic Dimension ignored
 - 4.6.19 Untenable Indeed of conflict free society

- 4.7 Behaviorism
- 4.8 Summary
- 4.9 Self Assessment Questions
- 4.10 Further Readings

4.0 INTRODUCTION OF TAYLOR VS. FAYOL IN MANAGEMENT EVOLUTION

To describe the evolution of management in the neo-classical period, i.e., 1930-1960, let us describe the role of Taylor and Fayol in management evolution. The industrial revolution brought about radical changes in the methods and techniques of production and distribution. Joint stock enterprise provided an ideal form of business organisation to deal with mass production and mass distribution. Company organisation demanded management by experts and gradually management assumed a professional character.

Until 1900, we did not have any formal concepts of management. Taylor and Fayol both contributed a lot for the development of modern concepts of management. Parallel activities of Du Pont Company also provided concrete support for the growth of management theory and practice.

Since 1930, Lever Brothers, Radio Corporation of America, General Foods, General Motors, General Electric, and many other such multi-national business concerns helped the development of management thought and brought about management revolution, i.e., firm establishment of professional management.

4.1 SCIENTIFIC MANAGEMENT (TAYLORISM)

F. W. Taylor- Taylor provided a base upon which much of our current thinking about management is firmly established. He saw the need to systematic management, to analyse the work to be done, to measure it and to assign portions of work to the people best selected and trained to perform the work. He published his book The Principles of Scientific Management in 1911.

Scientific management will be a process of directing human efforts which employs- (1) the scientific method and (2) the management specialists. Scientific method includes- (a) observation; (b) measurement; (c) experimentation; and (d) inferences and conclusions.

The management specialist can be defined as one who specializes in the application of modern scientific method to the solution of problems arising in the process of management. Scientific management gives particular stress on the following managerial work:

- (1) Intelligent investigation and analysis of the different units of the business.
- (2) Scientific study of each unit of the business.
- (3) Scientific study of different methods of doing a work.
- (4) Scientific selection of workers.
- (5) Determination of the most efficient unit of work.
- (6) Determination of standard or 'norm' based on scientific approach and analysis.
- (7) Determination of the most efficient speed in order to achieve the goal of a 'standard best'.

Taylor's chief contribution was not in the field of General or Top Management. It was essentially around shop floor or plant management.

4.2 TAYLOR'S CHIEF IDEAS

- (1) Separation of planning from doing.
- (2) Manager to plan in advance the work to be done.
- (3) Manager to select and train the workers.
- (4) Time and Motion Studies.
- (5) Differential Wage Plan.
- (6) Functional foremanship and division of labour.
- (7) Standardization of tools and equipment.

Above all, he sincerely advocated scientific approach to management and for the first time introduced rationalized plant management. Taylorism substituted scientific management for conventional or orthodox management which was based on hunches, guesswork and traditions. However, it should be noted that paternity of modern management was not established by Taylorism.

It only introduced scientific approach to plant or shop management. It was silent on principles of general management. Taylor did not provide the whole answer to 'what is a manager?' and 'what are the managerial functions'? Answers to these questions can set the pattern of modern management and these answers were provided not by F. Taylor but by H. Fayol, a French industrialist in his book General and Industrial Management.

4.3 HENRY FAYOL (FATHER OF MODERN MANAGEMENT)

He can be rightly considered the father of modern theory of general and industrial management. Henri Fayol analyzed the process of management as he had observed it firsthand.

He divided general and industrial management into six groups:

- (1) Technical activities (production, manufacture, adaptation).
- (2) Commercial activities (buying, selling and exchange).
- (3) Financial activities (search for and optimum use of capital).
- (4) Security activities (protection of property and persons).
- (5) Accounting activities (stocktaking, balance sheet, cost, statistics).
- (6) Managerial activities (planning, organisation, command, co-ordination and control).

These six functions had to be performed to operate successfully any kind of business. He, however, pointed out that the last function, i.e., the ability to manage, was the most important for upper levels of managers. There is no doubt that Fayol established the pattern upon which our modern concepts of management are built. Fayol's grouping approximately tallied with the analysis of managerial work of many companies even before 1930.

The process of management as an ongoing managerial cycle involving, planning, organizing, directing, leading, coordinating, controlling is actually based on the analysis of general management by Fayol. Hence, it is said that Fayol established the pattern of management thought and practice. Even today, management process has general recognition.

4.4 OTHER IDEAS OF FAYOL

Fayol's contribution to the evolution of modern management is really remarkable:

1. He gave us overall concepts of general management.
2. He gave us the typical functions of management.
3. He recognized the value of staff specialists to guide and advice line managers in complex organizations. Later management experts developed line and staff organisation.
4. He recommended selection and training of workers and managers. This will create skilled workers and professional managers.
5. He advocated the use of organisation charts to describe at a glance the organizational relationships, authority-responsibility flows and scalar chain.
6. He introduced with great emphasis the principles of unity of command and unity of direction.
7. He pointed out the importance of non-financial incentives.
8. He identified the key problem of delegation and decentralization of authority.
9. He emphasized planning function of higher management.

4.5 OTHER PRINCIPLES OF MANAGEMENT

Followers of H. Fayol gave other principles of management such as universality of management, control by exception, decision by exception, equality of authority, responsibility, power and accountability and coordination.

By introducing two modifications to Fayol's concepts, we could easily install the foundation of modern management theory:

- (1) Management is the planning, organizing, command, co-ordination and control of technical, financial commercial accounting and security activities
- (2) It is not command but motivation and leadership which can help us to understand why men and women work and how to secure from them maximum productivity.

Thus, we substitute motivation and leadership for command. Direction and command are not enough to get things done through people. The manager today has to encourage, communicate, develop, guide and stimulate his employees to secure higher output. Modern management places the greatest emphasis on leadership and motivation as keys to productivity.

The pattern of management that developed in Du Pont Company had a far-reaching influence on modern business enterprise. The writings of Taylor and Fayol stimulated further investigations into the theory of management and its application to business. The example of Du Pont provided a pattern that was followed with great success by many other companies.

The works of Taylor and Fayol the two pioneers in the evolution of managerial thought are in reality complementary:

- (1) They both pointed out that the problem of personnel and its management at all levels is the master-key to industrial productivity and progress.
- (2) Both implied scientific approach and scientific method to solve the managerial problems.
- (3) Taylor was a management engineer. Taylor worked primarily on the operative level from the bottom of the organisation hierarchy upwards. Whereas Fayol concentrated on the Managing Director and worked downwards on the organisation hierarchy. Fayol was a management philosopher.
- (4) Both, however, stressed on the technical or professional aspects of the management and both are responsible for the managerial revolution which took place after 1940.

In short, Taylor introduced scientific plant management whereas Fayol and Du Pont company introduced the foundation of the pattern of theory and process of management.

4.6 HAWTHORNE EXPERIMENTS

Hawthorne Experiments of Elton Mayo are considered as the bedrock of human relations movement in the management. These experiments were conducted in the Hawthorne plant of the Western Electric Company from 1924 to 1932. It may be pointed out that these experiments were initiated by the National Research Council of the National

Academy of Sciences along with George Pennock, supervisor of the company, and his associates. Thus, Mayo was involved in the experiments after some initial probing by the research team especially when it failed to come to any definite conclusions. The main objective of these experiments was to know and understand the factors affecting efficiency and productivity of workers.

4.6.1 The Test Room Studies—Great Illumination Experiment

The first in the series was The Great Illumination' experiment (1924-27) having its objective to find out the impact of single variable i.e. illumination on the working capacity of workers. Under this experiment, two groups (control and experimental) of female workers, consisting of six members each, were formed and located in two different rooms, each group performing the same task. In the beginning, the rooms were equally illuminated but later on the experimental group was subjected to changes in the level of illumination. The research team observed both the groups and kept accurate record of production. The result was that regardless of the level of illumination, the production in both the groups increased. This made the researchers to conclude that certain other factors rather than illumination influence the level of production. So, various experiments were conducted to find out the other factors. During these experiments wage payments, duration of working hours, and rest periods were changed from time to time.

Further, instead of group incentive plan, an individual piece rate plan was introduced. All these changes led to continued rise in production. Likewise, provision of refreshment like tea, coffee and soup as well as reduction in working hours and total work time in a week further accelerated the output. To explore further, the research team decided to withdraw all the newly introduced incentives and reverted to original conditions of work except individual piece rate system. The result was that initially the output declined a little but soon it rose to all time high. The findings puzzled the research team and it failed to give any plausible explanation.

Meanwhile, George Pennock met Mayo and requested him to unravel the problems confronted by the research team. On the basis of the findings derived by the research team, Mayo felt that mental attitude of the workers was perhaps responsible for this phenomenon. He further elaborated that the test room girls became a social unit and because of the increased attention of research team in them they developed a sense of participation. This paved the way for further research into social man. The network of these experiments had been hailed as the —Great Illumination! because it had thrown light on new areas of industrial relations.

4.6.2 Human Attitudes and Sentiments—Interviewing Studies

An interviewing study of psychological nature was conducted by the Harvard team from 1928 to 1931 in the same plant with a view to know the attitudes and sentiments of workers towards management and supervision. Under this workers were asked to express their views freely on the programs and policies of the management, working conditions and treatment by the supervisors. This provided an opportunity to as many as 21,126 workers who were interviewed with the help of interview schedule to let off steam'. As a result of this exercise, a change was witnessed in the mental attitude of the workers as they felt better though there was no material change in the environment as no reforms were introduced. The analysis of the data revealed that there is no correlation between the nature of complaints and the facts. The study team concluded that there were two types of complaints—the manifest material and psychological latent. The team realized that the complaints express the hidden grief of the workers rather than being symbolic of actual facts. The preoccupation of workers with personal problems which Mayo called as pessimistic reveries, 'many a time inhibited performance in the industry.

4.6.3 Social Organizations—Observational Studies

It was the last stage of the Hawthorne experiments conducted by Elton Mayo and his team during 1931-32 with the objective to observe a group behavior of workers performing a task in the natural setting. Under this 14 employees consisting of three groups of workmen were selected whose work was of interrelated nature i.e. to solder, to fix the terminals and to finish the wiring. Wages were paid on the group incentive plan and each member got his share on the basis of the total output of the group. It was found that the workers had a clear-cut standard of output which was lower than the management target. The group as per its standard plan did not allow its members to increase or decrease the output. Although they were capable of producing more, the output was held down to maintain uniformity. The group became highly integrated and it used social pressure to set right the erring members by maintaining a code of conduct.

The main findings of the study were that: a) the behavior of the group has nothing to do with the management or the general conditions of the plant; b) the workers viewed the interference of the supervisors and technologists who were supposed to increase efficiency as disturbance because to them the logic of efficiency followed by experts puts constraints on their group activity; c) the supervisors were considered as a separate category with authority meant to discipline the workers. In brief, the logic of efficiency did not go well with the logic of sentiments, which had become the cornerstone of the social system'. The study concluded that one should not ignore the human aspect of organization. Mayo suggested that besides technical skills, management should also handle human situations, motivate, lead and communicate with the workers. As regards concept of authority, he suggested that instead of expertise it should be based on social skills.

4.6.4 Absenteeism in Industries

The final experiment was conducted by Elton Mayo along with his research team in 1943 in three industrial undertakings engaged in manufacturing important components for aircrafts with a view to find out the causes responsible for high turnover of labor and chronic absenteeism. On the basis of Hawthorne experience, the study team found that it was due to the lack of informal groups and natural leaders to knit the workers into a team. Therefore, Mayo suggested that to the extent possible, management should encourage formation of informal groups to elicit cooperation of employees and treat the workers' problems with human understanding. Workers should not be treated as cog in the

machine but human beings. The labor should develop the feeling that they were not subject to exploitation by the management.

In brief, the significance of Mayo's studies lies in discovering the informal organizations to encourage spontaneous cooperation and realization of human factor in work situations so as to achieve the objectives of the undertaking without any difficulty.

4.6.5. Characteristics of Human Relations Approach

The most important contribution of Hawthorne experiments is the development of Human Relations approach. By Human relations we mean the process of integration and inter-relations of persons working in an organization. The focus of the approach which became popular after the Mayo's experiments is the 'human behavior' which has a great bearing on the administrative efficiency and organizational dynamics. The main characteristics of this approach are as under:

4.6.6 Emphasis on Human Element

The foremost characteristic of human relations approach is its emphasis on human element in industry. It assumes man not as a machine rather a living and sensitive entity having his own views. Prior to Mayo, workers were considered as cog in the wheel 'or extension of a machine'. Labor was treated as commodity or nonliving means of production. There were wrong assumptions of human nature in industry. Generally, society was considered as a horde of unorganized people. In the eyes of managers workers were contemptible commodity'. Mayo while refuting these assumptions re-established human factor in industry. Thus, he advocated human relations approach by emphasizing needs, aspirations and sentiments of workers.

4.6.7 Impact of Social and Human Factors in Productivity:

Advocates of Human relations approach believe that output is affected by social and human factors along with technical and material ones. Before Hawthorne experiments, the impact of only technical and material changes was considered on productivity. However, Mayo's experiments showed that the impact of human and social factors is more than the material and environmental ones. To him, human relations include, among others, high morale, cordial relations, fulfillment of human needs and human management.

4.6.8 Man is not only an Economic Man:

Human relations approach strives to know the non-economic motivations instead of purely economic ones. According to this approach man is not only an economic man 'who works only for material benefits and rewards. Mayo realized that there are some social and psychological needs of man such as social prestige, appreciation, sympathy, recognition of work etc. which inspire him to work. So, he suggested that managers should pay due attention to the individual and social needs of workers in addition to proper wages. Hawthorne experiments proved that financial means are inadequate to provide incentive to employees rather non-financial incentives such as participation in management, security of service, freedom of work are more important. In fact, human relations approach believes in the concept of social man 'who is altogether different from the economic man'. Such a man is influenced by the standards laid down by the group and, in turn, affects the working of the organization because of his personal problems.

4.6.9 Discard of Rabble Hypothesis:

Human relations approach discards the rabble hypothesis and its two basic premises i.e. laissez-faire and concept of scarcity. This hypothesis considers whole society as a horde of unorganized people wherein each one competes for its self defense and fulfillment of self-objectives. Conversely, human relations approach assumes that in a working group cooperation is more important than competition; man works not for his self defence but for the defence of group's prestige; and man is motivated more by sentiments than logic.

4.6.10 Satisfaction of Psychological Needs of Workers:

This approach put emphasis on the satisfaction of psychological needs of workers such as recognition, self actualization and morale. Mayo, during the course of his experiments observed that work in the American industries meant humiliation. It was just performing of mechanical, tedious, unimportant and non-significant routine activities. It was just negation of workers' personality and non availability of opportunities to show and develop their abilities. Thus, in such a monotonous environment there was no scope for the satisfaction of psychological needs of workers. Resultantly, there was feeling of tension, disappointment, and worry among workers which Mayo termed as 'anomic' situation. His studies proved that morale of employees can be boosted by providing them opportunities of recognition, self respect and self actualization. In this way he emphasized upon the satisfaction of psychological needs of workers. Thus, this approach puts emphasis upon the understanding of workers' satisfaction, their participation in management, problems, informal relations and the internal social-psychological environment of an organization.

Human relations approach lays emphasis on informal groups. Advocates of this approach assume that the study of informal groups is must for understanding the activities of formal groups. According to Mayo as a result of working together there emerges interaction among workers which leads to formation of small informal groups. Workers become members of these groups socially and psychologically and their social activities continue within and outside the workplace. These groups keep social control over the activities, behavior and outlook of workers. Further, these groups lay down their own standard of work, rules and principles which affect the whole work environment. Social pressure is used by informal groups to fulfill their standard of work. Workers as social beings give more importance to these groups than the goals of an enterprise and material rewards. Mayo observed that since these groups greatly affect work environment so managers should accord recognition to them and make their use in management system.

He further clarified that by becoming member of social informal groups, workers' attitude towards the institution becomes better which helps in developing cordial relations with management. Moreover, through these groups effective leadership and communication system can be established.

4.6.11 Liberal Supervisory Style:

Human relations approach supports liberal supervisory style in industry. According to Mayo, free, liberal and sympathetic supervision inspires workers to work more. When workers have freedom of discussion, determining work procedure and controlling work environment, they work more enthusiastically. Further, morale of employees is boosted when supervisors behave friendly with workers, sympathetically consider their personal problems and avoid strict control.

4.6.12 Workers' Participation or Group Endeavor

This approach stands for worker's participation or group endeavor. Mayo was of the view that management efforts will succeed only when based on group endeavor. Further, to get constructive co-operation of workers, their participation in planning, organization and control is must. So, he suggested that managers should build up a new social order based on workers' co-operation.

4.6.13 Organization as a Social System

The Human relations approach perceives industrial undertakings as social units formed by social relations. It accepts factory or an administrative organization not merely a work-place but a social organization in which all persons work collectively. In fact, it is an individual entity closely associated with society. In this regard Mayo has rightly observed that 'the manager is neither managing men nor work, he is actually administering a social system.' Further, this approach did not view organization as a formal structure. According to it, work place is a complex social structure—a system of informal communication. Therefore, it puts emphasis on the maintenance of balance between logic of efficiency and logic of sentiments as well as development of interpersonal competence along with technical skill among managers.

4.6.14 Other Characteristics:

There are certain other characteristics of human relations approach in addition to the above mentioned ones which are as follow:

1. It assumes that the relations between employer and employees are not always determined by laws or rules but by moral and psychological factors.
2. It suggests managers and supervisors to develop quality of constructive leadership to boost up morale of workers.
3. As per this approach worker is affected by the total work situation of an institution and adapt himself accordingly.
4. It believes in analyzing the multi-dimensional nature of men and their mutual inter-actions to understand the activities of an organization.
5. It emphasizes upon coordination of individual interests with that of the organizational objectives.
6. It lays too much emphasis on human collaboration in industries. However, for eliciting cooperation, it suggests that authority of manager should be based on social skills rather than technical skills.

4.6.15 Critical Evaluation:

Though human relations approach is quite popular yet it has been victim of several criticisms by scholars like David Ashton, Peter F. Drucker, Alex Carey, Miller and Form, Loren Baritz, B. M. Selekman, Daniel Bell, Bendix and Fisher, Harold Sheppard etc. The main grounds of criticism are as under:

4.6.16 Unscientific Enquiry

Human relations approach is primarily the outcome of Hawthorne experiments conducted by Elton Mayo and his team which according to critics has no scientific base. The very selection of work, workers and environment was unscientific. According to Alex Carey, whole research method was defective because of small size of sample and improper analysis of data. He has pointed out that the research team selected in their first experiment 'cooperative' girls who were willing to participate in the research program rendering it worthless'. Further, a sample of five or six could not be taken as reliable one to make generalizations. He further observed that evidence obtained from experiments does not support any of the conclusions derived by the

Hawthorne investigations. Daniel Sell, one of the bitter critics of the human relations approach, also remarked that the methodology adopted by the Harvard group was defective. Likewise other critics pointed out that sweeping conclusions have been drawn from a relatively few studies.

4.6.17 Anti-Unions and Pro-Management Bias:

The approach is criticized for ignoring the role of trade unions in a free society. Selekmán while criticizing the Hawthorne experiments remarked that in more than twenty thousand interviews on which the conclusions of these experiments were based, nowhere the affairs of trade unions find mention. It is argued by critics that Mayo never tried to integrate unions into his thinking. Hence, Loren Bartiz and other criticized Mayoists' as anti-union and pro-management. In fact, United Auto Workers in America bitterly criticized Mayoism for its assumption that 'satisfied workers are productive workers'. While reacting to this, they branded human relationists as cow sociologists who believe that a satisfied cow gives more milk. To them, this can hardly solve the real problems of workers.

4.6.18 Economic Dimension Ignored:

The human relations approach is criticized for its failure to take into account the impact of larger economic, social and technological factors on the productivity of workers in organization. Peter Drucker, father of management thought, criticized the advocates of human relation approach for their lack of awareness of economic dimension. He felt that Hawthorne experiments neglected the nature of work and instead focused on interpersonal relations.

4.6.19 Untenable Ideal of Conflict-free Society:

In Human relations approach too much emphasis is given to cooperation and coordination while there is no place for 'conflicts'. Critics are of the opinion that conflicts provide new life to the organization and open up the gateway for competition and progress. Further, to think that a conflict-free state and worker contentment would lead to success of the company is not tenable because some tensions and conflicts are inevitable in every situation. They alleged that this approach sought to achieve organizational harmony through the subordination of individual and the group interests by the administrative elite.

They opine that the goal should be to provide healthy outlets instead of indulging in utopian ideals of conflict-free society.

Beside, the approach is criticized for Mayo's sentimental concentration on the members of an organization to the neglect of its work and purpose, and a general softness and a lack of direction. Notwithstanding, these criticisms, the human relations approach occupies important place for the study of organization highlighting the positive effects of reading the workers with human understanding.

4.7 BEHAVIOURALISM

Behaviouralism rose partly as a reaction against the traditional approaches of political inquiry and partly as a result of the quest in search for a more 'Scientific Method' of acquiring empirical knowledge during political analysis. Consequently, political scientists have in recent times proposed a variety of approaches to meet the needs of emerging paradigms in political thought. The first breakthrough came with the emergence of the 'Behavioralists Movement' in political science. Behaviouralism, or the behavioral approach to the analysis

and explanation of political phenomena, is particularly associated with the work of American political scientists after the

Second World War, but its origins can be traced back to the works of Graham Wallas (*Human Nature in Politics*) and Arthur Bentley (*The Process of Government*), both published as early as 1908. Both Wallas and Bentley were inclined to lay greater emphasis on the informal processes of politics and less on political institutions in isolation. Wallas sought to introduce a New Realism in political studies in the light of new findings in Contemporary Psychology. The new psychology had revealed that man was not totally a rational creature and that his political actions were not totally guided by reason and self-interest. Wallas therefore insisted on exploring facts and evidence for understanding human nature and its manifestations in human behavior.

Arthur Bentley, on the other hand, a pioneer of group approach to politics, primarily sought not to describe political activity, but to provide a set of new tools of investigation in the social sciences. Greatly inspired by Sociology, he proceeded to undertake a study of the role of pressure groups, political parties, elections and public opinion in the political process. Charles E. Merriam was another pioneer of the behavioural approach. He is famous as the founder of the 'Chicago School' which made substantial contribution to the behavioralist movement. In the article 'The Present State of The Study of Politics' published in *American Political Science Review* (1921) and in his book 'New Aspects of Politics' (1925), Merriam criticized contemporary political science for its lack of scientific rigor. In his presidential address to American 'Political Science Association' (1925), Merriam exhorted political scientists to look at political behaviour as one of the essential objects of inquiry.

George E. Catlin in his 'Science and Method of Politics' (1927) advanced the case for a value-free pure science. He treated 'power' as the essence of politics and argued that analysis of power should not be inclined in favour of any particular value-system. Harold D. Lasswell, (1902-78), in his celebrated work 'Politics: Who Gets What, When and How' (1936) proved to be a landmark in the empirical approach to politics as the study and analysis of power.

4.8 SUMMARY

The industrial revolution brought about radical changes in the methods and techniques of production and distribution. Joint stock enterprise provided an ideal form of business organisation to deal with mass production and mass distribution. Company organisation demanded management by experts and gradually management assumed a professional character.

F. W. Taylor- Taylor provided a base upon which much of our current thinking about management is firmly established. He saw the need to systematic management, to analyze the work to be done, to measure it and to assign portions of work to the people best selected and trained to perform the work. He published his book *The Principles of Scientific Management* in 1911.

The pattern of management that developed in Du Pont Company had a far-reaching influence on modern business enterprise. The writings of Taylor and Fayol stimulated further investigations into the theory of management and its application to business. The example of Du Pont provided a pattern that was followed with great success by many other companies.

4.9 KEY WORDS

Discard of Rabble Hypothesis- Human relations approach discards the rabble hypothesis and its two basic premises i.e. laissez-faire and concept of scarcity. This hypothesis considers whole society as a horde of unorganized people wherein each one competes for its self defense and fulfillment of self-objectives

The Test Room Studies—Great Illumination Experiment- The first in the series was The Great Illumination' experiment (1924-27) having its objective to find out the impact of single variable i.e. illumination on the working capacity of workers

Liberal Supervisory Style- Human relations approach supports liberal supervisory style in industry. According to Mayo, free, liberal and sympathetic supervision inspire workers to work more.

Human Attitudes and Sentiments—Interviewing Studies. Under this workers were asked to express their views freely on the programs and policies of the management, working conditions and treatment by the supervisors.

Human relations approach supports liberal supervisory style in industry. According to Mayo, free, liberal and sympathetic supervision inspire workers to work more.

4.10 SELF ASSESSMENT QUESTIONS

- i) Define and explain the H. Fayol (Father of Modern Management)?
- ii) Explain the Scientific Management (Taylorism)?
- iii) Discuss in detail the Other Principles of Management?

4.11 SUGGESTED READINGS

1. Edwin B. Flippo, Personnel Management, Mc.Graw Hill Book Co. Ltd., Tokyo .
2. Decenzo and Robbins, Personnel/Human Resource Management, Prentice Hall of India Pvt.Ltd., New Delhi .
3. Monappa, Arun and Saiyadain, Mirza, Personnel Management, Tata McGraw Hill Publications Co. Ltd., New Delhi .
4. Storey, Hohn, Managing Human Resources – Preparing for the 21st Century, Beacon Books, New Delhi .
5. Fisher, SWchoenfeldt and Shaw, **Human Resource Management, All India Publishers and Distributors, Chennai.**
6. Mondy, wayne and Noe, Rober, Human Resource Management, Allwyns and Bacon, London .
7. Yoder, Dale and Staudohar, Paul, D. Personnel Management and Industrial Relations, Prentice Hall of India Ltd., New Delhi.
8. French, Windell, **Human Resource Management, All India Publishers and Distributors, Chennai.**
9. Venkataratnam, C.S. and Shrivastav, Personnel Management and Human Resources, Tata Mc Graw Hill Publishing Co., Ltd., New Delhi.
10. Aswathappa, K., Human Resources and Personnel Management, Tata Mc Graw Hill Publishing co., Ltd., New Delhi .

Dr. Nagaraju Battu

LESSON-5

PERSONALITY

Learning Objectives

- ✓ To study the Personality traits and Individual Behavior
- ✓ To understand the Personality Theories
- ✓ To Learn the characteristics of Personality

Structure

5.0 Introduction

5.1 Definition

5.2 Characteristics of Personality

5.3 Types of Personality

5.3.1 Extrovert Personality

5.3.2 Introvert Personality

5.3.3 Ambivert Personality

5.4 Type A & B Personality

5.5 Personality Judgment

5.6 Personality Traits and Individual behavior

5.6.1 Authoritarianism

5.6.2 bureaucratic Personality

5.6.3 Machiavellianism

5.6.4 Style of Problem solving

5.6.5 Collecting organizing data

5.7 Introvert & Extrovert personalities

5.8 Self Esteem

5.9 Personality Theories

5.9.1 Psychoanalytical theory

5.9.2 Trait theory

5.9.3 Self concept theory

5.9.4 Social Learning theory

5.10 Summary**5.11 Key words****5.12 Self Assessment Questions****5.13 Suggested Readings****5.0 INTRODUCTION**

Personality has been derived from the Latin word “persona” which means “mask” used by the actors to change their appearance. It is the combination of individual thoughts, characteristics, behaviors, attitudes, ideas, and habits.

Personality is the product of social interaction in group life. In society every person has different traits such as skin, color, height, and weight. They have different types of personalities because individuals are not alike. It refers to the habits; attitudes as well as physical traits of a person who are not the same but have varied from group to group and society to society.

5.1 DEFINITIONS:

Macdonis defines personality as “It is the constant pattern of thinking, feeling and acting.”

Ogburn and Nimkoff define it as “the totality of sentiments, attitudes, ideas, habits, skills and behaviors of an individual.”

Fred E Luthans: “Personality means how people affect others, and how they understand and view themselves. It also involves their pattern of inner and outer measurable traits and person-situation interaction.”

Stephen Robbins and Seema Sanghi: “Personality is the total of ways in which an individual reacts and interacts with others.

5.2 CHARACTERISTICS OF PERSONALITY

- a) Personality is the total aggregate of qualities of a person.
- b) It is one of the determinants of individual behavior.
- c) It contains a stable set of characteristics or qualities. They cannot be changed easily.
- d) It can be determined concerning specific activities, situations, or work.
- e) It is a distinctive way of responding to any stimuli or situation.
- f) It seeks adjustment.
- g) It is a complex and multidimensional construct that is difficult to understand and analyze.
- h) It is partially measurable.
- i) It can be developed through learning.
- j) It has a two-way impact.
- k)

5.3 TYPES OF PERSONALITY:

Based on characteristics, there are three types of personality, those are

5.3.1. Extrovert Personality

This type tends to live mostly outside the like to live with others. Those individuals are highly socialized and have contact with outside people in the society. They want to join other groups who are more in number. These types of people are drivers, excessive drinkers, smokers, robbers, thieves, wicked persons, etc.

5.3.2. Introvert Personality

The introvert is opposite to extrovert. Those people are always live alone in their rooms and do not want to go outside. They have their imaginary world. They are teachers, scientists, thinkers, and philosophers.

5.3.3. Ambivert Personality

Between extrovert and introvert personalities there is a third one type called an ambivert. People belonging to this type enjoy both the groups and attend them. They have a middle mind and want to live in both parties. Sometimes they join outside people but sometimes they live in their rooms.

Another type of personality concerns how people respond to stress. However, although its name implies a personality typology, it is more appropriately conceptualized as a trait continuum, with extremes Type-A and Type-B individuals on each end.

5.4 TYPE A AND TYPE B PERSONALITY

One dimension of personality that is getting attention both from organizational as well as medical researchers is the Type A and Type B behavior profiles. Type A behavior individuals are most of the time restless and impatient in their expressions. They generally aim at perfectionism and want to achieve results as quickly as possible in a lesser amount of time. The other types of individuals are those with Type B behavior. These are generally more relaxed and patient in their expression. They do not feel the pressure of timelines. These individuals are more philosophical and are however less competitive. Thus, the Type personality individuals are generally obsessive. The managers who possess the traits of this personality pay attention to details are hard-driving in nature and also keep their team members pushed towards achieving performance

Type A personality some of the characteristics are as follows:

1. They are generally restless so they eat rapidly and keep walking or are generally on the move.
2. They tend to perform several tasks at one given time.
3. They are generally impatient in their expressions; do not like to waste their time waiting for others.
4. They are also impatient about other individuals who are not impatient.
5. They have the habit of starting with newer tasks before completing the previous ones.

6. They normally schedule a greater number of activities in lesser time though
7. They are initially themselves not sure whether everything will be done or not.
8. At times, they are involved in nervous gestures such as banging on the table and using clenched fists, etc.
9. They generally do not have time to relax or enjoy life.

Individuals with Type B personality are generally the opposite of the Type A individuals. These types of individuals are more relaxed and sociable. They have a balanced outlook on life. Type A managers have difficulties in creating cordial interpersonal relationships and create a lot of stress for themselves and the people they deal with. They especially feel pressured if they have to complete a task within a given deadline. Type B persons on the other hand, do put in extra effort to meet deadline but do not feel pressured.

Those persons who are classified as Type A have a strong desire and tendency to control all aspects of the situation, and if they are unable to control situation, they react with anger and frustration. Because they are obsessed with perfection, they are more apt to fear of failure, and even if their work is good, they tend to underestimate the quality of their work. In case of negative outcomes, they blame themselves more than the external factors.

A comprehensive identification of Type A personality is given by Karen A. Mathews as follows:

"The Type A pattern can be observed in any person who is aggressively involved in a chronic, incessant struggle to achieve more and more in less and less time, and if required to do so, against the opposing efforts of other things or other persons. The overt manifestations of this struggle include explosive, accelerated speech, a heightened pace of living, impatience with slowness, concentrating on more than one activity at a time, self-preoccupation, dissatisfaction with life, evaluation of the worthiness of one's activities in terms of numbers, a tendency to challenge and compete with others even in non-competitive situations, and agree-floating hostility. The major facets of 'core' elements of the behavior pattern are extremes of aggression, easily aroused hostility, a sense of time urgency, and competitive achievement surviving."

Research has indicated that such patterns of behavior as exhibited by Type A personality profile, lead to health problems, especially heart-related illnesses. In contrast, Type B persons may be hardworking but feel no pressing conflict with people or time and hence are not prone to stress and coronary problems.

5.5 PERSONALITY JUDGMENT

While we know what personality is, we are interested to know how a given personality is formed. What determines an individual's personality? Personality can be compared to a jigsaw puzzle in which we are interested in finding out the sources of all the pieces in the puzzle as well as their interrelationships. There are two broad categories of factors that influence the formation and development of personality. These are heredity factors and environmental factors. It is debatable as to which of these factors have a greater influence on the structure of personality. Some behavior scientists argue that personality characteristics are derived from heredity factors and the right type of environment only brings them out. Others feel that the effect of the

environment is quite strong. According to Maier, 'knowledge, skill, and language are acquired and represent important modifications of behavior.

Learned modifications in behavior are not passed on to children, they must be acquired by them through their personal experience. 'Thus, a probable consensus can be reached that it is both hereditary and environmental factors together affect the personality development of an individual. There may be some environmental constraints or limitations at times which may not allow an individual to completely realize his potential. However, the complete potential of an individual comprising both physical as well as psychological aspects may be determined by the hereditary aspects that is the complex set of genes.

5.6 PERSONALITY TRAITS AND INDIVIDUAL BEHAVIOR

There are an enormous number of human traits. It has been estimated that there may be as many as 5,000 adjectives that could be used to describe personality traits. As has been discussed before, personality is a set of relatively stable characteristics or dimensions of people that account for consistency in their behavior in various situations. There are a few very important dimensions of personality which can be related to both interpersonal and organizational behavior.

These may be described as follows:

5.6.1 Authoritarianism:

When an individual blindly accepts the authority, it is referred to as authoritarianism. The individuals believing in this concept have a high respect for authority and follow all the directions extended by the authority extremely obediently. They adhere to conventional values, are generally conservative, endorse strong parental control in keeping the family close and together, are concerned with toughness and power, are closed-minded, and generally less educated. Such people generally prove to be very good followers. This is because of their strong belief in the hierarchical order. They prove to be very good assets for company when they work under the directions of a defined supervisor and they are extremely productive under an authoritarian organizational setup.

'Dogmatism' can also be closely related to 'Authoritarianism'. Dogmatism refers to the expression of rigidity in one's beliefs. A highly dogmatic person is closed-minded, and believes in blind obedience to authority and intolerance towards others. They are generally known as fanatics such as religious fanatics or political fanatics like hardcore communists or right-wing Nazis.

5.6.2 Bureaucratic Personality:

A bureaucratic individual also respects organizational rules and regulations but he differs from an authoritarian person in the manner that he may not blindly accept the directions of an authority. He also has respect for the authority; however this respect is not total and blind in the case of a bureaucratic individual. Such individuals value rules, policies, processes, regulations, subordination, formal and informal relationships in an organization. They are generally not innovative, do not take risks, and are at ease in following established directives. Bureaucratic managers are better supervisors in types of work that are Routine and repetitive.

5.6.3 Machiavellianism:

A sixteenth-century author named Niccolò Machiavelli worked in the field of personality and identified the personality profiles of the noblemen of the day. The term called Machiavellianism has also been associated with the name of this author. This type of personality wishes to exercise control over others simply by manipulating others. They do this primarily intending to achieve some personal goals. The individuals having this type of personality have high self-confidence and high self-esteem. They always take calculated steps and do not hesitate while using others for their advantage and selfish interest. Personality

Their sole objective is to meet their objectives and goals. They believe that ends justify means and do not feel guilty in using unethical means to serve their interests. They are skilled in influencing others, and they approach the situations thoughtfully and logically. They would not hesitate to lie if necessary, and they are not easily swayed by a sense of friendship, trust, or loyalty. They are especially successful in exploiting structured situations and vulnerable people.

5.6.4 Style of Problem Solving

These individuals indulge in different ways and means and they have their style of making decisions. These facets are also reflected in their personality traits. For example, some of the people with this type of personality are well planned, thorough in their approach, pay attention to details, etc. However, some others are impulsive and they just go ahead with something extremely obvious. The problem-solving style has two dimensions. These dimensions are:

5.6.5 Collecting and organizing data

Further, in the process of information gathering also, two styles are involved. These are:

- (i) Sensation: The first style is known as sensation. Sensation-oriented people prefer routine and order, structured situations, and emphasize precise and well-defined details.
- (ii) The second style known as intuitive style, involves individuals who dislike routine, dislike repetition, and prefer new problems. They enjoy learning new skills but follow their instinct and jump to conclusions. Such person often enjoys fantasy, daydream a lot, and thus are subject to greater error of fact. They change their mind quickly and often do not finish what they start before going to a new project.

Making decisions using the data and information gathered from the data.

Evaluation involves making judgments based on the information so gathered.

There are two dimensions involved in the evaluation style. These are:

- Emphasis on feeling
- Emphasis on thinking

Feeling type people are sensitive to conflict and try to avoid issues that might result in disagreements. They are emotional and spontaneous and base their decision on how they feel about the situations. They do not like to hurt other people and friendly relationships to them are more important than efficiency or achievement. Feeling type managers find it hard to reprimand their subordinates for inadequate performances and would rather advise, guide, and help them. Thinking type people are more logical, analytical, and use reason when solving problems. They are unemotional and are unsympathetic to other people's feelings when making judgments. They

are very stubborn about defending their 'principles' and what they believe is right. They are organized and well-structured, and they carefully consider all options before making decisions.

5.7 INTROVERT AND EXTROVERT PERSONALITIES

Introvert personalities are generally shy and they prefer to be alone. They do not freely communicate with others and may feel hesitant while communicating with others. The extrovert personalities are however different from the introverts and they are most of the time outspoken and outgoing in their behavior. They are at times aggressive also and are capable of interacting effectively with people. According to L.W. Morris, the introvert is behaviorally described as 'quiet, introspective, intellectual, well-ordered, emotionally unexpressive and value-oriented, prefers small groups of intimate friends and plans well ahead.' On the other hand, an extrovert is best described as, 'sociable, lively, impulsive, seeking novelty and change, carefree and emotionally expressive.'

From an organizational point of view, it can be assumed that most managers would be extroverts since a manager's role involves working with and through other people. On the other hand, an extreme introvert works best when alone in quiet office without external interruption or influences.

5.8 SELF-ESTEEM

Self-esteem may be defined as the level of respect that one may have for himself. It may be defined as the measure of one's confidence level. It is also indicative of the respect that one has for his capabilities and motivation standards. Self-esteem has been placed as a higher level motivational need of an individual as per Maslow's model of hierarchical needs. Self-esteem can be correlated with traits like independence, creativity, and assertiveness. Individuals with high self-esteem levels are generally very friendly in their behavior. They are also affectionate and relate easily to people. They are good at interpersonal skills and are capable of appreciating other people for their positive qualities and strengths. Low self-esteem people are the people who are generally critical of others. They exhibit a depressing behavior and most of the time indulge in blaming others for their failures.

At the level of an organization, the people with high-esteem generally prove to be better performers than the ones with low self-esteem. The poor performance faced by people with low self-esteem further reinforces their behavioral traits.

According to Abraham K. Koran,

'People of high self-perceived competence and self-image should be more likely to achieve on task performance than those who have low self-image concerning the task or job at hand, since such differential task achievement would be consistent with their self-cognitions. This assumes that task performance is seen as valued.'

5.9 PERSONALITY THEORIES

Since personality variables reflect consistent and enduring patterns of behavior, these patterns can be classified into certain categories, so that the behavior can be predictable once we

identify the pattern of behavior as belonging to a given category. People in a given category would have a similar pattern of attributes, and personality theories tend to identify such attributes to group people into these various categories.

5.9.1. Psychoanalytical Theory

The Psychoanalytical Theory of personality as a reflection of behavior has been based primarily on the Freudian concept of the unconscious nature of personality. Freud noted that his patient's behavior could not always be consciously explained. This led him to believe that the personality structure is primarily founded on the unconscious framework and that human behavior and motivation is the outcome of such conflicting psychoanalytic concepts as the id, the ego and the superego. It is the foundation of the unconscious and is the base of libido drives. It strives for sexual pleasure and other biological pleasures and has animalistic instincts of aggression, power, and domination. Ego is conscious and is a mechanism to relate our conscious urges to the outside real world. It keeps the id in check through the realities of the external environment.

While id demands immediate pleasure, whatever the cost, ego controls it so that these pleasures are granted at an appropriate time and in an acceptable manner. Because of the difficulty of keeping the id under control, ego is supported by the superego. The superego is the higher-level restraining force and can be described as the conscience of the person. The conscience creates standards of what is wrong and what is right and is generally subconsciously developed by the absorption of cultural and ethical values of the social environment. All these three Freudian elements are inter-related and each cannot exist in isolation from others. To create a 'normal' personality, there must be a balance in the relationship between these three forces.

5.9.2. Trait Theory

Trait theory visualizes personality as a reflection of certain traits of the individual. Even though there are many traits that are common to most people, there are many other traits that are unique to a person and are not shared by other individuals. On the basis of the traits theory, people can be described as aggressive, loyal, pleasant, flexible, humorous, sentimental, impulsive, cool and so on. Traits are the basic elements of personality and can be used to summarize behavior. For example, if we see people behaving in an extrovert and forceful manner in most situations, we could label their personality as aggressive. Similarly, if a person is observed indifferent situations as letting someone else take the initiative in deciding what to-do, we could describe his personality as 'submissive'.

5.9.3. Self-Concept Theory

This theory is organized around the concept that personality and behavior are largely determined by the individual himself. We tend to act in ways that are consistent with our image of who we are. For example, a man known as a flirt would hardly stop at flirting. Carl Rogers is most closely associated with this theory. According to him, behavior can be best understood by the internal frame of reference that an individual has for himself. An individual himself is the center of the experience. His self-image is integral to how he views himself and his perception of how others view him.

5.9.4. Social Learning Theory

The social learning theory differs from the psychoanalytical theory in two ways. Firstly, personality development has been believed to be a result of the social variables rather than of the biological drives. Secondly, motives can be traced to known and conscious needs and wants rather than unconscious and latent desires. According to the learning theory, personality may be defined as the cumulative total of all the learning of a person. 'Reinforcement and punishment' approach has been used to understand personality according to the social learning theory. For example, one may be frustrated because of the external environment and this can bring forward aggression as one of his personality traits. Similarly, an individual's good behavior may be rewarded by society in terms of appreciation and this further helps in the reinforcement of good behavior. Thus, it can be understood that there is mutual interaction that exists between the external environment and behavior.

5.10 SUMMARY

Personality encompasses the thoughts, feelings, and behaviors that describe or define a person. Often personality is a generalization that provides insights into how someone will perceive, feel about, and react to a given situation or stimulus. Personality is generally an established, stable, and constant characteristic; however, personalities do change. This is particularly true of individuals as they are developing mentally and physically. For purposes of organizational behavior studies, personality has a strong impact on an individual's behavior daily and in a given circumstance.

5.11 KEY WORDS

Personality- Personality is the product of social interaction in group life. In society every person has different traits such as skin, color, height, and weight

Machiavellianism- Machiavellianism has also been associated with the name of this author. This type of personality wishes to exercise control over others simply by manipulating others

Extrovert Personality- This type tends to live mostly outside the like to live with others. Those individuals are highly socialized and have contact with outside people in the society

Introvert Personality- The introvert is opposite to extrovert. Those people are always live alone in their rooms and do not want to go outside

Bureaucratic Personality- A bureaucratic individual also respects organizational rules and regulations but he differs from an authoritarian person in the manner that he may not blindly accept the directions of an authority

Psychoanalytical Theory- The Psychoanalytical Theory of personality as a reflection of behavior has been based primarily on the Freudian concept of the unconscious nature of personality

5.12 SELF ASSESSMENT QUESTIONS

1. Define Personality? Briefly discuss the characteristics of personality?
2. Describe the types of Personality?
3. Elucidate the theories of Personality?

5.13 SUGGESTED READINGS

1. Mishra, M.N. *Organizational Behaviour*. Noida: *Vikas Publishing House* 2010.
2. Aswathappa, K. *Organizational Behaviour*. Mumbai: Himalaya PublishingHouse Pvt. Ltd 2010.
3. Gupta C.B A Textbook Of Organisational Behaviour S.Chand Publications January 2014
4. Stephen P. Robbins *Organizational Behaviour* Eighteen Edition Pearson Publications November 2018
5. John Ivancevich Robert Konopaske Michael Matteson, *Organizational Behavior and Management* McGraw-Hill Education – Europe Tenth Edition 2018
6. Shearsett Allison *Organizational Behavior* Independently Published (2018)
7. Inder Jeet, Suman Solanki *Organisational Behaviour for B.Com (Honours)(Previous 3 Years Semester)* Delhi University Semester 5 Taxman Publication 2018

Dr.V.TULASI DAS

LESSON-6

LEARNING

Learning Objectives

- ✓ To study the characteristics of Learning
- ✓ To Understand the Principles of Learning
- ✓ To Learn the Learning Process

Structure

6.0 Learning Definitions

6.1 Characteristics of Learning

6.2 Principles of Learning

- 6.2.1. Principle of acquisition
- 6.2.2 Principles of Extinction
- 6.2.3 principle of spontaneous Recovery
- 6.2.4 Principle of Generalization
- 6.2.5 Principle of Discrimination
- 6.2.6 Principle of Reinforcement

6.3 Learning Process

- 6.3.1 Stimuli
- 6.3.2 alienation
- 6.3.3 Recognition
- 6.3.4 Translation
- 6.3.5 Reinforcement'
- 6.3.6 Behavior
- 6.3.7 Reward
- 6.3.8 Habits
- 6.3.9 Motives
- 6.3.10 Efforts

6.4 Learning Theories

- 6.4.1 Classical or conditioning

6.4.2 Learning Process

6.4.3 Operant Conditioning

6.4.4 Learning Process

6.4.5 cognitive Information Processing

6.4.6 Learning Process

6.4.7 Constructivism

6.4.8 Learning Process

6.5 Summary

6.6 Key words

6.7 Self Assessment questions

6.8 Suggested Readings

6.0 LEARNING DEFINITIONS

"Learning is any permanent change in behavior that occurs as a result of experience."

"Learning means the acquisition of knowledge, skills, ability, expertise, etc., through study, experience, and practice that result in long-term change in one's behavior."

6.1 CHARACTERISTICS OF LEARNING

1. Psychological process
2. Outcome of experience
3. Change in behavior
4. Conscious and deliberate
5. Need of Reinforcement
6. Permanent change
7. Experience plus practice
8. Input in other cognitive processes (Perception, Personality, motivation, and attitudes)

6.2 PRINCIPLES OF LEARNING

Principles are facts related to learning. Psychologists have identified some truths to explain how learning takes place. Most principles have been derived from classical and operant theories of learning. Important principles are:

6.2.1. Principle of acquisition:

The principle of acquisition suggests that people follow different patterns of acquiring new behavior depending on the situation. The principle works under five types of conditions/situations

- a. Different tasks and different patterns of acquisition.

- b. Different tasks and same patterns of acquisition
- c. Same task and same patterns of acquisition
- d. Same task and different patterns of acquisition
- e. Same or different tasks and different degrees of improvement

6.2.2. Principle of Extinction

The principle states that conditioned (learned) response weakens if it is not reinforced, and ultimately, it tends to extinction.

6.2.3. Principle of Spontaneous Recovery

Principle of spontaneous recovery states that people follow non-reinforced conditioned response (i.e., prefer to extinguish non-reinforced behavior), take rest for a certain time, and they tend to return to conditioned response more intensively even though no reinforcement has taken place.

6.2.4. Principle of Generalisation

Generalisation suggests that a new stimulus and the original stimulus are responded to in the same way. It implies the same response to different stimuli. If the new stimulus is similar to the conditioned stimulus, it will also produce a conditioned response.

6.2.5. Principle of Discrimination

The principle of discrimination is opposite to the principle of generalization. The principle implies a different response to similar stimuli.

6.2.6 Principle of Reinforcement

Reinforcement is anything that strengthens the response and tends to induce repetition of behavior. Reinforcement is an important principle of learning. Desirable consequences (reinforcement) of the learned behavior increase the strength of the response, and also increase the possibility of being repeated in the future, and vice versa.

6.3 THE LEARNING PROCESS

6.3.1 Stimuli

Stimuli are any objects and language which draw the attention of people. Employees get stimuli from the actions of their superiors. Superiors tell and advise employees who pay attention to these stimuli. All the stimuli may not be fully attended to. Literary works are also stimuli that are given attention by educated employees. Stimuli are provided at jobs by perks and scores. Universities and colleges also impart stimuli for learning. A stimulus provides quality performances. Practical training and vocational teaching are forceful stimuli. The stimuli available at work are numerous. Social, political, cultural, and geographical factors provide varieties of stimuli for learning.

6.3.2 Attention

The degree of attention depends upon the nature of stimuli. All stimuli are not paid attention to. Technical and interesting stimuli are highly attended. Career-oriented stimuli are

generally accepted by employees. The personality levels of employees influence their desires to learn, motives for need fulfillment, and tension reduction. Employees having more values of life pay more attention to the stimuli for acquiring more knowledge and experience. People's creative attitude is favorable factors for learning and paying more attention to available stimuli.

6.3.3 Recognition

Attention-paid stimuli are recognized as acceptable factors of improvement and new lifestyles. Employees paying attention to stimuli are recognizing the stimuli for learning purposes. The levels of recognition depend upon the levels of values, preferences, needs, and desires of the employees. When objectives are unclear, employees do not pay attention and do not recognize the training as a fruitful process of improvement. In the learning process, unambiguous activities must be observed for recognition by employees as useful factors for their Well being and satisfaction.

6.3.4 Translation

Recognized stimuli are evaluated at the mental level to eliminate the irrelevant points for accepting a part of the stimulus for changing behavior. The valuation and appraisal of the recognized stimuli help in reinforcement. An activity will not take place unless it is found useful by employees. The translation and evaluation process is a crucial point for implementing the stimuli in behavior through reinforcement. Employees behave properly through attitude changes, objectivity, mental and physical development. It is observed in better performances.

6.3.5 Reinforcement

Reinforced perception is learning. The perception process includes stimuli, attention, recognition, translation, and behavior. Perception leads to learning, but perception itself is not learning unless it is reinforced. Repeated action is reinforcement. Reinforcement may be positive, negative, punishment, and extinction. Learners learn as per their perception levels. Generally positive reinforcement is more effective for making permanent changes in behavior.

6.3.6 Behavior

Learning changes behavior through reinforcement of perceived knowledge. It makes permanent changes in behavior. A temporary change in behavior is not learning. Positive behavior gives rewards to employees.

6.3.7 Reward

Employees expect rewards for learning. If the translated behavior provides a reward, it is accepted, otherwise it is not accepted. Employees develop their behavior into habits. Rewards may be monetary or non-monetary. A nonmonetary reward includes job satisfaction, status recognition, and task achievement. Professional satisfaction is attached to the behavior which influences the form of reward. The behavior of employees decides the level and form of reward. There ward reinforcement makes employees learn more than positive reinforcement behavior.

6.3.8 Habits

A permanent change in behavior becomes a habit that helps continuous improvement in behavior and performance. Employees develop the habit of self-appraisal and development. It

helps to instill creativity and confidence in employees who are encouraged to behave properly again and again. Right behavior is reinforced repeatedly. Habits help the development of the capability and capacity of employees. Habits translate theoretical knowledge into practice. Skill development requires habitual performance.

6.3.9 Motives

Motives depend on the level of satisfaction. Employees getting more satisfaction through learning develop high motives. Less satisfied learners have low motives. Learning is complete only when motives are fully realized and translated into efforts.

6.3.10 Efforts

Habits help achieve good efforts and performance. This is a continuous process. Efforts are the automatic outcome of good habits that are acquired through the learning process. Self-development is possible through self-effort. Employees willing to develop themselves are self-motivated and effort-oriented. Efforts become the stimuli for learning after the development of the standard of employees. Self-learning has been observed when employees have developed good habits and right motives. The learning process itself provides all these opportunities.

The learning process is associated with the mental process, inspiration, and action. Stimuli reach only the unconscious mind. If it pays attention to stimuli it goes to the inner-level of the mind at the subconscious level. Attention is paid by the subconscious mind which analyses the stimuli and filters out irrelevant stimuli from the employee's angle. The relevant stimuli are attended to, but a smaller portion of the stimuli attended is recognized by the clear mind. Recognition of stimuli is done only by a clear mind. The stimuli recognized further go to the inner part of the mind only when the clear mind has received them and the feeling cell of the mind evaluates their utilities.

A felt mind can evaluate and appraise the recognized stimuli. The evaluated stimuli if found correct are stored at the level of the feeling cell of the mind. The stored stimuli or retention work for mobilizing the function through reinforcement. Repeat and recall are mobilizing factors for action similarly, a tense mind gets reinforcement; it compels and forces the heart to activate the body for action and behavior. Intensity at the mental level activates the heart to function. The level, quality, and direction of intensity give the behavioral functional real shape.

Behavior is the outcome of intensified stimuli and the heart's civilization. Behavior producing reward helps the mental process to think and rethink again and again at all the five levels of the mind. The reward itself becomes stimulus that is attended, recognized, translated, and reinforced respectively by the unconscious, subconscious, clear, felt, and intense mind. It reaches to the heart level, and consequently this process develops into a habit. Permanent changes in behavior converge in the form of a habit. Employees learn to behave properly. The process will be more effective if every process is given due importance and placed at the respective level.

6.4 LEARNING THEORIES

Learning theories are an organized set of principles explaining how individuals acquire, retain, and recall knowledge. By studying and knowing the different learning theories, one can better understand how learning occurs. The principles of the theories can be used as guidelines to help select instructional tools, techniques, and strategies that promote learning.



Fig learning theories

6.4.1 Classical or Respondent Conditioning

Classical conditioning is stimulus and response (S-R) theory of learning. The theory was developed by Ivan Pavlov, a famous Russian psychologist. He experimented on a dog to find out how learning occurred.



6.4.2 Learning Process

The theory implies that human being responds to learned stimuli. It is assumed that behavior can be learned by repetitive association between stimulus and response (S-R). If anything is to be repeated, reinforcement can be acquired.

6.4.3. Behaviorism (Operant Conditioning)

Behaviorism stems from the work of B.F. Skinner and the concept of operant conditioning. Behaviorism theorists believe that knowledge exists independently and outside of people. They view the learner as a blank slate who must be provided the experience. Behaviorists believe that learning occurs when new behaviors or changes in behaviors are acquired through associations between stimuli and responses. Thus, association leads to a change in behavior.

6.4.4 Learning process

The learning process is based on objectively observable changes in behavior. Behavior theorists define learning simply as the acquisition of a new behavior or change in behavior. The theory is that learning begins when a cue or stimulus from the environment is presented and the

learner reacts to the stimulus with some type of response. Consequences that reinforce the desired behavior are arranged to follow the desired behavior (e.g. study for a test and get a good grade). The new behavioral pattern can be repeated so it becomes automatic. The change in behavior of the learner signifies that learning has occurred. Teachers use Behaviorism when they reward or punish student behaviors.

6.4.5 Cognitive Information Processing (Cognitive)

Cognitive information processing is based on the thought process behind the behavior. The theory is based on the idea that humans process the information they receive, rather than merely responding to stimuli (i.e. that think about what is happening). The changes in behavior are observed, but only as an indicator of what is going on in the learner's head. The learner's mind is like a mirror from which new knowledge and skills will be reflected.

Cognitive information processing is used when the learner plays an active role in seeking ways to understand and process information that he or she receives and relate it to what is already known and stored within memory. Cognitive learning theories are credited to Jean Piaget.

6.4.6 Learning process

Cognitive learning theorists believe learning occurs through internal processing of information. Unlike behaviorism, cognitive information processing is governed by an internal process rather than by external circumstances. The cognitive approach to learning theory pays more attention to what goes on inside the learner's head and focuses on mental processes rather than observable behavior. Changes in behavior are observed, and used as indicators as to what is happening inside the learner's mind.

Learning involves the reorganization of experiences, either by attaining new insights or changing old ones. Thus, learning is a change in knowledge which is stored in memory, and not just a change in behavior.

6.4.7 Constructivism (Observational Learning)

Constructivism is based on the premise that we all construct our perspective of the world, based on individual experiences and internal knowledge. Learning is based on how the individual interprets and creates the meaning of his or her experiences. Knowledge is constructed by the learner and since everyone has a different set of experiences and perceptions, learning is unique and different for each person.

6.4.8 Learning Process

Constructivist theorists believe that learning is a process where individuals construct new ideas or concepts based on prior knowledge and/or experience. Each of us generates our mental models, which we use to make sense of our experiences. We resolve conflicts between ideas and reflect on theoretical explanations. Learning, therefore, is simply the process of adjusting our mental models to accommodate our new experiences.

This theory is used to focus on preparing people to problem solve. Therefore, to be successful, the learner needs a significant base of knowledge upon which to interpret and create ideas. Additionally, with Constructivism, outcomes are not always predictable because learners are constructing their knowledge. Thus Constructivism does not work when the results always need to be consistent.

6.5 SUMMARY

Learning is the process of absorbing that information in order to increase skills and abilities and make use of it under a variety of contexts. Whatever the goals, the quality of the learning will rely largely on the quality of the training, and so the role of a trainer is very important as it can have a huge effect on the outcome of a course for the learner. In essence, learning is all about equipping a person to tackle not just today's issues, but preparing him/her to creatively come up with ways to tackle tomorrow's issues.

6.6 KEY WORDS

Learning-Learning means the acquisition of knowledge, skills, ability, expertise, etc., through study, experience, and practice that result in long-term change in one's behavior.

Constructivism is based on the premise that we all construct our perspective of the world, based on individual experiences and internal knowledge.

Behaviorism (Operant Conditioning) - Behaviorism stems from the work of B.F. Skinner and the concept of operant conditioning. Behaviorism theorists believe that knowledge exists independently and outside of people.

Reinforcement- Reinforced perception is learning. The perception process includes stimuli, attention, recognition, translation, and behavior.

Stimuli- Stimuli are any objects and language which draw the attention of people. Employees get stimuli from the actions of their superiors.

6.7 SELF ASSESSMENT QUESTIONS

1. Define Learning? Discuss the characteristics of Learning?
2. Explain the Principles of Learning?
3. Elucidate the Learning Process?
4. Outline the Learning theories?

6.8 SUGGESTED READINGS

1. Mishra, M.N. *Organizational Behaviour*. Noida: Vikas Publishing House 2010.
2. Aswathappa, K. *Organizational Behaviour*. Mumbai: Himalaya Publishing House Pvt. Ltd 2010.
3. Gupta C.B A Textbook Of Organisational Behaviour S.Chand Publications January 2014
4. Stephen P. Robbins *Organizational Behaviour* Eighteen Edition Pearson Publications November 2018

5. John Ivancevich Robert Konopaske Michael Matteson, *Organizational Behavior and Management* McGraw-Hill Education – Europe Tenth Edition 2018

Dr.V.TULASI DAS

LESSON-7

ATTITUDES & ALIENATION

Learning objectives

- ✓ To study the Components of Attitudes
- ✓ To Learn the attitude Formation
- ✓ To understand the alienation process

Structure

7.0 Introduction

7.1 Components of Attitude

7.2 Formation Measurement of attitudes and values

7.3 Components of attitudes

- 7.3.1 Evaluative Component
- 7.3.2 Cognitive component
- 7.3.3 Behavioral Component

7.4 Attitude formation

- 7.4.1 Experiences
- 7.4.2 Perpetual biases
- 7.4.3 Observation of Person's attitude
- 7.4.4 Association
- 7.4.5 Personality
- 7.4.6 Attitude Measurement

7.5 Alienation

- 7.5.1 Conceptualizing Alienation
- 7.5.2 Powerlessness
- 7.5.3 Meaninglessness
- 7.5.4 Isolation
- 7.5.5 Self Estrangement

7.6 Summary

7.7 Key words

7.8 Self Assessment questions

7.9 Suggested Readings.

7.0 INTRODUCTION

Attitudes are an important part of personality. They form a cognitive judgment that affects one's perception, learning, motivation, and personality. Attitudes are one of the powerful factors determining individual response toward any stimulus. Response depends on learned preferences and interests. Attitude is the cognitive aspect that always remains inside the person. We cannot see attitude but can see behavior that is triggered by it.

Fred E Luthans: "An attitude is a persistent tendency to feel and behave in a particular way towards some objects."

GW Allport: "Attitude is the mental and neural state of readiness, organized through experience exerting specific directive influence upon the individual's response to people, objects and situations with which it is related."

Stephen Robbins: "Attitudes are evaluative statements – either favorable or unfavorable – concerning objects, people, or events. They reflect how one feels about something."

7.1 COMPONENTS OF ATTITUDES

- i. Attitude is an abstract phenomenon that cannot be seen.
- ii. It is evaluative. It is expressed in terms of desirability.
- iii. It indicates the readiness tendency of an individual to react in a specific way.
- iv. Attitude and value are different. (values are input in attitudes)
- v. It indicates predisposition.
- vi. It is most pervasive as people have attitudes about many topics that are related to them. Attitude can help predict work behavior.
- vii. It is a complex psychological structure as it is determined by the number of variables.
- viii. It varies in direction, intensity, and extent of consciousness.
- ix. Attitude is related to needs.
- x. Attitudes are learned or acquired.

7.2 Formation and measurement of attitudes and values

Formation of attitudes

A person evaluates certain things in a particular way due to the set of his attributes. Attitudes can be shaped, changed, replaced, or modified by several factors. Most common factors are:

- a) Experience
- b) Association and reference groups
- c) Family
- d) Society
- e) Personality
- f) Culture and religious values

7.3 COMPONENTS OF ATTITUDE

The attitudes, irrespective of what they are, generally consist of three major components. These are:

7.3.1. Evaluative Component

The evaluative component of attitude is a function of how we feel about something. It refers to our liking or disliking for a particular person, any particular event or any particular situation. Such a person, event, or situation becomes the focus of our attitude and is known as the attitude object. For example, you may feel positively or negatively about your boss, about your friend, about the movie you have seen or about anything you happen to see.

7.3.2. Cognitive Component

Feelings, however, do not simply and automatically develop. Most often they are based on knowledge. For example, if you know that your friend is talking ill about you behind your back, such knowledge would result in a negative attitude towards your friend. Similarly, you might believe that your supervisor does not know much about the job. This belief is based upon your knowledge of how the supervisor is handling the job. These beliefs, which may or may not be justified, comprise the cognitive component of attitude.

7.3.3. Behavioral Component

What you believe about something and how you feel about it would determine your behavior regarding that particular person, event, or situation. For example, if you believe that your boss is embezzling company funds, and you feel negatively about it, you are likely to behave with little respect for such a boss. You may either inform his superiors about it or you may want to look for another job. Such predisposition to act in a certain way contributes to the behavioral component of the attitude. Such a predisposition may not predict your behavior.

For example, if your boss is embezzling company funds, you may take some steps or you might simply ignore it by convincing yourself that it does not directly concern you. In other words, your intention to behave in a certain way dictates how you do. Based on these components, attitudes can be defined as relatively stable clusters of feelings, beliefs, and behavioral predispositions. By including the word relatively stable, we are referring to something that is not permanent nor fleeting. In other words, once attitudes are formed, they tend to persist and can only be changed by strong outside or inside forces. For example, your attitude towards someone may be negative but may change if situations or circumstances change.

7.4 ATTITUDE FORMATION

The question often arises, 'how are the attitudes and subsequent behaviors formed?' While attitudes are learned over the years, some inherited characteristics do affect such attitudes. For example, physical characteristics such as the height of the person. Tall and slim people are expected to dress well and behave in a sophisticated manner. Similarly, intelligence is primarily an inherited trait and it is related to certain behaviors. Intelligent people are considered to be much more logical and this affects their attitude. Religion and religious beliefs can be considered as inherited, as the religion of the child is determined by the religion of his parents and it determines

some aspects of individual behavior, especially those that concern attitudes based on morals, ethics, and code of conduct. Similarly, whether a person is born a male or a female determines some stereotype traits such as aggressiveness and physical stamina. Most of the inherited traits are strengthened by learning and experiencing. While some attitudes are adopted early in life from our family values or cultural environment, most are developed gradually over time through experiences and observations. Some of the learned characteristics responsible for attitude formation are:

7.4.1 Experiences

Our personal experiences with people and situations develop our attitude towards such persons and situations. Through job experience, people develop attitudes towards working conditions, salaries, supervision, group dynamics, and so on. Similarly, interaction with other people would determine your attitude towards them. A positive interaction with a person would result in a positive attitude towards that person. Many people who are afraid of swimming or horse riding or darkness can trace back this fear to some fearful or negative experiences in these areas in the past.

7.4.2 Perceptual biases

Perception is the result of a complex interaction of various senses such as feelings, seeing, hearing, and so on and plays an important part in our attitude and behavioral formation. For example, if a manager perceives a subordinate's ability as limited, he will give him limited responsibility. Similarly, we lose many good friends due to our changed perception about them.

7.4.3 Observation of the other person's attitude

When we like someone, we try to emulate that person's attitude. For example, when we are impressed by someone keeping calm under stressful circumstances and we appreciate such calmness, we might try to do the same. Similarly, our attitude towards a spiritual person changes if we observe him committing what we consider a sinful act.

7.4.4 Association

Our association with the group we belong to strongly influences our attitude. Our close association with a group would encourage us to be consistent with the attitude of the group. Belonging to an elite group or a religious group would determine some aspects of our attitude. Family association determines our attitudes from the very beginning. There is a high correlation between the parents and the children concerning attitude in many specific areas. Similarly, the attitudes of our peers as we grow older also influence our attitudes. We make friends with people who share our attitudes, interests, and preferences. Many times, our parents object to our friendship with persons whom they deem undesirable and encourage us to make friends with those who have an outlook similar to our own.

7.4.5 Personality

Personality is a set of traits and characteristics, habit patterns, and conditioned responses to certain stimuli that formulate the impression that a person makes upon others and this impression is a function of a person's attitude. This personality may come out as warm and friendly or arrogant and aggressive. From an organizational behavior point of view, it is believed

that openminded people seem to work better than those who are narrow-minded. Similarly, people who are extroverts and outgoing are more likely to be successful as managers than those who are introverts.

7.4.6 Attitude Measurement

In social settings, we can judge a person's attitude easily in the sense that we either like or dislike a given attitude. However, at work, it is more difficult to measure the attitude of workers towards work. Such measurement becomes necessary for the management to predict employee behavior which will affect the quality of work. From the viewpoint of measurement, attitudes may be defined by describing measurement systems that social psychologists use to measure attitudes. The most common and frequently used method of measuring attitude is by simply asking people about their attitudes towards various issues, people, and factors. This is accomplished by attitude surveys and questionnaires. Generally, bipolar scales are used to measure the attitudes towards a job in terms of liking it or disliking it. However, different scales have been created to measure the degree of such liking or disliking.

One of the most commonly used ranking scale is the one which has five categories ranging from most favorable to most unfavorable. Typical categories and their ranks are:

1. Strongly agree
2. Agree
3. Neutral (Undecided)
4. Disagree
5. Strongly disagree

The standard survey for measuring the attitude of the employees generally presents them with a series of statements and questions which also has a rating scale indicating the extent of agreement or disagreement as stated above. Some examples of statements are: 'This management is very fair in dealing with employees' Attitudes and Values or 'My job makes the best use of my abilities' or 'I know what is expected of me' and so on by totaling the responses on the customized questionnaire, the individual's attitude score can be calculated. The analysis and evaluation of these scores can then be carried out for different teams, workgroups, departments, or the complete organization.

The results of attitude surveys can sometimes surprise the management. One company management was very happy with the way things were going. Employees were actively involved in divisional decisions and the profitability was very high leading to the assumption that employee morale was very high. The management conducted a small attitude survey to confirm their thinking and belief. As a part of the survey, the employees were presented with some of the statements to identify their extent of agreement or disagreement. These statements included the following:

- ✓ At the workplace, your opinions are given importance
- ✓ You are encouraged to become a leader if you are willing to do so
- ✓ Your personal development has been discussed with you in the period of last six months

The answers were unexpected. The results of the survey indicated that disagreement with the first statement was expressed by 43 percent of the employees, disagreement with the second statement was expressed by 48 percent of the people and 62 percent of employees expressed their disagreement for the third statement. Based on this survey, the management made some changes

to boost employee morale, especially giving attention to such matters that caused alienation among the employees.

By using such surveys regularly, the management can get valuable feedback about the perceptions carried out by the employees concerning their working conditions. The management can also become aware of the different potential problems that may hit the organization. The diagnosis of these problems is possible at an early stage with such surveys. Once the management is notified of these problems, they can take needful steps to rectify these problems and timely actions can be taken to avoid any negative consequences.

One of the purposes of such surveys is to determine how variables relate to each other and how changes in one variable are associated with changes in another variable. For example, if we want to find a correlation between how fairly people believe they are being paid and various work-related attitudes such as their willingness to help co-workers. The researchers might find that the more workers feel that they are unfairly paid, the less likely they are to help their co-workers. Such studies can alert the management to take steps to create a more collegial work environment.

Attitudes and Productivity

There are two key work attitudes, which determine the importance of attitude-behavior relationship concerning productivity. These are job satisfaction and organizational commitment. Equally important are the complex relationships between job satisfaction and job performance.

7.5 ALIENATION

7.5.1 Conceptualizing Alienation

The term "alienation" originates from the work of Karl Marx on the effects on workers of the capitalist labor process and is well described in several studies going back many years. According to Marx, alienation is a condition in which the individual becomes isolated and cutoff from the product of his or her work, having given up the desire for self-expression and control over his or her fate at work. The individual enacts a role estranged from the kind of life of which the individual is capable of this is an important aspect to which we return later. The genesis of this condition can be traced to changes external to the individual arising out of the industrialization process, with the creation of large factories characterized by organizational hierarchies, job specialization and work supervision reliant on formal authority and a shift in life focus away from the home and community to the organization.

Marx coined the term "labor process" to describe the interaction between labor and capital, in which employers acquire the right to control all aspects of labor to organize work for efficiency and minimize costs so that a profit can be made. Because the labor process requires employees to relinquish the right to control their labor, alienation is, thus, an intrinsic part of the capitalist system and, therefore, unavoidable. According to Marx, the inequality inherent to the "labor process" causes workers to experience at least three forms of alienation

(1) Alienation from the product of their labor (dispossessed of what they produce, which is owned by the capitalist);

(2) Alienation from oneself (only find extrinsic meaning in work and are separated from their true selves); and

(3) Alienation from others (the unique qualities of humankind are diminished and so workers are estranged from both their humanity and others).

These three forms of alienation are in Marxian terms an objective reality (i.e. imposed as an external force) under capitalism, rather than a subjective state of mind (i.e. resulting from factors internal to the individual). Hence, it matters not that people might report that they do not feel alienated, as it is an objective state of capitalism: subjectivity is not part of the analysis. In other words, Marx's concept of alienation and its causes was anchored in factors external to the individual. The perspective on alienation taken, is more from a psychological viewpoint, perhaps best encapsulated in the work of Blauner, writing a century or so after Marx and apropos of the development of psychology as a discipline. Reading Blauner, alienation is conceptualized as a state of mind, a subjective feeling that can vary from individual to individual in terms of the following four dimensions:

7.5.2 Powerlessness (due to being controlled by others in an impersonal system).

The individual's feelings resulting from a lack of control, powerlessness, and the absence of self-fulfillment are well-known, especially over important aspects of work spill over to affect the individual's life more generally and have been described as an affront to human dignity. Advocates of employee empowerment initiatives, including implementation of flat organizational structures and processes such as participative management in which decision-making authority is devolved across the organization, believe that they provide antidotes to the problem of powerlessness experienced by employees. However, many efforts to empower workers to fail. Several studies contrast the rhetoric of employee empowerment with the reality of retention of control by management and cast doubt on whether empowering employees delivers the promised benefits and ameliorates feelings of powerlessness.

7.5.3 Meaninglessness

Meaninglessness refers to an individual lacking a sense of how their work contributes to the whole. For the existentialist, meaningfulness is tied up with feelings of autonomy, creativity, and, most of all, individual choice to create a meaningful world. In a work setting, meaninglessness "refers to the immediate significance a work operation or product has for the worker", it thus follows that work can be intrinsically punishing to the point of becoming a source of despair. The idea of meaningful work has been picked up by several organizational psychologists, particularly in the areas of job design and motivation. An example is the job characteristics model (JCM) of Hackman and Oldham in which core job dimensions are linked to the experienced meaningfulness of work. However, these hypothesized linkages have yet to be fully confirmed. Other alternative work design approaches, such as the socio-technical systems approach have been developed, but remain imperfect tools for dealing with the meaninglessness aspect of alienation.

7.5.4 Isolation (no sense of belonging).

Existentialists note the phenomena of loneliness, isolation, and of apartness which, in turn, are associated with anxiety. This loss of a sense of community membership materializes as isolation and loneliness, resulting in anxiety, undermining a sense of belonging, and threatening wellbeing. This sense of isolation can be exacerbated by being excluded from a workgroup or performing work that requires little or no contact with work colleagues and/or working in a geographically isolated situation. Social identity theory holds that social affiliation provides a sense of personal identity and is a source of self-esteem and motivation. For these reasons, many management initiatives incorporate team-based work design and organization, which have social identity theory at their core. Indeed, the current popularity of teamwork in organizations is based on research which shows productivity, job satisfaction, and high performance positively associated with effective teams. Here, individuals are required to subordinate their own will, creativity, and individuality to the needs of the collective, a task for some that is psychologically challenging and fraught with peril in terms of mental health. Indeed, for such individuals, teamwork can provide a context in which feelings of isolation and powerlessness may be heightened.

7.5.5 Self-estrangement (detachment, no sense of identity or personal fulfillment).

The effects of loneliness and isolation may culminate in estrangement concerning both personal and social identities. Blauner views self-estrangement in terms of feelings of detachment and no sense of identity or personal fulfillment. The prison of estrangement prevents us from relating to and being with other people in the world.

It is argued that these four dimensions can also be seen in the light of Marx's second and third forms of alienation outlined above. In particular, the notion of self-estrangement can be seen as the separation of the individual from the real- or deeper-self, arising from internal pressures and other external pressures that may be found in organizations. The significant point about the existential view of self-estrangement for our discussion is that the individual's personal growth, self-actualization, and meaningful interpersonal relationships are seen to be blocked by separation from the inner self that results from the demands of modern organizational life which, in turn, lead to a crisis of personal identity. For example, describe several responses to problems of identity loss at work and the limitations on freedom of choice inherent in the labor process, of which one, some or all may be displayed by an individual

1. contradictory consciousness, resulting in deviant behavior
2. unconscious resistance which may give rise to mental disorders;
3. development of individual capacities and interests outside of work; and
4. participation in collective action through unions or other coalitions.

Hence, as individual employees attempt to reconcile their "true" selves with their "artificial" selves imposed by organizational life, a range of dysfunctional psychological outcomes can emerge, with debilitating consequences for the individual's work performance and state of mental health. As the existential view construes alienation as a subjective feeling, it follows that it should, therefore, be possible to develop strategies for shaping employee behavior and dealing with the effects of negative experiences and alienation in the workplace.

7.6 SUMMARY

Attitude is a positive, negative or mixed assessment of an object, expressed with a certain degree of strength. It is an expression of a positive or negative assessment of a person, place, thing or event. These are fundamental factors that determine our perceptions and actions in relation to all aspects of our social environment. Attitudes involve a complex organization of beliefs, feelings, and dispositions to judge certain actions. One person's attitude forms a permanent pattern, and changing one's attitude may require difficult adjustments from many others. Consequently, the company is better at adapting its product to existing attitudes than trying to change people's attitudes. Attitudes can be defined as learned tendencies to respond to an object or class of objects in a consistently favourable or unfavourable manner.

7.7 KEY WORDS

Attitude is the mental and neural state of readiness, organized through experience exerting specific directive influence upon the individual's response to people, objects and situations with which it is related."

Evaluative component- The evaluative component of attitude is a function of how we feel about something. It refers to our liking or disliking for a particular person, any particular event or any particular situation

Personality- Personality is a set of traits and characteristics, habit patterns, and conditioned responses to certain stimuli that formulate the impression that a person makes upon others and this impression is a function of a person's attitude

7.8 SELF ASSESSMENT QUESTIONS

1. Define Attitude Discuss the Components of Attitudes?
2. Explain the Alienation? Describe the alienation process?
3. How does the attitude formation and how it influence on personality

7.9 SUGGESTED READINGS

1. Mishra, M.N. *Organizational Behaviour*. Noida: Vikas Publishing House 2010.
2. Aswathappa, K. *Organizational Behaviour*. Mumbai: Himalaya Publishing House Pvt. Ltd 2010.
3. Gupta C.B A Textbook Of Organisational Behaviour S.Chand Publications January 2014
4. Stephen P. Robbins *Organizational Behaviour* Eighteen Edition Pearson Publications November 2018
5. John Ivancevich Robert Konopaske Michael Matteson, *Organizational Behavior and Management* McGraw-Hill Education – Europe Tenth Edition 2018
6. Shearsett Allison *Organizational Behavior* Independently Published (2018)

Dr.V.TULASI DAS

LESSON-8

STRESS & COUNSELLING

Learning objectives

- ✓ To study the Symptoms of stress
- ✓ To Understand the counselling Process
- ✓ To learn the Requirement of Effective counselling

Structure

8.0 Introduction

8.1 Symptoms of stress

8.2 sources of Job stress

- 8.2.1 Environmental Factors
- 8.2.3 Organisational stressors
- 8.2.4 Individual Stressors

8.3 Physiological Response

8.4 Psychological response

8.5 Behavioral Response

8.6 Frustration

8.7 Anxiety

8.8 counselling

- 8.8.1 counsellor
- 8.8.2 Requirements of Effective Counselling

8.9 Summary

8.10 key words

8.11 Self Assessment Questions

8.12 Suggested Readings

8.0 INTRODUCTION

People experience stress in private life and the workplace. People have to work effectively against time and within the parameter of various rules and regulations. It is not always possible to create an organizational climate conducive to work. Various departments,

groups, and external environmental factors affect individual behaviour. A minimal level of stress is required for organizations to operate effectively. Excessive stress is harmful for the individual as it causes mental and physical disequilibrium and subsequently leads to physical and mental disturbance. People suffer from high blood pressure, heart attack when stress is beyond the control of the human beings. It is, therefore, necessary to identify the causes of stress and modify behaviour so that the individual energy is directed towards organizational productivity and healthy organization climate is created.

Hans Selye¹, a medical researcher first used the term “Stress” to describe the body’s biological response mechanism. He defined stress as “the nonspecific response of the body to any demand”. He views that stress is the spice of life, the absence of stress is death. Stress is usually considered to be negative and caused due to something bad. Thus stress refers to distress. Ivancevich and Matterson define stress as “the interaction of the individual with the environment”. According to Beehr and Newman², stress is a condition arising from the interaction of people and their jobs and characterised by changes within people that force them to deviate from their normal functioning. Stress is a dynamic condition in which a person is faced with a lot of constraints while functioning in the organisation. Stress causes discomfort, which leads to disequilibrium in the individual’s mindset. Stress is not always negative. In a broader sense, it is discomfiture whether it creates problems.

Stress is also a source of inspiration. When there is a stress for any work it leads to higher performance. When stress is gravest, it reduces employee productivity. But there is an example where people may get immune to stress having no negative effect on their performance. Such people do not get tense. This type of immunity is achieved through constant experience and training. John M. Ivancevich and Michael T. Matterson have defined stress as “adaptive response, mediated by individual characteristics and or psychological processes, that is a consequence of any external action, situation or event that places special physical and/or psychological demands upon a person”. As it is clear from the definition that stress is caused due to external factors, situations or events. These harm the individual characteristics and psychological processes. These together put an additional burden or demands on the individual, hence the stress.

External factors may include social setting, work ethics in the organization, leadership styles, availability of resources, workload, level of technology and the work environment. The internal factors that are affected are psychological and includes emotions, ego state, attitude, perception, motivational factors, need and demographics. If employees feel that external factors are of not much consequence and have no compelling effect the stress is not formed within the minds of individuals. High desire, uncertainty, the result of promotion examination, unrealized ambition may cause stress to the individual. Stress should not be confused with anxiety or nervous tension and damaging. They occur as regular features in many cases and have no long-lasting impact on the working capacities of the employees. Mishra has very aptly explained that anxiety may remain purely psychological and may not cause any physical impact. Similarly, only physical impacts will not be stress unless it is felt by the mind and heart. The psychological and physical impacts are visible in the form of stress. Anxiety is the cause of stress but not stress itself. Symptoms of stress are given in Figure below

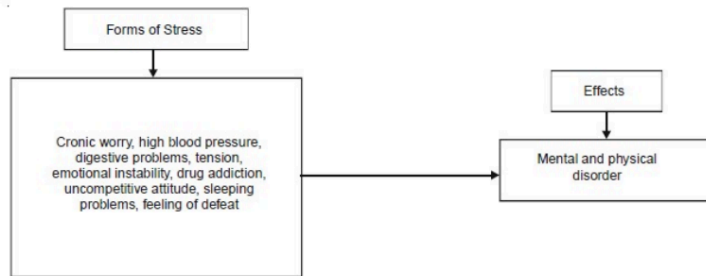


Fig Symptoms of stress

8.1 SYMPTOMS OF STRESS

Stress is generally mild and one recovers from it easily. Once a person gets used to environmental factors and people with whom one generally works daily, there is no existence of stress. It is the work environment, plant, people and situations, which one is not used to, creates tension and resultant stress. The stress diminishes gradually when one gets used to it. However, the stress can be mild, stiff and chronic. Mild stress is visible when a person develops a lack of appetite and high blood pressure. The stress becomes stiffer if these are not carefully countered. When stress attains a chronic stage, where a person develops instability, frustration and feel uncomfortable and can not cope up with problems. It affects physical efficiency and subsequently a psychological strength. This stage is called "Burn out". In this stage individual is emotionally weakened.

The stage of burn-out is reached when an individual fails to achieve his objective. He exhibits irritation, errors, frustration and apathy. Executives are highly prone to burn out. Forms of Stress due to high pressure in the work environment. In such a situation, they resort to change the job that further adds to the existing chronic burn-out situation as they are not able to cope up with the changing environment. In such a situation, employees should resort to neuro – psycho treatment. In case of aggravation of this situation, a state of "Trauma" is reached. Trauma is a very serious form of stress. It occurs in an organization where employees find it difficult to adjust. This may be caused due to pressure of work, late working hours, the inability of employees to fulfil the social obligation and poor time management. The workplace trauma is carried home by employees where they develop various psychological disorder. No adjustment in the workplace for a long time leads to suspension and firing of an employee. Stress can be avoided by adopting an approach of co-operation, help the fellow employee in distress and social interaction with affected individuals.

8.2 SOURCES OF JOB STRESS

Organization, Group and individual have an impact on the performance of a job. Environment also affects adversely on the efficiency of the individual. It is expressed in Figure below:

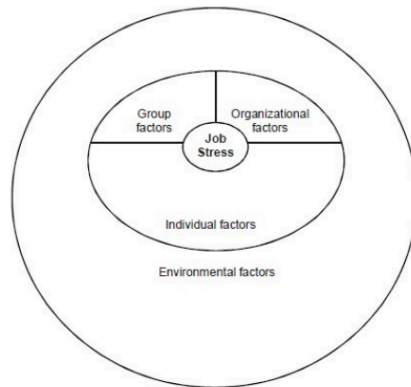


Fig. Sources of job stress

8.2.1. Environment Factors

There are innumerable environmental factors that have caused a great deal of work stress on the employees. Ivancevich and Matterson have identified societal, economic, financial, cultural, familial and technological factors which have a tremendous influence on the mental health of the employees. Societal factors have forced both husband and wife to do the job to maintain a high level of lifestyle. Government NGOs and other voluntary organizations have introduced various schemes for the welfare of the people. Though the life span, in general, has increased but the immunity in the body has decreased to a great level and a large number of people are suffering from various disease caused by work stress. People have become more ambitious. They want their children to do well in life this causes stress.

Environmental stressors like family demands and obligation, economic and financial conditions, race, caste, creed, ethnic identity, relocation due to transfer cause adverse effect on individuals. Recent communal violence around the world have changed political scenario, defence affiliations of nations have siphoned off the large resources toward defence preparedness. People are living in a fearful environment. These problems have to be solved by educating people and diverting their energies to the basic objective of the organisation. Science and technology should be used for the development and progress of the human race and not for destruction purpose. All family problems should be resolved by assisting each other and that the people should learn to live in an atmosphere of peaceful co-existence should be the keyword.

8.2.2. Organizational Stressors

Organizational stressors can be classified into a mission statement, strategies, policies, organizational structure and design, reporting channels, communication, various processes, systems and last but not the least the working conditions. Organization mission and subsequent

departmental goals have a long-lasting impact on the employees. Over ambitious goals leave employees more stretched for attaining the same. Good organizational policies, procedures, rules, regulations keep employees in high spirit. On the contrary, adhocism, inadequate compensation, rigid rules, ambiguous organizational policies and faulty job design cause a tremendous amount of stress. Job-related policies must be sound and updated. Task design should include job autonomy, task variety so that employee derive pleasure while at work. Workplace and work environment are two very important factors. Poor hygiene in the workplace, inadequate space, light, lack of physical security at the workplace are stressors. Stress is caused by inadequate support from subordinates, conflicting job requirements, inadequate and poor performance measurement, and lack of empowerment. Managerial style, role of superior boss, command and control mechanism leave much to be desired from Indian organizations. Policies should be sound and employee participation must be ensured at each level. It must be understood that wisdom and innovativeness is widely spread in the workers, it is the ability of managers to identify and canalize for organizational betterment.

8.2.3. Group Stressors

Hawthorne studies have established the impact of group cohesiveness, group norms and the importance of group objective for the attainment of organizational goals. Lack of cohesiveness creates conflict. Employees must be given full opportunities to develop themselves. People join group for social security that should be provided. Managers must ensure that job well done is recognized, omission on this account creates stress like situation in the minds of the employees. Group social events and group activities must be organized on a regular bases. Managers should form the part of the group, which should not be based on rank and position. Employee morale must be kept high to avoid group stress.

8.2.4. Individual Stressors

Personal life and events of official life cannot be separated. Events of marriage, divorce, death in the family has a remarkable impact on the work situation. Personal life difficulties are highly stressful.

(a) Job Security

Job and career enhancement can become a source of stress. Job security is one of the major reasons for an employee. Insecurity increases during times of recession. The prospect of losing a job, especially when an employee is the sole bread earner for the entire family is very stressful. Another reason for job-related stress is promotion or enhancement of appointment. A person must have a job commensurate with his qualification. Promotion must be related to efficiency and due care should be exercised in this regard. Nothing is more stressful than a junior employee being appointed as a senior to an equally competent person.

(b) Relocation

Relocation is related to the transfer of a person to a different place. Transfers upset the daily routine of individuals. The fear of working at a new location with different people itself is stressful. Unpredictability about new work environment and creating new relationship cause anxiety. Transfer also creates problems for family members. It may be admission in schools,

adjustment to social environment, house and may even be language. In case a person has to search for a new job at a different location, the stress is even greater.

(c) Changes in life structure

Span of life has many facets. Some of these are socio-economic environment, culture, systems, religion, race, education and person's interaction with society in different roles. If all these aspects are favourable, then the stress is minimal, stress is also determined by the ability of a person to cope up with it and the faith. If a person's life is stable and moves at a slow pace, there are less stress and more ability to cope with stress. While a person who has great ambition and moves with fast pace is not able to cope up with stress.

(d) Stress and Behaviour

Stress is a state of mind which reflects biochemical reactions in the human body. Environmental and internal forces cause a sense of anxiety, tension and depression to a human being. As stress is the non-specific response of the body to any demand, it is necessary to understand specific or routine activities that cause stress. There are two types of activities. Desirable activities and undesirable activities. Both these activities create stress. The stress created by desirable and successful effects is called "eustress". Eustress is a positive, healthy and developmental stress response. It leads to better performance and a more adjusted personality. In eustress situation, we learn how to deal with the situation better. It improves our capacity to deal with stressful situations. Stress created by undesirable outcomes is known as "distress". It is primarily the distressing form of stress which causes undesirable effects on physical and psychological well-being of the person. Highly stressful activities weaken individuals ability to cope up with various situations. Just as an extremely high level of stress is harmful and damaging, extremely low level of stress is also equally harmful. It causes boredom, reduces innovativeness and ability to face challenges. Thus a moderate level of stress is desirable for a higher level of performance. See the diagram below indicating the relationship between stress and performance

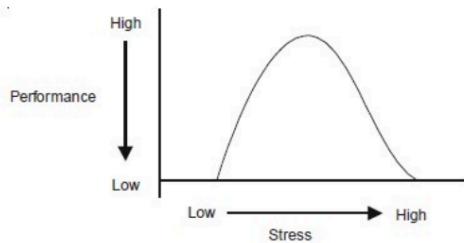


Fig..Relationship of Stress and Performance

8.3 Physiological Response

When stress appears, immediate biochemical changes take place. Heartbeat and heightening of all the body senses. Serious health problems occur as the body faces stress for a

long period. Baron⁵ concluded that stress could lead to a breakdown of the body's immune systems and may result in serious health problems such as high blood pressure, ulcer and even heart attack. High level of stress can result in physical changes that threaten our health and well-being.

8.4 Psychological Response

People have different levels of handling stress. Those who are highly affected by stress tend to be depressed and display a lack of self-confidence. They believe that they have lost the battle in handling a situation and develop a feeling of helplessness and elicit sympathy from others. They have a greater fear of the unknown, display irritating behaviour, become impatient and tend to blame others for the inefficiency. Workers who are seriously affected lose confidence in themselves and display a low productivity. To overcome this situation, individuals should be kept busy, put through promotional cadres and subjected to regular physical exercises. This reduces work stress and helps an individual to develop.

8.5 Behavioural Response

Chohen⁶ carried out studies on the impact of stress on human-being. As per the study, people under constant stress behave differently as compared to the emotionally balanced people. High level of stress is usually associated with smoking, increased use of alcohol and consumption of drugs. They are either defensive or offensive in their behaviour. Stress induces irrational interpersonal behaviour. They withdraw from the social environment and confine themselves to isolation.

8.6 Frustration

Frustration is a form of behaviour which occurs when a person is prevented from achieving a goal or objective. It refers to obstruction or impediment to goal-oriented behaviour. Frustration is caused by firstly due to delay in getting advancement or recognition through a promotion is insight. One even get frustrated waiting for someone to meet at a scheduled time and date. Secondly no availability of various resources. A faculty member may not be able to carryout research work because he is overburdened with other responsibilities. He may get frustrated due to non-availability of time resource. The third cause of frustration is non-attainment of goal. For example failure in the examination, non-attainment of production or sales target, failure to get a promotion are some of the causes of frustration which are manifested in stress.

8.7 Anxiety

Jit S Chandan explains "anxiety" as a feeling of inability and helplessness in formulating appropriate responses for dealing with the anticipated negative outcome. It occurs when a decision has to be made but the outcome of the decision could have positive as well as negative consequences. Anxiety also occurs when there is a situation when one does not know as to what is right. For example, an employee is serving in an organization for over ten years and fully

8 satisfied with the organizational culture but asked to move on promotion to a different organization and a faraway place. Hammer and Organ8 explains various causes of anxiety in the work environment. They explained that “difference in power in the organization which leave people with a feeling of vulnerability to administrative decisions adversely affecting them. These are as under:-

- ✓ Frequent changes in organizations, which make existing behaviour plans obsolete.
- ✓ Competition, which creates the inevitability that some persons lose “face”, esteem and status.
- ✓ Job ambiguity (especially when it is coupled with pressure).
- ✓ Lack of job feedback, volatility in the organizations’ economic environment, job insecurity and high visibility of one’s performance (success as well as failures).
- ✓ Personal problems such as physical illness, problems at home, unrealistically high personal goals and estrangement from one’s colleagues or one’s peer group.

8.8 COUNSELLING

Meaning of Counseling

It is the people in the organisation who are the most important and valuable asset. They have emotions, feeling and a tender heart. Sometimes emotions and feelings create problems and men and women could not overcome and lose their confidence and fail to put their mind in the work. These problems do not necessarily relate to the work. They may be family problems, financial problems, marital problems etc. All harm their jobs. They can’t work properly and can’t put a hundred per cent.

The need of the hour is to remove the problem and help the individual to regain his or her self confidence and esteem and put his strength in work. Counselling can do the magic and help an individual to overcome his lost confidence and self-respect because of the problem. So counselling is the process of helping an individual facing a problem and to regain his lost confidence and self-esteem and put his mind in his job.

The process of counselling begins with establishing the relationship between counsellor and counsellee and taking into confidence the counsellee by the counsellor and allowing him to open his or her heart and after understanding the situation advising him to face the harsh realities of life and society boldly and building his confidence and paving the way to make the best use of his strength by overcoming his weaknesses. B.J. Prasantham has rightly pointed out that, “Counselling is a relationship between the counsellor and counsellee characterized by trust and openness, in a one to one, or a small group relationship, whereby the counsellee is helped to work through his interpersonal and or intrapersonal problems and crisis.

He is also helped to mobilize his inner and outer resources and to find new options in facing life. Along with this, counselling also helps the client to discover and develop his God-given potentialities and lead an integrated life and make his contribution to the welfare of his fellow men.” Counselling does not necessarily relate to the jobs. It is not advising alone. Under counselling, counsellor’s job is the most important. He has to make wholehearted efforts to understand problem and situation facing the individual and should study the strength, weaknesses of the problem individual and the environment at the workplace and his home.

The counsellor has to take him into confidence and be friendly with him. He has to console and put him at comfort. The counsellor has to take care that the individual feels at ease and open up his mind to him so that he knows the real problem faced by the individual. The counsellor must exercise a lot of patience and try to restore confidence in counsellee.

8.8.1 Counsellor

Any person can act as a counsellor. He must be a person with a charming personality, caring, should attract other persons toward himself and should be affectionate towards one and all and should understand and interpret the behaviour of others. Counsellor commands respect from the people and enjoys a status in the entire organisation as his services help in achieving good human relations. Manager has to act as counsellor many times. If this is so then-manager has to be very careful.

It is an additional responsibility he has to shoulder. It is an added advantage for the manager as a counsellor that he knows his employees and subordinates well and could find no difficulty in understanding the problems faced by them. Manager must know that the problem-ridden employees cannot work better but commit mistakes and sometimes come across accident causing immense loss to the organisation. Problems may be work-related or personal, both affect job performance and losses have to be borne by the organisation increasing botheration of the manager.

It is, therefore, to be taken seriously. If proper counselling services are rendered to the problem employee by the manager and his self-confidence is restored, he can be a potential contributor towards the achievement of organisational objectives. Any employee can face a problem even the good and hard-working employees can face problems because of certain emotions or hurt self-respect. The manager should immediately rush to their rescue, take them into confidence and try to free them from the emotional trap they are caught in. It will have a positive effect.

The troublesome situation can be created at any time and due to any reason. Some of the causes are, fear or threat, worries, anxiety, hostility. All these are the mental processes created in the minds of people affecting their behaviour at the workplace. The need is to make sincere efforts to remove the real causes from their mind, restore confidence and self-respect and bring them on track. The manager must study the causes and analyze them.

Most of them are psychological and imaginary. The people get depressed and do not put their hundred per cent in work. The employees being human resources and the main contributors to the productivity they should be well maintained and due care should be taken thereof. It is, therefore, essential on the part of the managers in general and human resource managers, in particular, to take care of their employees and subordinates and provide counselling services as and when needed by them for the smooth running of the organisation and employees' well-being. Counsellor must be an expert in industrial psychology.

8.8.2 Requirements of Effective Counseling

Counselling is a serious job an executive has to perform in addition to his routine work. He as a counsellor must, therefore, develop a good relationship with the counsellee.

There are several 'Do's' and 'Don'ts' to be followed to have effective counselling:

1. He should develop a good relationship with the counsellee.
2. Develop mutual understanding, respect for the counsellee.

3. Be patient.
4. Listen to the grievances carefully.
5. Develop cooperative attitude.
6. Be simple and have sympathy with the counselee.

The counsellor should act as a friend, philosopher and guide to the counselee in the strict sense of the phrase. The practising of the above 'dos' and 'don'ts' will make the counselling effective. There are several problems which affect the behaviour of the person at the workplace and elsewhere. Through counselling, these problems need to be removed to bring back the person on the track of normal behaviour. The counsellor, therefore, has to find out the problems which are responsible for acentric behaviour of the counselee. These problems may include partial treatment at the workplace, drinking habits, drug addictions, strains in interpersonal relations, inferiority complex, sex-related problems, disputes in family, low morale etc. The counsellor tracing out these problems has to make all-out efforts to remove it. No one is born with a problem. Problems are created. Most of them are psychological. The counsellor should find out the root cause and try to remove it.

Manager can very well render the counselling service but if the manager cannot provide this service then the organisation can hire the services of the expert. He can provide the counselling services. Many large companies hire the regular services of counsellors. If managers are to work as a counsellor then they need to be trained in this respect. Counselling should be treated as the basic employee assistance because it is required by many employees as well as executives. Most of them suffer from emotional imbalance, stress, and drug, alcohol and other such ills. Counselling is a problem-oriented interaction process to increase learning and changing behaviour. At the workplace employees need counselling in respect of wage problem, absenteeism, relations with superiors.

Scope of counselling should not be limited to work-related problems alone. The marital problems, financial problems, problems with children and other psychological issues need counselling. These problems also affect employee performance at the plant or office. The employees who are about to retire need counselling. Counselling in respect of career-building is also necessary. Career counselling programme help employees with career transition of all kinds. Human resource manager can provide this service through expert employed for the purpose.

Expert in career counselling requires counselling skills, information inventory in respect of counselee such as attitudes, motive, training, experience, strength and weaknesses, career option and path in and outside the organisation. Career counsellor can set employees career on the right path.

8.9 SUMMARY

Stress has become one of the major concerns of present times. It has become a buzzword and a legitimate concern of the time. Every walk of life is a victim of stress, which denotes pressures and irritants people feel in life. People who involve with their work and who spend lot of energy to finish the job are supposed to be highly stressed and vice versa. "Stress is used either to label situations that tax a person's physical or psychological resources or to refer to the emotional response of the person to such situations".

8.10 KEY WORDS

Stress- Stress is generally mild and one recovers from it easily. Once a person gets used to environmental factors and people with whom one generally works daily, there is no existence of stress

Counselling-“Counselling is a relationship between the counsellor and counsellee characterized by trust and openness, in a one to one, or a small group relationship, whereby the counsellee is helped to work through his interpersonal and or intrapersonal problems and crisis.

Counsellor- Any person can act as a counsellor. He must be a person with a charming personality, caring, should attract other persons toward himself and should be affectionate towards one and all and should understand and interpret the behaviour of others

8.11 SELF ASSESSMENT QUESTIONS

1. Define stress ? Discuss the Symptoms of Stress?
2. Describe the Sources of Job stress?
3. Explain the types of stressors that influence on individual?

8.12 SUGGESTED READINGS

1. Mishra, M.N. Organizational Behaviour. Noida: Vikas Publishing House 2010.
2. Aswathappa, K. Organizational Behaviour. Mumbai: Himalaya Publishing House Pvt. Ltd 2010.
3. Gupta C.B A Textbook Of Organisational Behaviour S.Chand Publications January 2014
4. Stephen P. Robbins Organizational Behaviour Eighteen Edition Pearson Publications November 2018
5. John Ivancevich Robert Konopaske Michael Matteson, Organizational Behavior and Management McGraw-Hill Education – Europe Tenth Edition 2018
6. Shearsett Allison Organizational Behavior Independently Published (2018)
7. Inder Jeet, Suman Solanki Organisational Behaviour for B.Com (Honours)(Previous 3 Years Semester) Delhi University Semester 5 Taxman Publication 2018

Dr.V.TULASI DAS

Lesson - 9

LEADER , CONCEPT AND LEADER VS MANAGER

Learning Objectives

- ✓ To study the leadership
- ✓ To learn the concept of leader
- ✓ To know the principles of leader
- ✓ To observe leader verses manager

Structure

9.0 Introduction

9.1. Concept of Leader

9.2. Factors of Leadership

9.3. Bass' Theory of Leadership

9.4. Management verses Leadership

9.5. Boss or Leader

9.6. Total Leadership

9.7. Effective Leadership Principles

9.8. Top leadership principles

9.9. Leader verses Manager

9.10 Summary

9.11 Keywords

9.12 Self – Assessment Questions

9.13 Further Readings

9.0 INTRODUCTION

Leadership is the ability of an individual or a group of individuals to influence and guide followers or other members of an organization. Leadership is the ability of an individual or a group of individuals to influence and guide followers or other members of an organization.

Leadership involves making sound -- and sometimes difficult -- decisions, creating and articulating a clear vision, establishing achievable goals and providing followers with the knowledge and tools necessary to achieve those goals.

Leaders are found and required in most aspects of society, from business to politics to region to community-based organizations.

An effective leader possess the following characteristics: self-confidence, strong communication and management skills, creative and innovative thinking, perseverance in the face of failure, willingness to take risks, openness to change, and levelheadedness and reactivity in times of crisis. Multiple definitions of leadership exist, although the different definitions generally converge in the theory that great leaders have the ability to make strategic and visionary decisions and convince others to follow those decisions. The consensus is leaders create a vision and can successfully get others to work toward achieving that goal. They do this by setting direction and inspiring others to want to succeed in achieving the end result. Moreover, they are capable of getting people excited and motivated to work toward the vision.

“The meaning of a message is the change which it produces in the image.” — Kenneth Boulding in *The Image: Knowledge in Life and Society*.

Leadership is a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent.

A process whereby an individual influences a group of individuals to achieve a common goal (Northouse, 2007, p3).

The U.S. military has studied leadership in depth. One of their definitions is a process by which a person influences others to accomplish a mission (U.S. Army, 1983).

Leadership is inspiring others to pursue your vision within the parameters you set, to the extent that it becomes a shared effort, a shared vision, and a shared success (Zeitchik, 2012).

Leadership is a process of social influence, which maximizes the efforts of others, towards the achievement of a goal (Kruse, 2013).

In other words, great leaders know how to both inspire people and get followers to complete the tasks that achieve the leader's goal.

Importance of Leadership

Leadership is an important function of management which helps to maximize efficiency and to achieve organizational goals. The following points justify the importance of leadership in a concern.

- a) Initiates action- Leader is a person who starts the work by communicating the policies and plans to the subordinates from where the work actually starts.
- b) Motivation- A leader proves to be playing an incentive role in the concern's working. He motivates the employees with economic and non-economic rewards and thereby gets the work from the subordinates.
- c) Providing guidance- A leader has to not only supervise but also play a guiding role for the subordinates. Guidance here means instructing the subordinates the way they have to perform their work effectively and efficiently.

- d) **Creating confidence-** Confidence is an important factor which can be achieved through expressing the work efforts to the subordinates, explaining them clearly their role and giving them guidelines to achieve the goals effectively. It is also important to hear the employees with regards to their complaints and problems.
- e) **Building morale-** Morale denotes willing co-operation of the employees towards their work and getting them into confidence and winning their trust. A leader can be a morale booster by achieving full co-operation so that they perform with best of their abilities as they work to achieve goals.
- f) **Builds work environment-** Management is getting things done from people. An efficient work environment helps in sound and stable growth. Therefore, human relations should be kept into mind by a leader. He should have personal contacts with employees and should listen to their problems and solve them. He should treat employees on humanitarian terms.
- g) **Co-ordination-** Co-ordination can be achieved through reconciling personal interests with organizational goals. This synchronization can be achieved through proper and effective co-ordination which should be primary motive of a leader.

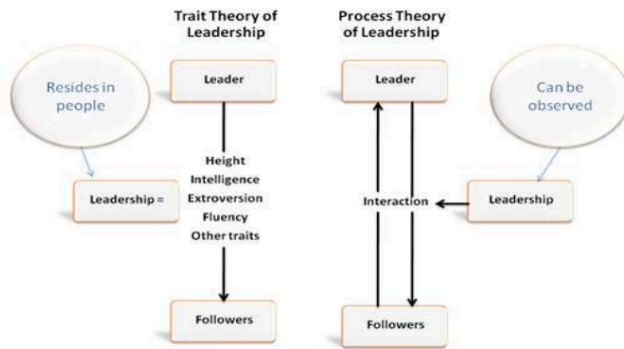
9.1 CONCEPT OF LEADER

Leadership is a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent. Leaders carry out this process by applying their leadership attributes, such as beliefs, values, ethics, character, knowledge, and skills.

Good leaders are made, not born. If you have the desire and willpower, you can become an effective leader. Good leaders develop through a never ending process of self-study, education, training, and experience (Jago, 1982). This guide will help you through the journey.

o inspire your workers into higher levels of teamwork, there are certain things you must be, know, and, do. These do not often come naturally, but are acquired through continual work and study. Good leaders are continually working and studying to improve their leadership skills; they are NOT resting on their past laurels.

Leaders carry out this process by applying their leadership knowledge and skills. This is called Process Leadership (Jago, 1982). However, we know that we have traits that can influence our actions. This is called Trait Leadership (Jago, 1982), in that it was once common to believe that leaders were born rather than made. These two leadership types are shown in the chart below (Northouse, 2007).



While leadership is learned, a leader's skills and knowledge can be influenced by his or her attributes or traits, such as beliefs, values, ethics, and character. Knowledge and skills contribute directly to the process of leadership, while the other attributes give the leader certain characteristics that make him or her unique.

For example, a leader might have learned the skills in counseling others, but her traits will often play a great role in determining how she counsels. A person who has empathy will make a better counselor than a person who thinks the employees are simply there to accomplish her biddings. Skills, knowledge, and attributes make the Leader, which is one of the Factors of Leadership.

9.02. Factors of Leadership

There are four primary factors of leadership.



a)Leader

You must have an honest understanding of who you are, what you know, and what you can do. Also, note that it is the followers, not the leader or someone else who determines if the leader is successful. If they do not trust or lack confidence in their leader, then they will be uninspired. To be successful you have to convince your followers, not yourself or your superiors, that you are worthy of being followed.

b)Followers

Different people require different styles of leadership. For example, a new hire requires more supervision than an experienced employee does. A person who lacks motivation requires a different approach than one with a high degree of motivation. You must know your people! The fundamental starting point is having a good understanding of human nature, such as needs, emotions, and motivation. You must come to know your employees' be, know, and do attributes.

c)Communication

You lead through two-way communication. Much of it is nonverbal. For instance, when you "set the example," that communicates to your people that you would not ask them to perform anything that you would not be willing to do. What and how you communicate either builds or harms the relationship between you and your followers.

d)Situation

All situations are different. What you do in one situation will not always work in another. You must use your judgment to decide the best course of action and the leadership style needed for each situation. For example, you may need to confront an employee for inappropriate behavior, but if the confrontation is too late or too early, too harsh or too weak, then the results may prove ineffective.

Also note that the situation normally has a greater effect on a leader's action than his or her traits. This is because while traits may have an impressive stability over a period of time, they have little consistency across situations (Mischel, 1968). This is why a number of leadership scholars think the Process Theory of Leadership is a more accurate than the Trait Theory of Leadership.

9.3. BASS' THEORY OF LEADERSHIP

Bass' theory of leadership states that there are three basic ways to explain how people become leaders (Stogdill, 1989; Bass, 1990). The first two explain the leadership development for a small number of people, while the third one is the dominant theory today. These theories are:

- Some personality traits may lead people naturally into leadership roles. This is the Trait Theory.
- A crisis or important event may cause a person to rise to the occasion, which brings out extraordinary leadership qualities in an ordinary person. This is the Great Events Theory.

- People can choose to become leaders. People can learn leadership skills. This is the Transformational or Process Leadership Theory. It is the most widely accepted theory today and the premise on which this leadership guide is based.

9.4. MANAGEMENT VERSES LEADERSHIP

While management and leadership have a great deal in common, such as working with people and accomplishing the goals of the organization, they do differ in their primary functions (Kotter, 1990): Management's main function is to produce order and consistency through processes, such as planning, budgeting, organizing, staffing, and problem solving. While leadership's main function is to produce movement and constructive or adaptive change through processes, such as establishing direction through visioning, aligning people, motivating, and inspiring. For more information on the differences between management and leadership see the next chapter: The Four Pillars: Leadership, Management, Command, and Control.

9.5. BOSS OR LEADER

Although your position as a manager, supervisor, lead, etc. gives you the authority to accomplish certain tasks and objectives in the organization (called Assigned Leadership), this power does not make you a leader, it simply makes you a boss. Leadership differs in that it makes the followers want to achieve high goals (called Emergent Leadership), rather than simply ordering people around (Rowe, 2007). Thus, you get Assigned Leadership by your position and you display Emergent Leadership by influencing people to do great things.



9.6. Total Leadership

What makes a person want to follow a leader? People want to be guided by leaders they respect and who have a clear sense of direction. To gain respect, they must be ethical. A sense of direction is achieved by conveying a strong vision of the future.

When people are deciding if they respect you as a leader, they do not think about your attributes, rather, they observe what you do so that they can determine who you really are. They use this observation to tell if you are an honorable and trusted leader or a self-serving person who misuses authority to look good and get promoted.

Self-serving leaders are not as effective because their employees only obey them, not follow them. They succeed in many areas because they present a good image to their seniors... but at the expense of their workers.

Good leadership is honorable character and selfless service to your organization. In your employees' eyes, your leadership is everything you do that effects the organization's objectives and their well-being.

9.7 EFFECTIVE LEADERSHIP PRINCIPLES

The skillful leadership is crucial to achieving business goals. There is a set of leadership principles that a leader should follow to help them maximize the potential of their employees. Some people are natural leaders, while others must develop the skills and abilities that they need to lead effectively. In this article, we discuss what leadership principles are and the top principles that leaders need to succeed.

Leadership principles are the set of actions or guiding beliefs that leaders can implement to move them toward success. How well an organization, company or business performs is directly related to how effectively the leader motivates and guides their employees.

There are many different leadership styles, and what works for one leader may not work for another. Because of this, each leader must have a specific set of principles that applies to them and their organization. However, certain principles are found in all styles of leadership, such as showing people how to do a good job instead of just telling them what to do. This is one difference that separates a great leader from a manager or supervisor. A leader should always be involved in their work and have a genuine interest in seeing the organization succeed.

Leadership principles are a framework of actions you can take as a leader to inspire others to work together toward a common goal—they are the foundation for success.

9.8. TOP LEADERSHIP PRINCIPLES

There are many leadership styles and theories as to what factors make the best leaders. The following leadership principles are commonly seen as vital to success:

1. Lead by example.
2. Leadership is about people.
3. Focus on change.
4. Be human and admit mistakes.
5. Understand the value of listening.
6. Develop leadership skills.
7. Promote diversity.
8. Work together to achieve more.
9. Have solid values.
10. Use technology and innovation.
11. Help to develop future leaders.

1. Lead by example.

Many successful leaders demonstrate how to behave, perform tasks and do their work. A good leader models excellent behavior and must be able to motivate and encourage people. The most successful companies and organizations have leaders who help their staff understand the value in their vision and show them how everyone can work together to achieve that goal in their role.

It is challenging for people to have faith in an idea or point of view if their leader is not also committed to the vision and empowering their employees or followers to take appropriate action. When you lead by example, your followers should see that you are confident and dedicated, and they will want to align their behavior to their leader.

2. Leadership is about people

Communicating and engaging with your team is essential to leadership. Interpersonal and communication skills are essential to any leader. Without being able to communicate your vision to others, leadership will be challenging. As a leader, you should have the best possible relationship with each member of your team. This means not only relating to those people in top-level management but also the people who work in the lowest-level positions and everyone in between. Leaders should work to constantly improve relationships, their interpersonal skills and how they influence the people who surround them.

3. Focus on change

Transformation should be at the foundation of every leadership plan. People need to understand what your goals and objectives are and the part they can play in transforming the organization. Once they know the direction and changes that need to happen, they may be more willing to work toward them.

When you encourage others to change and grow, you will do the same as a leader. Change for the better should be your focus, not just making changes for financial gain. Focus on the overall vision and have the ambition to bring about change.

4. Be human and admit mistakes

Everyone makes mistakes, but it can be beneficial for other people to see a leader acknowledge their mistakes as it can help them be more relatable. Mistakes can show you where you went wrong and how you can improve in the future. A wise leader learns from each experience and uses it to teach their employees and themselves what areas they need to focus on to grow as an organization.

People can lose faith in others when they are unwilling to accept responsibility. When a leader owns a mistake, they are often held in higher regard.

5. Understand the value of listening

Learn to listen more than you talk. When you listen, you could be finding out valuable, new information that may help you lead effectively. Leaders are great listeners, which does not mean that they must agree with everything they hear, but they must try to make sense of it and

understand. There are two levels of human understanding: intellectual and emotional. When you understand what someone is saying, this is the intellectual level. The emotional level of understanding means that you know how they are feeling. A good leader should understand both. People feel valued and respected when a leader takes the time to listen and process what they are saying.

6. Develop leadership skills

A leader is defined by their behavior and actions, and a good leader has specific skills and characteristics that help them lead effectively. To be a great leader, you should recognize the skills you need and work to develop them. Identify your strengths and weaknesses and what your leadership strategy will be. You need to understand your own behaviors and attitudes, and how these affect your ability to lead. You must constantly work on your skills and always strive to improve them because they determine how successful your leadership style will be.

7. Promote diversity

A leader should welcome diversity and harness the strengths that it can confer on a company. When everyone has the same background and experience, it means there is a limited field of expertise, but when there is a diverse range, you may be able to approach things differently and find fresh perspectives. A diverse workforce encourages innovation and new ideas, which in turn increases the likelihood of success. Many schools of thought now identify diversity as key to business accomplishments like profit and growth. A leader needs to recognize the importance of diversity and aim to build teams that embrace it.

8. Work together to achieve more

Collaboration is the act of working with others to share information, strategies and successes, and every great leader understands its importance. Cooperation and collaboration can happen between organizations without affecting healthy competition. A leader should embrace the benefits working collaboratively can bring.

9. Have solid values

An effective leader must have a clear vision and solid values so they can inspire their followers and motivate them. Values are essential, and they show that you are a credible leader. Profit is essential to every business, but it should not be the sole value that a leader works toward. Employees appreciate working within a great team, having flexible working hours, job security, training and development, a comfortable working environment and a job that makes them feel like they are making a difference. People typically want to work with a leader who understands their values and needs and has authentic values they follow themselves.

10. Use technology and innovation

Since technology use in the workplace is widespread, as a leader you should take advantage of the benefits that technology can bring to your organization. Technology can help in the operation of a business, increase productivity, help movement into new markets and facilitate in achieving the company vision. Communication across the world is easier using new technologies, which helps with collaboration. Teams can now work together even if they are

based in different countries. It is vital to strong leadership that you understand and educate yourself on the technologies that are involved in your organization. You can then improve on how they are used so you gain the most benefit. It is also essential to understand what challenges there could be and how you can overcome them. Your vision for the future could be affected by the technology that is available or by future innovations.

11.Help to develop future leaders

There is always a need for good leadership, and part of being a great leader is to make sure there is someone else who can take over your role when necessary. Thinking about the future in this way is a strong leadership trait. The organization will benefit from having a plan in place that leaves no time gap when people have no leader to look to. When employees are educated on how to become leaders, they are motivated to take ownership of their work.

Leaders should understand the value of education and the development of skill sets, nurture talent within the workforce and be able to identify and mentor the individuals who could become leaders of the future.

9.9 Leader verses Manager

People working in IT industries are mostly acquainted with two words manager and leader when working under a project. Not only in IT industries even in most of other industries who works on any project have their leaders and managers for the project. Generally called as Project Leader and Project Manager. There is some difference in qualities, roles and responsibilities in between a leader and a manager. Lets discuss about the difference below.

1. Leader

A leader is a person who leads a particular team and influences it's team members to perform well and achieve the goal. Leaders follow transformational process as they develop vision and find a way forward to achieve the goal. So a leader always looks after a team. A leader exhibit strategic view, team management, open mind and promotes innovation. A leader creates circles of influence and lead by inspiring.

2. Manager

A manager is a person who manages the organization or a project by planning, giving direction, maintaining coordination and control. Managers follow transactional process as they delegate tasks, meet objectives. So a manager oversees a team. A manager exhibits organizational skills, management skills, problem solving skills and conformity. A manager creates circles of power and lead by authority.

A leader is one who influences the behavior and work of others in group efforts towards achievement of specified goals in a given situation. On the other hand, manager can be a true manager only if he has got traits of leader in him. Manager at all levels are expected to be the leaders of work groups so that subordinates willingly carry instructions and accept their guidance. A person can be a leader by virtue of all qualities in him.

Basis	Manager	Leader
Origin	A person becomes a manager by virtue of his position.	A person becomes a leader on basis of his personal qualities.
Formal Rights	Manager has got formal rights in an organization because of his status.	Rights are not available to a leader.
Followers	The subordinates are the followers of managers.	The group of employees whom the leaders leads are his followers.
Functions	A manager performs all five functions of management.	Leader influences people to work willingly for group objectives.
Necessity	A manager is very essential to a concern.	A leader is required to create cordial relation between person working in and for organization.
Stability	It is more stable.	Leadership is temporary.
Mutual Relationship	All managers are leaders.	All leaders are not managers.
Accountability	Manager is accountable for self and subordinates behaviour and performance.	Leaders have no well defined accountability.
Concern	A manager's concern is organizational goals.	A leader's concern is group goals and member's satisfaction.
Followers	People follow manager by virtue of job description.	People follow them on voluntary basis.
Role continuation	A manager can continue in office till he performs his duties satisfactorily in congruence with organizational goals.	A leader can maintain his position only through day to day wishes of followers.
Sanctions	Manager has command over allocation and distribution of sanctions.	A leader has command over different sanctions and related task records. These sanctions are essentially of informal nature.

9.10 SUMMARY

Leadership is about mapping out where you need to go to "win" as a team or an organization; and it is dynamic, exciting, and inspiring. Yet, while leaders set the direction, they must also use management skills to guide their people to the right destination, in a smooth and efficient way.

As well as providing direction, inspiration, and guidance, good leaders exhibit courage, passion, confidence, commitment, and ambition. They nurture the strengths and talents of their people and build teams committed to achieving common goals. The most effective leaders have the following traits in common.

A leader is a person who leads a particular team and influences its team members to perform well and achieve the goal. A manager is a person who manages the organization or a project by planning, giving direction, maintaining coordination and control.

9.11 KEYWORDS

Leader - The person who leads or commands a group, organization, or country.

Leadership - The action of leading a group of people or an organization.

Manager - A person responsible for controlling or administering an organization or group of staff.

9.12 SELF – ASSESSMENT QUESTIONS

1. Define leadership? Discuss the concept of leadership?
2. Explain factors of leadership in organizations?
3. Discuss the principles of effective leadership?
4. Examine the differences between leader and manager?

9.13 FURTHER READINGS

1. A Textbook Of Organisational Behaviour, January 2014 by Gupta C.B. S Chand & Company publisher, ISBN-10978812194301.
2. Organisational Behaviour, by Fatima Shanawaz, ISBN: 9788192005331, 819200533X, Arjun Publishing House, 2017.
3. Organisational Behaviour First Edition by P. S. James, year 2017, ISBN: 9789332587120, 9332587124, Publisher – Pearson.
4. Organizational Behaviour, by Stephen P. Robbins, Timothy A. Judge and Neharika Vohra, 1 November 2018, ISBN-10 9353067030. Pearson Education publisher.
5. Organizational Behavior, by Mathias J. Seventh, 2019, Publisher: Author's Republic.
6. Essentials of organisational behavior, January 2019, by T N Chhabra, Sun India Publications 2019.

Dr.K. Madhu Babu

Lesson – 10

CLASSICAL STUDIES ON LEADERSHIP AND TRAIT THEORIES

Learning Objectives

- ✓ To study the classical study
- ✓ To read the classical management theory
- ✓ To know the theory concept
- ✓ To learn the trait theory

Structure

10.0 Introduction

10.1 Classical management theory

10.2 Concepts of the classical management theory

10.3 Autocratic Leadership Model in the Classical Theory

10.4 Classical Management Theories

10.5 Bureaucratic Theory

10.6. Scientific Management Theory

10.0 Introduction

The classical management theory is a style of management that emphasizes hierarchy, specialized roles and single leadership for optimized efficiency in the workplace. Scientific management should be used to determine the most efficient way to do a job.

Classical Leadership style: It is almost an autocratic leadership style. In this style, the leader takes the leading role and works from the front. It was the most prevalent leadership style during the 1960s to 1980s. The leader is motivated by his own ego and determines a future plan of action himself.

The classical management theory is a style of management that emphasizes hierarchy, specialized roles and single leadership for optimized efficiency in the workplace.

Classical studies is an interdisciplinary field. While the core of the program is focused on courses in the ancient Greek and Latin languages it also includes courses in history, history of art and visual culture, linguistics, literature, philosophy, politics, religious studies, and theater arts.

Classical theories recommend centralized leadership and decision-making and focus on profit maximization. Three streams of classical management theory are - Bureaucracy (Weber), Administrative Theory (Fayol), and Scientific Management (Taylor).

10.1 CLASSICAL MANAGEMENT THEORY

The classical management theory is a style of management that emphasizes hierarchy, specialized roles and single leadership for optimized efficiency in the workplace.

The classical management theory is based on the following principles:

- Scientific management should be used to determine the most efficient way to do a job.
- Employees are selected to perform tasks based on their skills and specializations.
- Operations should be streamlined as much as possible.
- Decisions are made by a single person or by a select few authority figures.
- Productivity is the primary goal.
- Increased profit is given priority.

10.2 CONCEPTS OF THE CLASSICAL MANAGEMENT THEORY

Additionally, the classical management theory holds that an ideal workplace is one that implements the following concepts:

1. Centralized structure of leadership

The classical management theory holds that a workplace should be overseen by three levels of leadership. The first level is composed of the business owners and/or executives of the company. These individuals are given the highest level of authority and set the long-term goals of an organization. The second level of leadership consists of middle management. Individuals considered to be middle management are in charge of overseeing managers and setting department-level goals. The third level is composed of supervisors or managers who oversee the day-to-day operations of a company.

2. Labor specialization

This concept focuses on an “assembly line” set up within an organization. This structure involves breaking down large tasks or projects into smaller tasks that are assigned to employees. Workers are typically responsible for only one specific task to prevent multitasking and increase productivity.

3. Wage incentives

The classical management theory places emphasis not on employees' job satisfaction or social needs but rather on physical needs. This theory holds that these physical needs can be met through income and monetary incentives and uses the opportunity for wage increases to motivate employees.

10.03 Autocratic Leadership Model in the Classical Theory

The autocratic leadership model is the central part of the classical management theory. In an autocratic system, there is no need to consult large groups of people for decisions to be made. A single leader makes a final decision that is communicated downward for all employees to follow. This management style can be beneficial when decisions need to be made quickly by one leader, rather than a group of company officials.

10.04 Classical Management Theories

The world of organizations is practical. As previously discussed, management can be regarded as a simple micro approach where the rule $a + b = c$ is a model. The theoretical side is used to understand how specific management theories relate to learning organizations. According to Kimani, and his work on the background of organizations, we show that organizations have existed in society for many years, as found in the pre-twentieth-century works of Adam Smith, commonly referred to as the ‘Father of Economics.’ Understanding

organizations comes from understanding management theory, and Kimani outlines four major management theories for the basis of organizations: bureaucratic theory, scientific management theory, behavioural management theory, and human relations theory. These four theories are generalized as the classical theories of managing organizations.

10.05 Bureaucratic Theory

When an organization is formed, it usually sets its rules based on its structure. Similar to what was discussed in chapter 1 with regard to formal and informal, mechanistic and organic organizations; one theory relates to the role of the formal and mechanistic organizations more than the others. Bureaucratic theory relates to the formal hierarchy in which many tasks are delegated to individuals and departments. They are also held together by a central administration. This theory was developed by Max Weber (1864-1920), who was a German historian and sociologist, and is regarded as the “father of bureaucracy”. This theory is quite popular, and is used by a host of both private and public institutions. Kimani states that universities and other schools rely on bureaucracies to function, as the compatibility of this function is relevant in the delegation of tasks. The compatibility decided upon (usually by a central command) is passed down to subordinates who carry the same compatibility to their subordinates and so on. The bureaucratic model, theoretically, has a hierarchical structure along with the specialized departments, making a clear outline for division of labour, which is the defining and break-down of work into well-defined tasks, and delegated to be manageable. The idea of division of labour is a key factor in the bureaucratic theory.

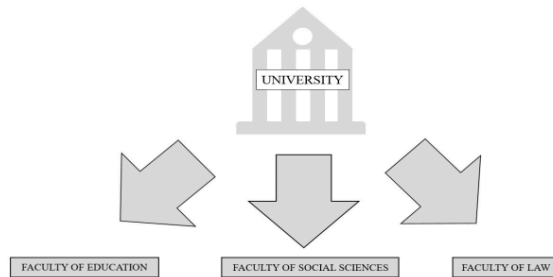


Figure 1: Example of hierarchy and division of labor in a university system.

a) Advantages and Disadvantages of Bureaucracy

Advantages:

- (1) Specialization- Each member is assigned a specialized task and is able to deliver superior performance over time.
- (2) Structure- A structure of form is created by identifying the duties and responsibilities and reporting relationships within a command hierarchy. Structure helps members to know their jurisdictional limits and operate without any friction.

- (3) **Rationality-** Bureaucracy brings rationality to an organisation. Judgments are made according to an objective and generally agreed upon criteria.
- (4) **Predictability-** The rules, regulations, training, specialization, structure and other elements of bureaucracy enable it to provide predictability and stability to an organisation.
- (5) **Democracy-** In bureaucratic organisations, decisions are arrived at according to an acceptable criterion. Rules and regulations bring about consistent behaviour within the organisation. Activities are taken up on a priority basis, according to a time schedule.
- (6) People are selected on the basis of merit. Patronage, favouritism and other arbitrary bases are not given weightage. Because the opportunity to train, apply and be selected for a job is open to every citizen, a significant degree of democracy is achieved.

b) Disadvantages:

- (1) **Rigidity-** Critics of bureaucracy claim that it is rigid, static and inflexible. Strict adherence to rules produces timidity, conservatism and technicism. In the name of following rules, people may even shirk away from their responsibilities.
- (2) **Impersonality-** Bureaucracy emphasizes mechanical way of doing things. Rules and regulations are glorified in place of employee needs and emotions.
- (3) **Displacement of objectives-** As organisational procedures become more formalized and individuals more specialized, means often become confused with ends. Specialists, for example, may concentrate on their own finely tuned goals and forget that their goals are a means for reaching the broader objectives of the organisation.
- (4) **Compartmentalization of activities-** Strict categorization of work restricts people from performing tasks that they are capable of doing. For example, a pipe fitter can install a pump, but is prohibited by work rules from making the electrical connection even if he is totally qualified to do so.
- Bureaucracy would also encourage a tendency to perpetuate existing jobs even when they become redundant. The typical bureaucracy tries to preserve all the old jobs and add new ones for new requirements, resulting in wastage of scarce inputs.
- (5) **Empire-building-** Bureaucracies often turn managers into empire builders. They try to enhance their status and power by adding more people, more space, more physical facilities - whether they are required or not.
- (6) **Red tape-** Bureaucracies are paper mills. Everything is recorded on paper. Files move through end-less official channels, resulting in inordinate delays. Communication is reduced to a feeble walk.

10.6. SCIENTIFIC MANAGEMENT THEORY

F.W. Taylor (1856-1915) an engineer at Bethlehem Steel Company in Pennsylvania, focused on analyzing jobs and redesigning them so that they could be accomplished more efficiently.

In the modern world of technological advancement, it is no surprise that the push for understanding within organizations is the key to success. When looking at the sport of baseball in 2019, compared to the sport of baseball in 1999, there is a great influence of

statistical probability and analytics introduced to the game, compared to a decade earlier. This is due to the popularity of Sabermetrics, which is the application of statistical analysis to baseball records to evaluate and compare the performance of individual players. This theory can be used in learning organizations due to its ability to be mathematically savvy to produce the best results for an institution. Colleges and universities may use statistics such as graduation rates, acceptance rates, and research tracking to develop, change or keep their current methods, in addition, the use of the statistics helps to compare against other institutions. The scientific management theory is closely related to the definition of management discussed in chapter one. The theory can be harsh, as employees are considered more widgets than humans. However, Henri Fayol came along and developed the six roles of management. This brought in a more humanistic approach to the understanding of scientific management, allowing humans to be humans and focusing more on managing situations and using people to help in the process. The six roles of management are as follows;

- a) Forecasting
- b) Planning
- c) Organizing
- d) Commanding
- e) Coordinating
- f) Controlling

A) Principles of Scientific Management

- i. Each task must be scientifically designed so that it can replace the old, rule-of-thumb methods.
- ii. Workers must be scientifically selected and trained so that they can be more productive on their jobs.
- iii. Bring the scientifically designed jobs and workers together so that there will be a match between them
- iv. There must be division of labour and cooperation between management and workers.

Taylor stressed the importance of employee welfare as well as production efficiency. To boost up productivity, wage incentives based on performance (differential piece rate system) were introduced. The emphasis was on maximum output with minimum effort through elimination of waste and inefficiency at the shop floor level.

B) Techniques of Scientific Management

(a) Scientific Task Planning- Scientific task is the amount of work which an average worker can perform during a day under normal working conditions (called as a fair day's work). Management should decide in advance as to what work is to be done, how, when, where and by whom. The ultimate goal is to see that work is done in a logical sequence promoting maximum efficiency.

(b) Time and Motion Studies: Time and motion studies have been advocated by Taylor with a view to isolate the wasteful and unproductive motions on the job. The time study would indicate the minimum time required to do a given job. The time taken by workers to do a job is being recorded first and this information is being used to develop a time standard.

Time standard is the period of time that an average worker should take to do a job. Motion study is carried out to find out the best sequence of motions to do a job. Managers, in the end, are charged with the task of planning the work through the above studies and workers are expected to implement the same.

(c) Standardization: Under scientific management, standards have to be set in advance for the task, materials, work methods, quality, time and cost, working conditions, etc. This helps in simplifying the process of production, reducing wasteful use of resources, improving quality of work etc.

(d) Differential Piece Rate System: Taylor advocated differential piece rate system based on actual performance of the worker. In this scheme, a worker who completes the normal work gets wages at higher rate per piece than a worker who fails to complete the same within the time limit set by management.

For example, each worker who produced 10 machine nuts (normal work) would be paid the standard wage of Rs. 2 per piece, and those below the normal work may get Rs. 1.5 per piece. Thus, there is considerable difference in wages between those who complete the job and those who do not complete.

Each worker is pitted against every other worker in an unhealthy competitive scheme to make more and earn more. In the long-run, this will have a telling effect on the health of the worker. More damagingly, this scheme would divide the working class permanently.

(e) Functional Foremanship: In order to achieve better production control, Taylor advocated functional foremanship where the factory is divided into several components, each in charge of a specialist, namely, route clerk, instruction card clerk, cost and time clerk, gang boss, speed boss, inspector, repair boss and shop disciplinarian.

These functional specialists perform the planning function and provide expert advice to workers. They plan the work for employees and help employees in improving results. The workers are expected to implement the commands of functional specialists. The idea of a divorce between planning and doing function, unfortunately, suggests that workers are incapable of thinking independently.

C) Contributions and Limitations of Scientific Management:

Contributions:

(1) Efficient and Effective Production Methods:

According to Gilbreths, the primary benefit of scientific management was 'conservation and saving, making an adequate use of every ounce of energy of any type that is expected'. In the modern assembly line, conveyer belts bring to each employee the parts needed to perform one specific job and they carry the completed work to the next employee on the line.

Specialization and division of labour have brought about the second Industrial Revolution in America and other developing nations. The American production 'miracle' is said to be the legacy of scientific management. The time and motion techniques have shown clearly as to how to organize the tasks in a more efficient and rational way.

(2) Rational Way to Solve Organizational Problems: The role of scientific selection and development of workers in increasing worker effectiveness is also recognised. The stress it

placed on work design encouraged managers to pursue the 'one best way' philosophy and achieve the tasks with the minimum effort and cost.

Scientific management not only developed a rational approach to solving organisational problems but also pointed the way to the professionalization of management.

(3) Heroic Figure: Taylor is regarded as a heroic figure in the history of management because of certain genuine reasons: (i) He is the first one to advocate planning of work, scientific selection of people, putting right man on the job, rewarding the efforts of employee in adequate measure, waging a war against inefficiency etc.

(ii) He gave a concrete shape to his ideas and reduced managerial thinking to a set of principles that have stood the test of time over the years.

Limitations:

(1) Exploitative Device: Scientific Management made workers to run a race against time to earn more. The fruits of labour, in the end, were never enjoyed by workers in full measure. The owners enjoyed the party while the workers were shedding their blood.

(2) Depersonalized Work: Scientific management supplied standard-ized jobs to workers. Everything was set in a straitjacket. Workers were made to repeat the same operations daily. This produced boredom and monotony. Workers did not like the idea of becoming glorified machine tools.

(3) Un-Psychological: Taylor's idea that maximum productivity could be achieved only by employing 'first class men' was a deplorable one. Further, adding insult to injury, he did not suggest how the wages had to be paid and how the efficiency of workers could be measured etc.

(4) Undemocratic: The idea of managers planning the operations and workers implementing the same was a prohibitive practice. In other terms, one group always performed challenging, novel tasks whereas the other one is loaded with boring, routine and standardized jobs. Scientific management, in a way, treated workers as unthinking animals.

(5) Anti-Social: Scientific Management treated workers as economic tools. They were made to work and work without any interaction.

(6) Unoriginal: People like Hoagland questioned the originality of Taylor's ideas and felt that his contribution had been somewhat overrated and overemphasized. Other researchers felt that the report of Taylor on Bethlehem Steel was almost completely a lie.

(7) Unrealistic: Taylor believed that employees are motivated by material benefits. Current research, however, does not support this contention. Modern employees seek job satisfaction, growth opportunities, challenging work, recognition etc. apart from economic incentives from work.

10.7. BEHAVIORAL MANAGEMENT THEORY

In the mid-twentieth-century, one theory was presented that has worked to completely remove itself from scientific theory. Behavioral management theory, also known as the social science movement, uses the concept that all approaches to the workplace should be in the best interest of both company and workers. This theory was developed by Chester Barnhard, in the 1940's, as a way for workers to be viewed as psychological and social beings. Essentially,

there is no separation between 'human being' and 'worker' as they are one in the same, and that, by following this concept, it would lead to success within a workplace.

The idea of behavioral management is about understanding the idea that managers should comprehend human or worker needs within an organization. Many theorists wanted to find out how the use of behavioral management theory would function within workplaces. One of the main theorists being Elton Mayo, and his groundbreaking experiment: The Hawthorne Studies, which will be discussed further in chapter ten about communication. The Hawthorne experiment essentially used special privileges, pay rewards, even company provided lunches in ways to increase employee psychological well-being, and eventually employee productivity.

Behavioral management theory had a great impact on learning organizations, as it provided a new view on how administrators come into learning organizations. There are two factors which are integral to the introduction of behavioral management within learning organizations, such as administrators at colleges and universities:

- a) Administrators can emerge from different disciplines (i.e. business, social sciences, and the arts), not specifically from education.
- b) Along with specialized knowledge of education, administrators must have an interdisciplinary grasp of social sciences, such as economics and government.

In most education faculties, both undergraduate and graduate students develop content that is considered interdisciplinary (i.e. covering multiple branches of knowledge and understanding). This allows educational administrators the ability to take on a more holistic approach, which will lead to a better understanding of the 'human-worker'. Even when administrators and professors develop courses, interdisciplinary theory is used in development.

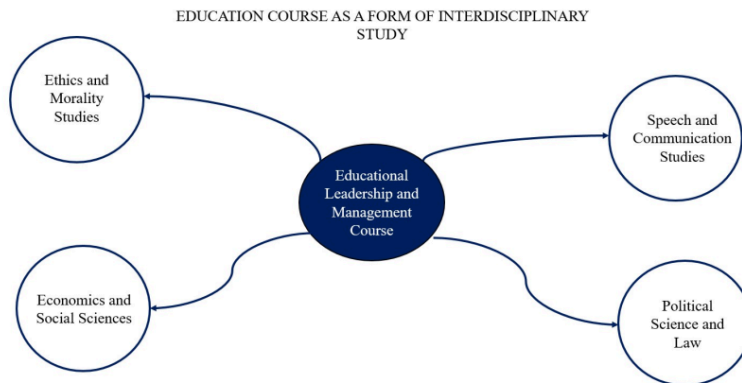


Figure 2: Education course as a form of interdisciplinary study.

10.8. HUMAN RELATIONS THEORY

Now that the worker has become less of a product with no needs, to a human worker with needs and desires, it surprising that it took until the twentieth-century to realize that the people who work in a factory do not become less of a psychological being inside or outside

the factory. Mary Parker Follet developed the human relations theory with regard to employees having a more satisfying life, and they can solve conflicts through a process of democracy and conversation. There are six points in which democratic problem solving happen in human relations theory.

- a) Listening to each other's views
- b) Accepting other view points
- c) Integrating viewpoints in pursuit of a common goal
- d) Coordinating must be achieved in the early stages
- e) Coordinating must have reciprocal understanding
- f) Coordinating is a continual process.

Within learning organizations, we have seen the advancement of programs to help with human relations inside the walls of the establishments. From seminars discussing productivity, improving morale, and good ethical actions, to open meetings where brainstorming happens, the impact has given employees a chance to offer a holistic influence on organizations. The idea of human relations draws comparisons to Abraham Maslow, and his theory on self-actualization, which was discussed in chapter one. Human relations theory allows employees to develop a sense of self-awareness to understand their places within a company and their influence.

10.9 TRAIT THEORY

The trait model of leadership is based on the characteristics of many leaders - both successful and unsuccessful - and is used to predict leadership effectiveness. The resulting lists of traits are then compared to those of potential leaders to assess their likelihood of success or failure. Scholars taking the trait approach attempted to identify physiological (appearance, height, and weight), demographic (age, education and socioeconomic background), personality, self-confidence, and aggressiveness), intellectual (intelligence, decisiveness, judgment, and knowledge), task-related (achievement drive, initiative, and persistence), and social characteristics (sociability and cooperativeness) with leader emergence and leader effectiveness.

Successful leaders definitely have interests, abilities, and personality traits that are different from those of the less effective leaders. Through many researches conducted in the last three decades of the 20th century, a set of core traits of successful leaders have been identified. These traits are not responsible solely to identify whether a person will be a successful leader or not, but they are essentially seen as preconditions that endow people with leadership potential.

Among the core traits identified are:

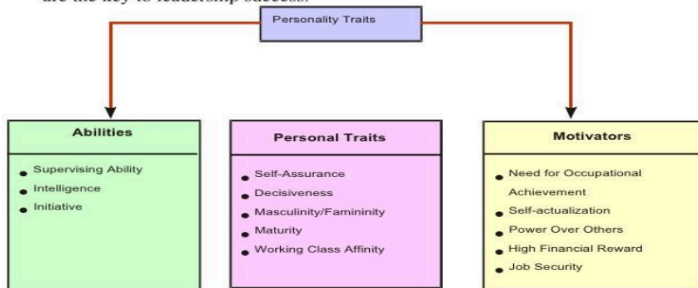
- i. Achievement drive: High level of effort, high levels of ambition, energy and initiative
- ii. Leadership motivation: an intense desire to lead others to reach shared goals
- iii. Honesty and integrity: trustworthy, reliable, and open
- iv. Self-confidence: Belief in one's self, ideas, and ability
- v. Cognitive ability: Capable of exercising good judgment, strong analytical abilities, and conceptually skilled
- vi. Knowledge of business: Knowledge of industry and other technical matters
- vii. Emotional Maturity: well adjusted, does not suffer from severe psychological disorders.
- viii. Others: charisma, creativity and flexibility

A) Strengths/Advantages of Trait Theory

1. It is naturally pleasing theory.
2. It is valid as lot of research has validated the foundation and basis of the theory.
3. It serves as a yardstick against which the leadership traits of an individual can be assessed.
4. It gives a detailed knowledge and understanding of the leader element in the leadership process.

Trait Theory

The trait theory is based on the great man theory, but it is more systematic in its analysis of leaders. Like the great man theory, this theory assumes that the leader's personal traits are the key to leadership success.



B) Limitations of The Trait Theory

1. The list of possible traits tends to be very long. More than 100 different traits of successful leaders in various leadership positions have been identified. These descriptions are simply generalities.
2. There is also a disagreement over which traits are the most important for an effective leader.
3. The model attempts to relate physical traits such as, height and weight, to effective leadership. Most of these factors relate to situational factors. For example, a minimum weight and height might be necessary to perform the tasks efficiently in a military leadership position. In business organizations, these are not the requirements to be an effective leader.

C) The theory is very complex

10.10 IMPLICATIONS OF TRAIT THEORY

The trait theory gives constructive information about leadership. It can be applied by people at all levels in all types of organizations. Managers can utilize the information from the theory to evaluate their position in the organization and to assess how their position can be made stronger in the organization. They can get an in-depth understanding of their identity

and the way they will affect others in the organization. This theory makes the manager aware of their strengths and weaknesses and thus they get an understanding of how they can develop their leadership qualities.

10.11 TRAIT VS. SITUATIONAL APPROACH FOR LEADERSHIP

Strong leadership is vitally important to the success of any small business. There are numerous leadership styles that business owners and managers can use, each with a different focus. Two very different styles are the trait approach and the situational approach. Many leaders combine styles, and you may find that a combination of the two approaches fits your style. Or, you may combine either one with a totally different leadership style.

A) Situational Leadership

Situational leadership, based on a 1977 theory that was developed Paul Hersey and Ken Blanchard, focuses on more than the leader. Instead, a leader's actions depend on the situation and the followers. Four styles of leadership are used in the situational approach: delegating, supporting, coaching and directing. The leader selects the appropriate style according to the situation and readiness level of the followers for a particular style of leadership. For example, if the subordinates have a low level of knowledge, the directing style of leadership – where the leader tells the followers exactly what to do – is appropriate.

B) Situational Leadership Advantages

The situational approach to leadership consists of concepts that are easy to understand and apply across a wide variety of work situations. Many Fortune 500 companies have used it as the basis of their leadership program because of its positive and credible reputation.

A manager who uses a situational leadership style adapts to each situation he encounters, which can include acting differently with different employees. For example, say two team members report nearly identical problems with two customers who are upset that their orders are late. The manager listens to the first team member, and recommends that she research why the order is late and call the customer to explain the situation. He knows she has a cheerful, dynamic phone presence and a good rapport with the customer.

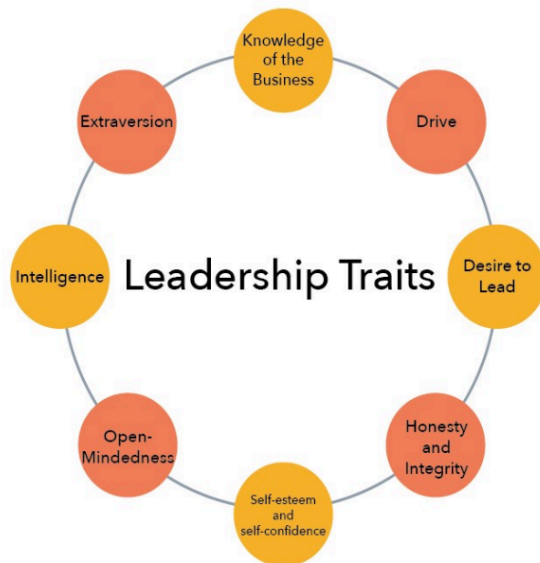
The second employee, however, isn't as good on the phone, and has a tendency to come across as defensive and hesitant. The customer is new, so rapport hasn't really been established. In this situation, the manager suggests that the employee find out why the shipment is late, and schedule a short meeting with the customer. Face-to-face interaction will show the customer that the company cares about his business and give the employee the chance to make a good impression, which he wouldn't have accomplished over the phone.

C) Situational Leadership Disadvantages

Education, age, experience and gender influence each subordinate's preference for certain forms of leadership. Yet, demographic characteristics are not considered in the situational-leadership approach. Limited research exists to support the theories behind the situational leadership approach. No guidelines exist on applying this type of leadership to groups. The guidelines concern only one-to-one interactions.

10.12 THE TRAIT & STYLE APPROACH TO LEADERSHIP

Leading involves influencing others. Leaders, therefore, are people who know exactly what they want to achieve and why. They mobilize other people to influence actions, beliefs and feelings. Over the last 80 years, there have been various theories explaining leaderships like trait theories, behavioral theories, contingency theories and transformational theories.



A) Personal Characteristics

The traits approach to leadership argues that leaders are born rather than made. The traits approach determines which traits, skills and abilities distinguish leaders from their followers or distinguish effective leaders from ineffective ones. This means that if a person possesses certain characteristics, she would make a good leader. Some qualities that appear in one leader could be used in different situations. These qualities included physical stamina, intelligence competence, courage, self-confidence, flexibility and assertiveness.

B) Set of Traits

The problem with traits approach to leadership is that it assumes there is a definite set of characteristics that make a leader irrespective of the situation. A person cannot possess all the characteristics laid down by the traits approach. However, certain sets of traits might be good for a certain situation. For example, a leader who is courageous, self-confident and has

physical stamina may be effective in leading a war, whereas, an intelligent and innovative leader is best in leading a science project.

C) Behavior of the Leader

The style approach to leadership emphasizes the behavior of the leader. It analyzes how leaders act in various situations; this leadership theory not only looks at the leader but also those being led and the environment in which the leadership occurs. The style approach views leadership as a process where an individual influences a group of people to achieve common goals.

D) Styles of Leadership

The Iowa State University studied leadership styles of three groups. The authoritative leader gives instructions demanding compliance from them. It emphasizes task to performance and exercises close supervision. The democratic leader involves subordinates in decision making, permits them to take initiative and make their own judgments. The laissez faire leader takes no interest in people; subordinates do as they like.

10.13 SUMMARY

The classical management theory can help streamline manufacturing operations where high productivity is a must. However, it fell out of favor after the rise of other management theories and the human relations movement, which sought to gain a better understanding of the human motivation for productivity. Although some of its facets are viable for certain circumstances, the classical management theory generally does not translate well to workplaces today.

Through educational leadership programs, today's business leaders can learn about modern management theories that will help them guide colleagues toward increasing productivity and meeting organizational goals.

The traits approach gives rise to questions: whether leaders are born or made; and whether leadership is an art or science. However, these are not mutually exclusive alternatives. Leadership may be something of an art; it still requires the application of special skills and techniques. Even if there are certain inborn qualities that make one a good leader, these natural talents need encouragement and development. A person is not born with self-confidence. Self-confidence is developed, honesty and integrity are a matter of personal choice, motivation to lead comes from within the individual, and the knowledge of business can be acquired. While cognitive ability has its origin partly in genes, it still needs to be developed. None of these ingredients are acquired overnight.

10.14 KEYWORDS

Trait theory - The trait theory of leadership focuses on the leader and the traits he exhibits. Trait theory holds that an individual's inherent qualities determine his leadership potential

Leadership - The leader believes the best way to lead is to show others how to perform.

Classical theory - It is a style of management that emphasizes hierarchy, specialized roles and

single leadership for optimized efficiency in the workplace.

10.15 SELF – ASSESSMENT QUESTIONS

1. What are the four different classical management theories?
2. What was the famous study conducted to develop an understanding of behavioural management theory?
3. Discuss about the trait theory?
4. Explain the advantages and disadvantages of trait theory?

10.16 FURTHER READINGS

1. Organizational Behavior, January 2013, Stephen P. Robbins, Timothy A. Judge and Neharika Vohra, ISBN-13 978-9332500334, Publisher Pearson Education India.
2. Organizational Behaviour, Stephen P. Robbins, Timothy A. Judge and Neharika Vohra, year 2018, ISBN-10 9353067030, publisher Pearson Education.
3. Organizational Behavior: A Skill-Building Approach, by Neck, Dr. Christopher P.; Houghton, Jeffery D.; Murray, Emma L. year 2019, ISBN 10: 1544317549 ISBN 13: 9781544317540, sage publications.
4. Organizational Behavior, Mary Uhl-Bien, John R. Schermerhorn Jr. Richard N. Osborn Sanket Sunand Dash, June 2021, Publisher Wiley, ISBN-10 9354242847.
5. Organizational Behavior Essentials You Always Wanted To Know, Vibrant Publishers, September 2021, ISBN-13 978-1636510378.

Dr.K. Madhu Babu

Lesson - 11

BEHAVIORAL THEORIES

Learning Objectives

- ✓ To study the behavioral theory
- ✓ To readout the human behaviors
- ✓ To know the types of behavioral theories
- ✓ To learn the importance of behavioral theory

Structure

11.0 Introduction

11.1 Human Behaviors

11.2 Types of behavioral leadership theories

11.3 Major behavioral leadership theories

11.4 Behavioral Leadership Theory of Today: A Modern Take

11.5 Advantages and Disadvantages of Behavioral Theory of Leadership

11.6 Behavioral Theory of Leadership Examples

11.7 Summary

11.8 Keywords

11.9 Self – Assessment Questions

11.10 Further Readings

11.0 INTRODUCTION

The behavioral leadership theory focuses on how leaders behave, and assumes that these traits can be copied by other leaders. Sometimes called the style theory, it suggests that leaders aren't born successful, but can be created based on learnable behavior. Behavioral Leadership Theories are developed scientifically by behavior-focused studies of a leader's behavior in a conditioned situation that one can have a specific response to specific stimuli.

The Behavioral Theory of management provides a map on how to practice effective leadership in organizations. The best leaders are those who can adjust their leadership styles and use the right approach in every situation. Harappa Education's Leading Self course will teach you to embrace new opportunities for growth and learning. The Ladder Of Learning framework is a four-step process that'll teach you how to navigate the different stages of learning. You'll overcome self-limiting beliefs with Harappa's courses and get on the path to becoming the best version of yourself.

A) Meaning

Behavioral leadership theory is a field of research focusing on the effects of different leadership behaviors. Several behavioral leadership studies have concluded that the best leaders are both production and people-oriented, such as the Ohio and Michigan Leadership Studies.

Behavioral leadership theory is a field of research focusing on the effects of different leadership behaviors. Several behavioral leadership studies have concluded that the best leaders are both production and people-oriented, such as the Ohio and Michigan Leadership Studies.

B) Origin of Behavioral Theory of Leadership

The phenomenon of leadership is in the spotlight of many organizational and psychological studies. The leadership concept first appeared in scientific studies in the early 1300s, but the scientific research in leadership began for real in the late 1800s. Despite leadership being a key topic in human interaction, the research field is relatively new, and lots of studies have been completed within a relatively short period of time [8]. A surprising amount of the early leadership studies were undertaken simultaneously. Due to this, there are some overlaps and intersections between various theories.

In the evolutionary tree of leadership theory, the behavioral theory of leadership comes third after the Personality era (Great man theory and Trait theory) and the Influence era (Power relations period and Persuasion period), and before the contingency theory of leadership that came slightly later. As the name implies, the behavioral theory of leadership focuses on how different leaders behave and act toward others. The complete focus on behaviors puts the qualities of a leader aside and concentrates only on the concrete actions that leaders undertake. Some behavioral theories assume that leaders have a certain innate behavior as part of a personality. In contrast, other behavioral leadership theories assume that any leader can display or emulate specific behaviors to succeed. None of the behavioral leadership theories assume that you are born a leader (as the Great Man Theory does).

11.1 HUMAN BEHAVIORS

Human behavior refers to the range of behaviors exhibited by humans and which are influenced by culture, attitudes, emotions, values, ethics, authority, rapport, hypnosis, persuasion, coercion and/or genetics. In humans, behavior is believed to be controlled primarily by the endocrine system and the nervous system. Behaviors can be either innate or learned. Human behavior is experienced throughout an individual's entire lifetime. It includes the way they act based on different factors such as genetics, social norms, core faith, and attitude. Behavior is impacted by certain traits each individual has. The traits vary from person to person and can produce different actions or behavior from each person.

As the questions about how to measure traits continued to challenge trait theory, researchers began thinking about measuring behavior. While you can't easily measure confidence or honesty in a person, they noted, you can define a behavior or a set of behaviors that seem to embody the trait.

Beliefs are ideas that people have about the world around them and how it operates. People tend to behave according to their beliefs. Values are assessments of the goodness or badness of various features of one's life. Values form attitudes that guide a person's conduct. Beliefs and values have close interaction. Beliefs become values when they lead to certain

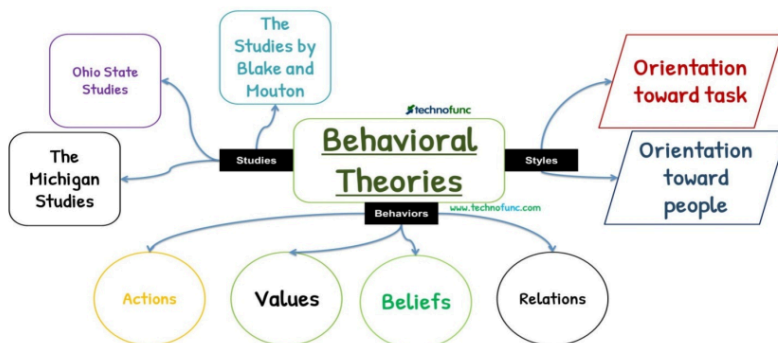
favorable or unfavorable consequences. Researchers define behaviors as observable actions, which makes measuring them more scientifically valid than trying to measure a human personality trait. In this theory, we will focus on two general kinds of behaviors by leaders called task behaviors and relationship behaviors.

Behavioral leadership researchers study patterns in behavior, which are then further defined, grouped, and categorized. The end goal is to conclude which behaviors result in the most effective leadership and organizational performance and which behaviors lead to low productivity, demotivation, and other characteristics signifying poor performing organizations. In some theories, different combinations of behaviors form different behavioral leadership styles, such as autocratic leadership, country club leadership, produce-or-perish leadership, and more. We will take a look at these behavioral leadership theories later in this article.

The thought that certain behaviors lead to better performance and organizational success, combined with the position that leaders can learn new skills and behaviors and use them to solve problems, increase performance and leadership effectiveness, changed things radically. Behavioral leadership theory opened up new possibilities for leadership development compared to previous ideas of the trait theory of leadership.

11.2 TYPES OF BEHAVIORAL LEADERSHIP THEORIES

There are various styles of behavioural leadership that you can learn to incorporate in your professional life to become an effective leader. These styles may be more or less efficient in several work environments depending on individual and situational factors. Some common types of behavioural leadership include:



A) People-oriented leaders

People-oriented leaders inculcate behaviours that allow them to meet the requirements of the people they interact with, such as their clients, supervisors and employees. Effective interpersonal communication and networking drive these leaders to build lasting relationships

with those around them and inspire their teams to perform. They regularly enhance their relations with their team members and motivate them to excel in their roles. Some common behaviours associated with these kinds of leaders include:

- promoting collaboration
- rewarding the success of others
- observing and analyses their teams' progress
- mentoring their team members to perform better

B) Task-oriented leaders

Task-oriented leaders usually focus on setting up goals and achieving organisational objectives as their primary focus is on task execution rather than people management. These leaders often display authoritative behaviour and usually excel in well-structured and organised environments. Their focus is on the outcome of their projects rather than the day-to-day developmental tasks and people's progress leading up to that result. Some common behaviours associated with task-oriented leaders include:

- project initiation
- organising company processes
- clarifying instructions to relevant stakeholders
- gathering necessary data

C) Participative leaders

Participative leaders ensure the active participation of all their team members in the decision-making processes. These leaders focus on functional communication, collaboration and feedback to enhance the workflow and productivity of their projects. They identify the strengths and weaknesses of every team member and assign them tasks accordingly to maximise team efficiency. This leadership style ensures that the leaders see and hear every member and consider their feedback effectively. Some common behavioural traits of participative leaders may include:

- facilitating and coordinating team meetings
- asking for constructive feedback
- implementing suggestions for improvement
- delegating tasks to other team members for improved efficiency

D) Status-quo leaders

Status-quo leaders focus both on increasing company productivity and employee satisfaction. These leaders follow a balanced approach to execute all timely tasks while also providing support and constant encouragement to their fellow team members. Status-quo leaders prefer following established organisational practices and mechanisms that brought results in the past rather than changing an existing process. Their experience drives their actions more than the vision for a future. Some common behaviours of status-quo leaders include:

- distributing tasks evenly to all employees
- asking for regular progress reports

- enforcing company policies in a fair way
- responding to positive and negative feedback neutrally

E) Indifferent leaders

Indifferent leaders monitor their team's overall performance from a distance and may not actively contribute to the organisation's workflow. These leaders usually prioritise personal success and advancement over team interaction or communication. A lack of cooperation between the leader and team members typically characterises this leadership style. Such leaders may struggle to maintain the productivity and efficiency of the team. Some common traits of indifferent leaders include:

- avoiding questions from team members
- procrastination urgent tasks
- assigning unwanted tasks to employees
- self-interest preservation

F) Dictatorial leaders

Dictatorial leaders usually emphasise achieving results than the well-being of their team members. These leaders may also exert pressure on employees to perform well, even during challenging or demanding situations. While dictatorial leaders can often ensure high-quality results for a company, their discouraging behaviour may cause high turnover rates due to lower employee satisfaction. Some common behaviours associated with dictatorial leaders include:

- setting strict deadlines for employees
- disregarding excuses
- avoiding feedback from the team
- focussing on achieving short-term goals over employees' well-being

G) Country club leaders

Country club leaders prioritise their employees' overall happiness and satisfaction levels. These leaders believe that a team that is looked after and cared for often yields more successful results. Employees working with country club leaders show higher levels of trust, confidence and loyalty for their leaders as the work environment is favourable for their professional growth and needs. Some country club leaders may also sacrifice overall productivity to boost their team members' morale and motivate them to perform better. Some common traits of such leaders include:

- responding positively to team member feedback
- focusing on employees' well-being
- safeguarding the interests and rights of employees
- supporting team members' decisions

H) Sound leaders

Sound leaders follow a sound leadership style, which is the most effective type of behavioural leadership for success in workplaces. These leaders give equal priority to boosting

company productivity and employee morale, even though it could be challenging to balance the two. These professionals value their team members while setting achievable goals and delivering high-quality results. Sound leaders find the inner motivation to derive satisfaction in supporting their team's progress. Some common behaviours shown by sound leaders include:

- promoting open communication within teams
- allowing employees to work outside of teams, according to their strengths and interests
- listening actively and implementing the feedback for improvement
- providing training and continuing education for team members' development

I) Opportunistic leaders

Opportunistic leaders are professionals who operate with a mix of certain behaviours discussed in previous leadership styles. These leaders can fit and adapt their leadership styles to meet the demands of a particular situation. These professionals are often highly goal-driven and employ the necessary methods to achieve their objectives. For example, these leaders may adopt a dictatorial-driven personality when working on a challenging project, leading up to a significant product launch deadline. Thereafter, they may shift to a country club leadership style to fix their relationship with the team. Some specific behaviours of opportunistic leaders include:

- lack of consistency
- determined to achieve results, irrespective of the cost
- enforcing their standards for measuring success
- caring for their team members to boost overall performance when required

J) Paternalistic leaders

This leadership style reflects the relationship between a parent and child. Paternalistic leaders focus on acquiring results as they are goal-oriented but flexible regarding achieving these goals. These leaders frequently set ambitious goals and reward employees who achieve these goals. Paternalistic leaders value their team members' strengths and capabilities and may provide them with opportunities to prosper and excel professionally. Some common behaviours associated with paternalistic leaders include:

- rewarding an achievement, positive behaviour or success of employees
- disregarding feedback
- offering leadership and development opportunities to promising employees
- taking the final decision in every aspect

11.3 MAJOR BEHAVIORAL LEADERSHIP THEORIES

Four different behavioral leadership theories emerged in the time frame of 1930-1970, and they will be introduced below in chronological order, even though some overlap makes that rather difficult.

The behavioral leadership theories are:

- The Kurt Lewin Leadership styles
- The Ohio State University Leadership Studies

- The University of Michigan Leadership Studies
- Blake and Mouton's Managerial Grid.

Behavioral Theory of Leadership: The Kurt Lewin Leadership Studies

A) The Kurt Lewin Leadership Studies

The Lewin leadership experiment and leadership styles emerged in the 1930s and 1940s, a time when trait theories of leadership were popular. The Lewin leadership styles toolbox is behavioral, meaning that every leader has one of three personalities or behaviors. Nothing in this framework mentions taking the situation and other circumstances into account, making it outdated compared to the Goleman Leadership Styles and the Full Range Leadership Model with its transformational leadership style.

Kurt Lewin (1890-1947) worked on a few leadership experiments in the United States together with Ronald Lippitt and Ralph White in 1938 and 1939. The experiments involved 10-year old boys being studied in different settings. Groups of children were led with different "philosophies" of leadership. These "philosophies" or leadership styles were:

- Authoritarian or Autocratic Leadership Style, where the leader holds all decision power and essentially dictates what the group should do
- Laissez-Faire Leadership Style, also known as delegative or hands-off leadership style, means that the group get to make all the decisions without any participation by the leader
- Democratic Leadership Style, also known as Participative Leadership, where the group makes the decisions together with the leader who also acts as a facilitator



The Lewin leadership styles are some of the most commonly mentioned, and it is also the worst collection of styles for modern leaders, in my opinion. Please don't use it; employ other leadership styles instead. You can learn more about all this in our Lewin leadership styles article.

The Lewin leadership styles are some of the most commonly mentioned, and it is also the worst collection of styles for modern leaders, in my opinion. Please don't use it; employ other leadership styles instead.

The Lewin leadership styles are some of the most commonly mentioned, and it is also the worst collection of styles for modern leaders, in my opinion. Please don't use it; employ other leadership styles instead.

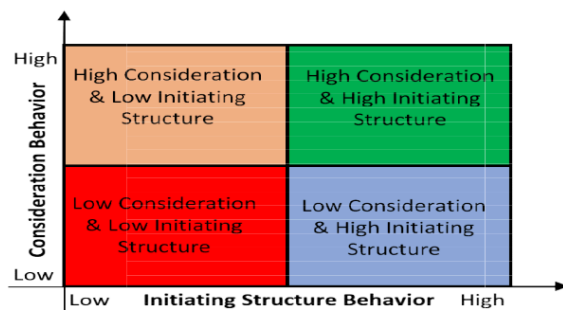
You can learn more about all this in our Lewin leadership styles article. The Lewin leadership styles are some of the most commonly mentioned, and it is also the worst collection of styles for modern leaders, in my opinion. Please don't use it; employ other leadership styles instead.

B) The Ohio State University Leadership Studies

In the mid-1940s, when trait theory was still dominant within the field of leadership studies, researchers at Ohio State University sought to draw conclusions of how different leadership behaviors affected leadership performance. After successfully identifying several different behaviors affecting leadership performance, these were grouped into two categories: Initiating Structure and Consideration behavior.

Initiating Structure is a category of leadership behaviors aimed at creating clarity and structure for an organization. High levels of Initiating-Structure behavior mean a high definition of roles, tasks, expectations, schedules, etc., which leaves few uncertainties for the employees. High levels of Initiating Structure behavior also mean the leader makes all decisions, punishes sub-par performance among followers, and underlines the importance of results. Consideration behavior is a category of leadership behaviors focusing on relationships and the welfare of people. The level of Consideration behaviors set the leader's level of empathy and focus on people. High consideration behavior signifies a strive for trust, interest in the followers' feelings, and a willingness to create warm relationships within the team. A leader with high consideration behavior uses active listening, understands the strengths and weaknesses of each team member, and supports them as required.

The Ohio State leadership research suggests that these two leadership behaviors lead to four possible outcomes, or quadrants, with four different leadership styles reflecting the leader's behavior. The most important conclusions of the Ohio State Leadership Studies are that the most effective leaders display high consideration behavior and a high initiating structure at the same time and that leadership can be learned. Compared to other studies and theories at the time, the assumption that leaders could elicit two types of behaviors at the same time was also new.



C)The University of Michigan Leadership Studies

The Michigan University leadership studies of the 1950s used surveys and interviews to identify behaviors common for the most effective leaders. The approach involved behavioral leadership theory only, discounting the situation of the leaders or whether they varied their behavior over time.

The Michigan University Leadership studies found two categories of leadership behaviors: job-oriented and employee-oriented leadership behaviors. The Michigan Leadership Studies emphasized that both employee-oriented and job-oriented leaders could be good and deliver excellent performance. The Michigan studies also added a team element to their research, which was a bit of a novelty in leadership research at the time.

As with most behavioral leadership approaches, the Michigan leadership studies suggest that these two leadership behaviors are mutually exclusive, and a single leader cannot display both types of behaviors. Thus, leaders are either employee-oriented or job-oriented (also referred to as production-oriented in some sources). Later additions concluded that the two leadership styles did not have to be mutually exclusive. In fact, the final conclusion was that employee-oriented leaders who also emphasized performance showed the best production levels in the end.

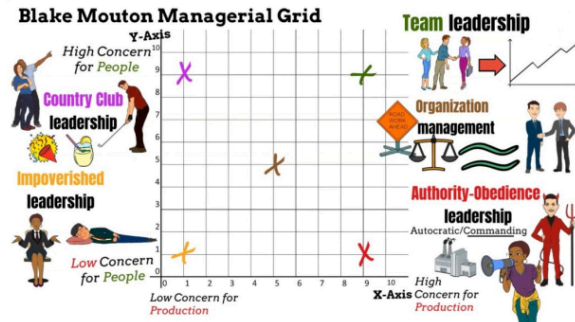


D)Blake and Moutan's Managerial Grid

The Blake and Moutan Managerial Grid is a behavioral leadership model developed in the 1960s. The Managerial grid enables leaders to use a visual aid to quickly assess which leadership style they use, depending on their levels of concern for people versus production.

Concern for people involves the well-being, care, and importance given to employees and other human stakeholders. Concern for production involves caring for output, results, and other non-human things.

The Blake and Mouton Managerial grid shows five management styles plotted on a graph where the y axis shows the leader's level of Concern for People, and the x-axis shows the leader's Concern for Production. The extreme cases are Team Management at 9,9 and Impoverished Management at 1,1 in the grid.



The five management styles of Blake and Mouton's Managerial Grid are:

Impoverished Management means little concern for production and little concern for people. This type of manager displays little concern in general and only does the minimum required to avoid getting fired. Impoverished Management qualifies for the lowest position in the graph, which is

i) Impoverished Management

Impoverished Management means little concern for production and little concern for people. This type of manager displays little concern in general and only does the minimum required to avoid getting fired. Impoverished Management qualifies for the lowest position in the graph, which is 1,1.

ii) Country club Management

The name of this style, Country Club Management, makes you associate with harmony and comfortable living. It is plotted at the top left in the Blake and Mouton Managerial Grid, i.e., high on the y-axis and low on the x-axis at position 1,9. Country Club Management means excellent concern for people but low concern for production, resulting in happy employees but meager output.

The name of this style, Country Club Management, makes you associate with harmony and comfortable living. It is plotted at the top left in the Blake and Mouton Managerial Grid, i.e., high on the y-axis and low on the x-axis at position 1,9. Country Club Management means excellent concern for people but low concern for production, resulting in happy employees but meager output.

iii) Authority Compliance Management

Positioned in another extreme position in the managerial grid, the Authority-Compliance or Authority-Obedience style is high on production and low on concern for people. This leader gives orders and directs people to execute them without much care for emotions. Performance is what matters the most. This management style leads to high turnover, low engagement, and perhaps even to a toxic work climate.

iv) Middle-of-the-Road Management

Middle-of-the-road leadership, also known as organization management, has no extreme and is plotted at the dead center, resulting in a compromise of concern for people and production (5, 5). This leader tries to balance having good performance while still having consideration for the people. Leading with this style results in less than maximum output, but it also leads to a better situation for the people involved. Hence, it got the very descriptive name of middle-of-the-road leadership.

v) Team Management

The last style is plotted at the top right corner and shows great concern for both people and production. This is the most effective leadership style of the Blake and Mouton Managerial Grid Theory since the great concern for people results in a great team climate, with strong commitment, engagement, empowerment, and trust. This, in turn, leads to outstanding performance and production.

The Blake-Mouton managerial grid provides a good overview of the different trade-offs many leaders feel forced to make. It furthermore underlines that there is a correlation between production and the welfare of the involved people. If you focus too much on production, it results in exploited people, unsafe conditions, illness, and high employee turnover. Every leader should be mindful that reaching high output with the wrong methods is likely to result in long-term challenges and a human toll.

11.4 BEHAVIORAL LEADERSHIP THEORY OF TODAY: A MODERN TAKE

We're going to fast forward a few years to the 1990s when Scandinavian researchers Ekvall and Arvonen began to reassess the idea that there were only two dimensions that captured the essence of leadership behavior.[4] In a changing world, they decided, leaders would exhibit development-oriented behavior. By exhibiting development-oriented behavior, these leaders would value experimentation, seek out new ideas and generate and implement change.

In their review of the Ohio State studies, Ekvall and Arvonen found that the researchers had identified behaviors such as "pushes new ways of doing things" and "encourages employees to do new things". However, those items didn't explain much about leadership in the 1940s, when the rate of change and innovation was lower. Their studies indicate that just concentrating on two different dimensions of behavior may not be adequate to capture leadership in the twenty-first century. In the 1990s, Fleishman and his colleagues identified 65 distinct classifications of leader behavior that have been developed during most of the 20th century. Later, other researchers (Avolio, Pearce, and others) continued identifying new classifications. They all took this approach to a level higher. The late studies divided leadership behavior types into four

categories of task-oriented behaviors, relational-oriented behaviors, change-oriented behaviors, and the so-called passive leadership.

Task-oriented behaviors: when talking about this behavior category, we mean production and task-oriented focus, which can be found in autocratic leadership and the more modern contingent leadership style called commanding leadership. Task-oriented behaviors often include predefined standards for task performance, including how and when tasks shall be performed and by whom. The group members should behave according to those standards, rules, and instructions to reach the set goals. Leaders, in turn, should clearly say what they expect from each person, task, and action. Task-oriented leaders also benefit from setting clear structures of rewards and consequences depending on the outcome, be it success or failure. The Full Range Leadership Model (which also includes transformational and laissez-faire leadership) takes this to a much more structured level than the earlier behavioral styles with the contingent reward and management by exception elements of transactional leadership. By the way, the Full Range Leadership Model is more of a contingency theory, and the transactional behaviors should only be used in suitable situations, considering context, goals, team members, and many other factors.

Relational-oriented behaviors: As the title suggests, in this approach, leaders focus more on people, relationships, teamwork, motivation, and similar areas. Thus, leaders pay much more attention to team members, are friendly, and are open to input from others. In other words, they think all team members, including themselves, are equal. After building respect and trust with the followers, these leaders continuously focus on the welfare of the whole team. These behaviors lead to commitment, engagement, and purpose, all of which drive performance. (These behaviors are included in servant leadership, democratic leadership, transformational leadership, which all have their own in-depth articles in our leadership styles portal.)

Change-oriented behaviors: Leaders from this category conceptually differ from the above two. Leaders from this group develop and show a vision for change, help team members think innovatively, work with continuous improvement and take risks. (The transformational leadership style, with is a contingency theory within the Full Range Leadership Model, or Visionary leadership, part of the situational theory by Goleman are leadership styles with strong change-oriented behaviors.) **Passive leadership:** This is when a leader does very little, or perhaps even nothing, also referred to as laissez-faire leadership or impoverished leadership. According to some definitions, Laissez-faire leadership means a complete absence of leadership. These approaches typically hurt the team as well as the organization and should be avoided.

11.5 ADVANTAGES AND DISADVANTAGES OF BEHAVIORAL THEORY OF LEADERSHIP

There are, of course, good and bad sides to behavioral leadership theory. This chapter contains a few of the most prominent examples of pros and cons.

A)Behavioral Leadership Theory – Advantages

List of the advantages of behavioral leadership theory:

Behavioral leadership theory pushed leadership research further away from the great man theory and trait theory.

Most behavioral theories explain categories of behaviors, mostly concerning production vs. people behaviors, which help to separate different directions leaders can take.

They proved that a sole focus on production orientation or task orientation frequently leads to detrimental effects.

Behavioral leadership theory established that focusing on production and people at the same time is possible. Focusing on both actually leads to the best performance.

B) Behavioral Leadership Theory – Disadvantages

List of the disadvantages of behavioral leadership theory:

Behavioral leadership theory sometimes overly simply the complexities of leadership by focusing on two dimensions only: production and people.

Situational factors are largely or entirely ignored, which means most behavioral leadership theories are inadequate for the fast-changing environments of today where adaptive leadership is a requirement.

The simplicity in the behavioral leadership models is appealing, and too many leaders believe there are only two or three styles “to choose” from.

Some behavioral leadership styles put little focus on changing behaviors and make leaders believe that they are a certain type of leader. Behavioral leadership styles sometimes become synonymous with personal leadership styles, which reduces the willingness and capability of personal development

11.6 BEHAVIORAL THEORY OF LEADERSHIP EXAMPLES

Generally, an example of the behavioral theory of leadership could be comparing a task-oriented leader with a people-oriented leader. If the team faces some problems, a task-oriented leader will monitor the processes to understand whether to adjust the actions of any team member, fix a practical problem, add resources, provide alternate tools, etc. In other words, the task-oriented leader mainly considers the structure, task, and production.

A people-oriented leader will look at the team members’ motivation, engagement, and drive and talk to them directly to understand what problems they encounter. This leader considers adding vision, stronger empowerment or participation, coaching, or similar approaches to build a stronger team that can perform better in the long run.

11.7 SUMMARY

To summarize, the behavioral leadership theories have primarily concluded that there are two types of behaviors, production-oriented and people-oriented. A leader that is capable and skilled in either one can be successful, but leaders who display strong behaviors from both categories are even more likely to perform well. Later research adds passive and change-oriented leadership behaviors to the mix.

Behavioral leadership theory does not consider the situation, which is a significant limitation and why I see these theories as outdated. If you want to improve as a leader, I suggest you use contingency theories of leadership instead. Leaders are invaluable when it comes to formulating and communicating new strategic directions, as well as communicating with and motivating employees to increase dedication to organizational goals. On going leadership skills training is essential to making sure that leaders are on the right track. The behavioral leadership theory focuses on how leaders behave, and assumes that these traits can be copied by other leaders. Sometimes called the style theory, it suggests that leaders aren't born successful, but can be created based on learnable behavior.

11.8 KEYWORDS

Transformational leadership," is the most effective style to use in most business situations".

Leadership is a vital management- It's helps to direct an organization's resources for improved efficiency and the achievement of goals.

Effective leaders - Provide clarity of purpose, motivate and guide the organization to realize its mission.

11.09 SELF – ASSESSMENT QUESTIONS

1. What is behavioral theory? To write the meaning and origin of behavioral theory?
2. Discuss the types of behavioral theory?
3. Describe the importance of behavioral theory
4. Explain the advantages and disadvantages of behavioral theory?

11.10 FURTHER READINGS

1. Principles Of Organizational Behavior Realities And Challenges 8Th Edition.JUNE 2013 Edition by QUICK, NELSON, Publishing CENGAGE, ISBN 9781111969707.
2. Organizational Behavior Managing People and Organizations, by Griffin Ricky W. Publisher: Cengage, Year 2014, ISBN: 9788131533352, 9788131533352.
3. Management and Organisational Behaviour, by Dr. S.C. Saksena, Dr. Gaurav Sankalp, Year 2019, Publishers Sahitya Bhavan. ISBN: 9789386830647, 9386830647.
4. Organizational Behavior Integrating Individuals Groups And Organizations, April 2020, by Joseph E. Champoux, Publishers Taylor and Francis, ISBN 9780367430047.
5. Management Process And Organizational Behavior, by Dr. Mohit Sharma, Mr. Amit Kumar Gupta, January 2022, ISBN: 9789392878435, OrangeBooks Publication.

Dr.K. Madhu Babu

Lesson - 12

GROUPS AND EXCHANGING, CONTINGENCY LEADERSHIP THEORY AND LEADERSHIP STYLES

Learning Objectives

- ✓ To understand the importance of group in our life;
- ✓ To recognize the leadership style
- ✓ To know exchange theory
- ✓ To study the contingency theory

Structure

- 12.0 Introduction
- 12.1 Characteristics of a Group
- 12.2 Group's Effect on Performance
- 12.3 History of social exchange theory
- 12.4 Social Exchange Theory
- 12.5 Leadership Lessons from Group and Exchange Theories
- 12.6 HRM Practices and Social Exchange
- 12.7 The Contingency Theory of Leadership
- 12.8 Contingency Theory in the Workplace
- 12.9 Strengths of the Contingency Theory
- 12.10 Leadership Styles
- 12.11 Summary
- 12.12 Keywords
- 12.13 Self –Assessment Questions
- 12.14 Further Readings

12.0 INTRODUCTION

The group and exchange theories of leadership are derived from social psychology. These have their roots in the exchange theory. Leaders from different kinds of relationships with various groups of subordinates. Group theories describe how leaders need to maintain their position in group dynamics.

The purpose of describing group process is to familiarize you with the interpersonal context in which individuals interact with each other. The importance of a group is always felt whenever we are playing our role in our day-to-day social life. We use the word 'group' in various contexts such as games, political party, team for performing a task, committee members to decide about a programme, membership of an academic body or membership of the underprivileged group. We are born as an individual and we become members of various

groups in the course of socialization. For fulfillment of our jobs we do become members of groups. This chapter would help you to understand the functioning of groups.

A) Importance of Groups

Is human life possible without groups? Can we satisfy our needs, expectations, emotions, challenges, and crises without being members of groups? No, we cannot as groups are the basic components of society. The moment we are born into this world we immediately become a part of a group - our family. It is important to be group member as one's family fulfills certain essential needs and helps us to survive in the social world. Each group has a commonsense view of the world and as the baby grows s/he learns what is expected of him/her to become a productive member of the group. Soon the young child comes to acquire a sense of 'self' and comes to develop a personality. Groups like family help to transmit culture of one's society by the process of socialization. Groups also teach us thoughts and behaviors. Also if one is a member of a sports team, cricket or football, then we know that each member must obey rules and regulations.

In early years of life the family supports us, and then as we move on to school and college we get the support of various social, academic, and professional groups. We can be member of various groups such as political, religious, ethnic, sports, music, and cultural that allow us to pursue our needs and goals. Such groups help us to make our life more meaningful and comfortable. We cannot live and grow as an isolated individual moments reflection will tell you that group life allows us to fulfill social and emotional needs. These include recognition, affiliation, security, prestige, identity, sense of belongingness, and status. Groups also allow us to meet our task related need such as goal achievement. Indeed groups are central to human life.

12.1 CHARACTERISTICS OF A GROUP

A group is collection of individuals who work together so as to contribute towards a common aim or goal under the direction of a leader. Groups share common characteristics and have a social structure as in religious groups, caste groups, community groups of business men, sportsmen and so on. The characteristics of a group are as follows:

- Members define themselves as group members and have a strong 'we feeling' a psychological feeling of belonging to each other. Do you have a group of friends that you are fond of? Do you not feel close to each other? Yes you are likely to support each other in every day life.
- Group members are engaged in frequent interaction and they affect the behavior of each other. Do you meet your friends frequently? It helps you to know how the group is moving ahead in its goal.
- Further, group members share common norms and mutual interests and values. They depend upon each other and rely for fulfillment of their needs and the survival of the group.
- Members of a group are aware of rules and regulations that are to be followed, as it helps maintain order and discipline. Does your mother ask you to talk softly while your elder brother is studying for an exam? Or that you must help in washing the dishes after having dinner?
- Groups vary in size. They can be large or small. A family can consist of four members or a traditional joint family can consist of 50 members or more! A political party can be of 100 members or of a few thousands

12.2 GROUP'S EFFECT ON PERFORMANCE

The effect of a group on performance can be positive or negative. There are some important concepts that can help us understand the effect of groups.

A) Social Facilitation

We are affected by the mere presence of another person. Mere presence means that people are not competing with each other and they are present as a passive audience or co-actors. Does our normal activities of eating and playing are affected by mere presence of others? In our daily life we can notice such differences in our behavior. It is found that cyclists or joggers in a park times are faster when racing or moving together than doing alone against the clock. It has also been found that social arousal facilitates performance.

B) Social Loafing

Social loafing is the tendency of people in a group to exert less effort towards a common goal. When they are individually accountable contrary to common notion "in unity there is strength" group members are actually less motivated when reward is equally divided and the task is less challenging, appealing or involving. In contrast people in a group are likely to loaf less when the task is appealing and member's identify with the group. Social facilitation is a process by which people are aroused in a group and leads to better performance. Social loafing refers to diffused responsibility. It means that members of the group do not put in the necessary effort to achieve the goal or task. Have you played the game 'tug of war' with a rope? Have you noticed that people in the front are putting in effort and are pulling the rope, whereas people at the tail end, are just holding the rope? Yes, social loafing is common when one's effort is not being measured or rewarded.

C) Group Size

The bigger the group size the more its members lose self-awareness and in an aroused state are more likely to commit mob atrocities of looting, burning or lynching. An aroused mob enables its members to believe they will not be persecuted, they perceive the action as that of groups.

D) Group Polarization

When a group has to make a decision, the members meet. It is noticed that while the discussion is going on, there is a strong tendency for the group decision to shift to be more extreme and risky. When one holds a given opinion or position with regard to a topic, then during a group discussion information supporting one's view points helps us to validate our beliefs and opinions. This shift from a position of no or little risk to an extreme position is termed as 'group polarization'. This happens because group members may get new information and more persuasive arguments.

E) Group Think

Group think refers to group-induced distortions that do not allow objective considerations of all the possible alternatives. It takes place when a cohesive group remains isolated from dissenting viewpoints. The presence of a directive leader who signals what decision he or she favors also contributes to it. The group think phenomenon occurs due to illusion of invulnerability, unquestioned belief in the group's morality, rationalization and conformity pressure.

12.3 HISTORY OF SOCIAL EXCHANGE THEORY

Social exchange theory was developed by George Homans, a sociologist. It first appeared in his essay "Social Behavior as Exchange," in 1958. Homans studied small groups, and he initially believed that any society, community or group was best seen as a social system. To study that social system, it was first necessary to look at an individual's behavior, instead of the social structures individuals created.

It was by studying small groups that Homans began to see the rewards and punishments each member of the group got from the group and other members. He developed a framework of elements of social behavior: interaction, sentiments and activities. These elements all had to be considered regarding a groups' internal and external systems. He used this framework to study several groups—a study he published in "The Human Group," his first book.

Later, Homans began to explain further the most basic level of social situations, called elementary social behavior, which is at least two people interacting, with one either rewarding or punishing the actions of the other. This idea reflects Homans adopting B.F. Skinner's behavioral psychology theories about human behavior as well as basic principles of economics. Homans suggested several propositions that theorize social behavior as an exchange of material and non-material goods, like time, money, effort, approval, prestige, power, etc. Every person provides rewards and endures costs. People expect to receive as much reward as they give to another and will choose actions that are likely to provide the greatest reward.

Homans is not the only person to develop social exchange theory. Many sociologists and other professionals have advanced social exchange theory. Peter Michael Blau didn't focus on behaviorism, and instead, focused his theory on concepts such as preferences, interests, indifference curves and supply and demand. More modern takes on social exchange theory borrow from both men and particularly focus on power dynamics. Because of this variety, social exchange theory is not one solidified theory. Instead, different theorists use various concepts and assumptions for their particular application.

12.4 SOCIAL EXCHANGE THEORY

Social exchange theory proposes that social behavior is the result of an exchange process. The purpose of this exchange is to maximize benefits and minimize costs. Social Exchange Theory is a social psychological and sociological perspective that explains social change and stability as a process of negotiated exchanges between parties. Social Exchange Theory posits that all human relationships are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives.

Costs are the elements of relational life that have negative value to a person, like time, money, effort etc. and on the other hand rewards are the elements of a relationship that have positive value like sense of acceptance, support, and companionship etc. The Social Exchange perspective argues that people calculate the overall worth of a particular relationship by subtracting its costs from the rewards it provides. If worth is a positive number, it is positive relationship. On the contrary, negative number indicates a negative relationship. The worth of a relationship influences its outcome, or whether people will continue with a relationship or terminate it. Positive relationships are expected to endure, whereas negative relationships will probably terminate.

Social exchange theory can also be applied to leadership studies as reported by Hollandder and Julian (1969). They propose that the leader provides more benefits or regards than burden or costs to the followers who in exchange help him achieve the goals of the organization. There must be a positive exchange between the leader and followers in order for group goals to be accomplished. According to this group of theories, a leader provides more benefits/rewards than burdens/costs for followers.

In a group, members make contributions at a cost to themselves and receive benefits at a cost to the group or other members. The leader can give rewards to his followers in the form of appreciation or monetary increments or promotion for accomplishment of the organizational goals or tasks. These rewards have positive impact on attitudes, satisfaction and performance of the followers. In return of these awards, followers respect the leader and give him due regard for his status and esteem and believe in his heightened influence. The leader tends to follow initiating structure when followers do not perform very well and increases his emphasis on consideration when the followers do a good job. In this balancing act, the perception of his followers of his being an effective leader increases and this equation is mutually beneficial for both the leader and the follower. Interaction continues because members find the social exchange mutually rewarding.

A) Assumptions of social exchange theory

Several assumptions make up social exchange theory:

- Social behaviors involve social exchanges of value.
- People are motivated to retain some value (reward) when they have to give something up (cost).
- People pursue social exchanges where they receive more rewards than their costs.
- Rewards and costs can be material or immaterial goods.
- People expect to be rewarded similarly when they incur the same costs (equity of exchange).
- People will terminate relationships when they believe the costs to be greater than the rewards.
- When measuring reward vs. costs, people compare their expectations, previous experiences, or alternatives.
- People understand that “enough” rewards vs. costs differ from relationship to relationship and within the same relationship over time.

B) Criticism of Social Exchange Theory

There are several limitations or weaknesses associated with social exchange theory. The theory can seem overly simplistic. What people get out of relationships vs. what the relationships cost them can be complex. While the theory can help someone take a broad look at a relationship, there are many more factors to consider in terms of whether they should continue or end the relationship. It doesn't address selflessness or altruism. There are times when people will act in a way that benefits another at great cost to themselves without expectations of a future benefit in return. The theory doesn't account for people who don't seek out the greatest benefit in a relationship or who continue relationships in which there is a net cost to themselves instead of a net reward. Social exchange theory believes people behave in a certain way to establish trust and intimacy. This assumption is most related to romantic

relationships. But not every relationship has these goals. When two people aren't concerned with establishing trust and intimacy, then it calls into question how they measure the benefits and costs to themselves or their motivations for the interaction. Additionally, social exchange theory assumes relationships have a linear structure. In reality, relationships progress, retreat, skip stages, or repeat certain stages.

12.5 LEADERSHIP LESSONS FROM GROUP AND EXCHANGE THEORIES

- In work organizations, the key partners involved in exchange relationships of investments and returns are superiors and subordinates. Superiors make investments in and receive returns from subordinates; subordinates make investment in and receive returns from superiors; and the investments and returns occur on a one-to-one basis in each superior-subordinate dyad.
- It is an exchange process where followers also impact leaders. Leader behavior changes with subordinate behavior, leaders bending towards initiate structure or towards consideration.
- Subordinates have to be trained to be good followers so that group overall emerges as successful. Followers have to support the leader and make leader be successful for their own success.
- Subordinates who are committed and who expend a lot of effort for the group are rewarded with more of the leader's potential resources than those who do not display these behaviors.
- Perceived similarity between the leader and the subordinate leads to higher quality leader-subordinate relationship.
- In the balancing act, leaders try to change the self-concept of the subordinate to improve the performance of the subordinate. Similarly subordinates also shape leader's self-concept through their responses.
- If every member of the group has to get more reward than his personal cost, the group must have synergy. The individual contributions result in bigger output due to group synergies.

12.06 HRM PRACTICES AND SOCIAL EXCHANGE

Although there is a growing body of research evidence examining the links between HRM and performance, there is little consensus as to which practices should be included in the analysis, nor how these should be measured (Legge). This analysis uses those HRM practices identified by advocates of the 'high commitment' approach (Wood and Albanese ; Guest ; Guest and Conway ; Pfeffer ; Marchington and Grugulis). Recent attempts to identify more robust measures of HRM practices proved to be problematic (Truss et al.). Respondents were asked to indicate the extent to which they strongly agreed or disagreed with eight statements relating to HRM practices using a seven-point Likert scale. As noted by Guzzo and Noonan () and Meyer and Allen () employees' perceptions of 'reality' are likely to influence their performance more so than formal policy documentation. Therefore individual perceptions of HRM practices were collected. Furthermore, it was anticipated that HRM practice would vary from one department to another depending on the direct supervisor or manager responsible for each section. This is consistent with HRM theory where it is proposed that managers should recognize the importance of employees and behave in ways consistent with such beliefs (Guest).

A) Trust - Measures of employee trust in management were based on four items adopted from the Cook and Wall trust scale. These measures focused on fulfilled promises and management concern for employees' best interests.

B) Organizational commitment - Mowday distinguished between commitment-related behaviors and commitment as an attitude. Kanter defined commitment as: 'the attachment of an individual's fund of affectivity and emotion to the group' (1968: 500). Similarly, Buchanan states that commitment is: 'a partisan, affective attachment to the goals and values of an organization, to one's role in relation to its goals and values, and to the organization for its own sake, apart from its purely instrumental worth' (1974: 533). Affective commitment is viewed as an employee's positive attachment to the employing organization and a willingness to contribute toward the attainment of organizational goals (Mowday et al.). It is proposed that such active relationships are evident in an individual's expressions and subsequent behavior. According to Peccei and Guest () the British Organizational Commitment Scale (BOCS) (Cook and Wall) should be considered the main measure of affective organizational commitment in the UK. The mean of the perception scores for each of the items comprising the BOCS was calculated to give an overall organizational commitment score.

C) Empowerment -The dimension of empowerment that was used in this study focused on the extent to which workers were given increased scope for autonomous decision making. In other words, where individual workers are given responsibilities and powers that were previously held by management (Rosenthal et al.). Three items were used in the survey questionnaire to evaluate use of personal judgment, decision making and job content.

D) Work constraints- There is evidence to suggest that workers will feel less motivated where situational constraints occur. These include, among other things, an inadequate number of staff to provide services (Wood and Peccei ; Hebson et al.). Therefore a variable controlling for the potential effect of under-staffed departments is included in this analysis.

E) Worker motivation- Two items were used as measures of worker motivation. These were: I work hard because I want to; and I am very motivated in my present job. Essentially these items are intended to capture the discretion a worker has to exert him/herself, the behavior by which we infer motivation. Also, motivation tends to be viewed by workers as willingness to perform an act that is within their grasp (Muchinsky).

F) Intention to remain - There is growing evidence that committed and motivated workers are less likely to want to leave the organization. Therefore, a measure was included to evaluate the extent to which the factors leading to commitment and motivation also impact respondents' intention to remain with the organization.

12.07 The Contingency Theory of Leadership

There are many schools of thought that seek to explain leadership and define what is required to excel when wearing the mantle of power. Leadership and the distinct qualities that enable some to rise to the pinnacle of success while others remain followers are the focus of much debate. Even in general terms, scholars don't always see eye-to-eye when defining how leaders rise and what is required to help them achieve their goals. This is demonstrated by the numerous sub-theories that have evolved from the contingency theory of leadership.

A) Meaning

The contingency theory of leadership puts forth the idea that the success of a leader hinges on the specific situation at hand. Certain factors come into play that define whether a particular leader or leadership style will be effective for the given situation. Those factors

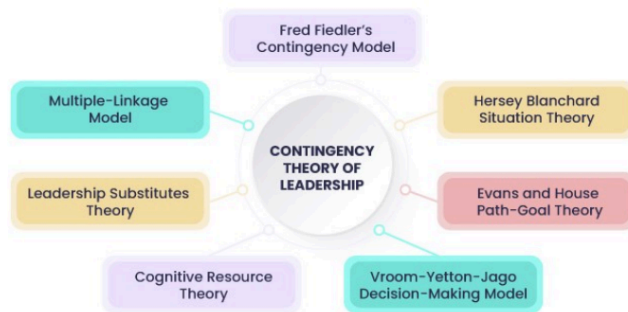
include the task, the personality of the leader and the composition of the group that is meant to be led. Its basic assumption is that leadership success or failure is situational.

B) Contingency Leadership Models

There are several different models of contingency leadership that fall under the general contingency theory umbrella. They include Fiedler's Contingency Theory, the Situational Leadership Theory, the Path-Goal Theory and the Decision-Making Theory. While all of these contingency leadership models are similar on the surface, they each offer their own distinct views on leadership.

C) Fiedler's Contingency Theory

Fiedler's Contingency Theory puts forth the idea that effective leadership hinges not only on the style used by the leader, but also on the control held over the situation. In order to succeed, there must be strong leader-member relations. Leaders must also present tasks clearly and with goals and procedures outlined. They need to possess the ability to hand out punishments and rewards, as well. Fiedler's Contingency Theory only fits situations where groups are closely supervised and not team-based. It also uses a least preferred co-worker (LPC) scale to help determine the type of worker the leader least likes working with. This contingency model emphasizes the leader's disposition as the main trait that defines the ability to lead.



D) Situational Leadership

More formally called Hersey and Blanchard's Situational Leadership Theory, this contingency model focuses on leadership style and the maturity of those being led. Situational leadership theory puts forth the idea that leadership styles hinge on four behaviors: telling, selling, participating and delegating.

The maturity levels range from an incompetence or unwillingness to perform the task, to a willingness and ability to perform. The idea is that a successful leader will adapt leadership techniques to fit the maturity level of the group in question on a situational basis.

E) Path-Goal Theory

Path-Goal Theory combines two popular theories – goal-setting and expectancy – into one. It puts forth the idea that effective leaders help those in their direction attain their goals. Under this contingency model, leaders have the responsibility of making sure their subordinates have the support and information required to achieve the goals set forth. Essentially, this theory holds that effective leaders create clear paths to help their subordinates achieve goals and that they work to remove obstacles that stand in the way.

F) Decision-Making Theory

Also known as the Vroom-Yetton-Jago Decision-Making Model of Leadership, this contingency leadership model puts forth the idea that effective leaders size up situations, assess them and then determine how much support the group will give toward the effort, adjusting their preferred leadership style to fit.

12.8 CONTINGENCY THEORY IN THE WORKPLACE

While contingency leadership models diverge on some points, they all share a common thread. The overlying viewpoint of the contingency theory of leadership is that effective leadership is contingent on the situation, task and people involved.

Different leaders, each with their own leadership style, will respond differently to a myriad of factors in the workplace. Among the factors that can affect a leader's effectiveness are things like project scope, the size of their team, resources and deadlines. According to contingency theory, leaders will always find particular situations that challenge them and must be willing to acknowledge that their success partially depends on their circumstances.

To be great leaders for their teams, managers and supervisors may need to adapt their leadership style to the current situation. Leadership education and training can help professionals understand and respond to the complexities of the workplace and excel in their leadership roles.

12.9 STRENGTHS OF THE CONTINGENCY THEORY

The first major strength of the contingency theory is that it has the support of an abundance of empirical research (Peters, Hartke, & Pohlman, 1985; Strube & Garcia 1981). This is critical as it proves that the theory is reliable, based on various trials and research. The contingency theory is also beneficial as it widened our understanding of leadership, by persuading individuals to consider the various impacts of situations on leaders. Another strength of the contingency theory is its predictive nature that provides an understanding to the types of leaders that will be most effective in specific situations. This theory is also helpful, as it suggests that leaders do not have to be effective in all situations and that there are specific scenarios in which a leader might not be the perfect fit. The last major advantage of the contingency theory is that it provides concrete data on leadership styles, that is applicable to organizations developing their own leadership profiles.

12.10 LEADERSHIP STYLES

We've already talked about how personality traits, behaviors and situations (and response to those situations) affect leadership. But what about style? Every leader has their own personal

approach. In fact, one might assume that there are as many leadership styles as there are leaders.

A) Traditional Leadership Styles

Leadership style is a leader's approach to providing direction, implementing plans, and motivating people. In 1939, psychologist Kurt Lewin and a team of researchers determined that there were three basic leadership styles: Authoritarian (Autocratic), Participative (Democratic) and Delegative (Laissez-Faire). They put these three leadership styles into action with a group of school children charged with the completion of a craft project to determine responses to the leadership styles.

B) Authoritarian (Autocratic) Leadership

A leader who adopts the authoritarian style dictates policy and procedure, and directs the work done by the group without looking for any meaningful input from them. The group led by an authoritarian would be expected to complete their tasks under close supervision. Researchers found there was less creativity under an authoritarian leadership style, but the children were still productive. While authoritarian leadership sounds stifling, it has its place: it's best applied to situations where there is little time for group decision making, or when the leader has expertise that the rest of the group does not. When authoritarian leadership strays into areas where it's not needed, it can create dysfunctional environments where followers are the "good guys" and domineering leaders the "bad guys."



C) Participative (Democratic) Leadership

Group members feel engaged in the decision making process when they have a participative leader. Those leaders practicing the participative leadership style offer guidance to the group,

as for their input in decision making but retain final say. Participative leaders make their group feel like they're part of a team, which creates commitment within the group.

Lewin's researchers found that the participative style of leadership yielded the most desirable results with the school children and their craft project. They weren't quite as productive as the children in the authoritarian group, but their work was a higher quality.

There are drawbacks to the participative style. If roles within the group are unclear, participative leadership can lead to communication failures. If the group is not skilled in the area in which they're making decisions, poor decisions could be the result.

D) Delegative (Laissez-Faire) Leadership

Leaders practicing the delegative leadership style are very hands-off. They offer little or no guidance to their group and leave decision making up to the group. A delegative leader will provide the necessary tools and resources to complete a project and will take responsibility for the group's decisions and actions, but power is basically handed over to the group. Lewin and his team found that the group of children trying to complete the craft project under the delegative leader were the least productive. They also made more demands of their leader, were unable to work independently and showed little cooperation.

The delegative style is particularly appropriate for a group of highly skilled workers, and creative teams often value this kind of freedom. On the other hand, this style does not work well for a group that lacks the needed skills, motivation or adherence to deadlines, and that can lead to poor performance. As you might have guessed, further research has yielded more leadership styles than the original three that Lewin and his team identified in 1939. Still, Lewin's studies were influential in establishing a starting point for this kind of research. Let's take a look at some additional leadership styles proposed by researchers since Lewin developed his original framework.

E) Transactional Leadership

Transactional leadership is a set of activities that involve an exchange between followers and leader and deal with daily tasks (Bass, 1990). Transactional leadership deals with those day-to-day tasks that get the job done. The majority of models we talked about in the last section—Fiedler's Contingency Theory, Path-Goal among them—are based on the concept of this exchange between leaders and followers. The leader provides followers with direction, resources and rewards in exchange for productivity and task accomplishment.

F) Charismatic Leadership

Charismatic leaders don't doubt their own decisions, they move forward unwaveringly and believe that the decisions they make are the correct ones. They move through a crowd of their followers shaking hands and lending an encouraging word. They are undeniably clear on their expectations and where they see the company going. They have mastered the art of developing images for themselves that others want to emulate. Charismatic leaders have four common personality traits (Conger, Kanungo, 1998):

- High degree of confidence and lack of internal conflict
- High energy and enthusiasm
- Good communication skills
- Good image and role model

The relationship between charismatic leader and followers is an emotional one (this can sometimes go awry—just think about the relationship between the leaders and followers in a cult). In order for a charismatic leader to be effective, the situation has to be right. There are four situations required for a charismatic leader to have success:

- Organization is in a time of crisis or stress.
- Organization is in need of change.
- There is opportunity for the organization to have new goals or direction.
- Availability of dramatic symbols (like the CEO taking a pay cut or donating his salary to charity)

Culturally speaking, those cultures with a tradition of prophetic salvation (e.g., Christianity, Islam) are more welcoming of the charismatic leader, while cultures without prophetic tradition are less likely to embrace them.

In spite of a limited amount of scientific study where charismatic leaders are concerned, researchers agree there are applications and lessons to be learned out of this type of leadership. Leaders should have belief in their own actions. They should seek to develop bonds with their followers. And they must be able to communicate their messages clearly.

G) Transformational Leadership

Transformational leadership takes a chapter out of the book of charismatic leadership. (Bass, 1990) Followers admire and are inspired to act. But the transformational leadership concept takes that one step further and expects intellectual stimulation from a leader, as well as individual consideration, in which a leader singles out followers and provides them with additional motivation. Transformational leaders motivate and teach with a shared vision of the future. They communicate well. They inspire their group because they expect the best from everyone and hold themselves accountable as well. Transformational leaders usually exhibit the following traits:

- Integrity
- Self-awareness
- Authenticity
- Empathy

Measuring a leader's ability to inspire and enable is a challenge, so researchers rely on anecdotes to supply data. This makes scientific study difficult. And even though this theory emphasizes leadership behavior, it's difficult to determine how a leader can learn to be charismatic and transformational.

H) Servant Leadership

If you've read up on the Southwest Airlines organization, then you already understand the concept of servant leadership – they profess to practice it daily. A “servant leader” is someone, regardless of their level on the corporate hierarchy, who leads by meeting the needs of the team. (Greenleaf, 1970)

Values are important in the world of servant leadership, and those that lead within this network do so with generosity of spirit. Servant leaders can achieve power because of their ideals and ethics.

12.11 SUMMARY

I sincerely hope you have found my Leadership Style Blog Series interesting and enjoyable to read and I encourage you to post comments where relevant and also explore some of my other articles by visiting my social responsibility blog. If you would benefit from a blog series on a different subject please let me know as I am always keen to write content that is relevant and helpful to my readers. Although there is overlapping within these styles, they all have their own individual traits that make up a particular style of leadership. Note that 'leadership styles' do not in themselves offer a leadership method - instead a 'leadership style' describes a behaviour which characterises leadership. Leadership styles can be incorporated within leadership models, albeit under slightly different names and with slightly different features. A style is a description, and there is no right or wrong style in an absolute sense. One leader may fit somewhat into many different styles due to personality and there may be specific situations that suit a leadership style more than others. We hope you can use this information to determine what your style is and discover where your strengths and weaknesses lie in leadership

12.12 KEYWORDS

Contingency theory - It is an organizational theory that claims that there is no best way to organize a corporation, to lead a company, or to make decisions.

Contingency Theory of Leadership - It is a very special kind of approach which states that the success of a leader does not only depend on his abilities.

Influence - each other, cohesiveness, conformity products of group dynamics. Cohesiveness binds people together, common threat.

Conformity, change in behaviour, compliance, order or command.

In group, out - group, social categorization, prejudice, discrimination, labeling.

12.13 SELF –ASSESSMENT QUESTIONS

1. Describe the factors that influence group work?
2. Explain the exchange theory leadership?
3. Discuss the contingency theory leadership?
4. Define leadership? To write different styles of leadership?

12.14 FURTHER READINGS

1. Luthans, F., (2011) Twelfth Edition, Organisational Behavior, Tata McGraw Hill
2. Scouller, J. (2011). The Three Levels of Leadership: How to Develop Your Leadership Presence, Knowhow and Skill. Cirencester: Management Books 2000. ISBN 9781852526818
3. Management of Organizational Behavior, by Kenneth H. Blanchard, Paul Hersey, Dewey E. Johnson, 2015, ISBN: 9789332549852, 9332549850.
4. Pratono, A.H. (2016) "Strategic orientation and information technological turbulence: Contingency perspective in SMEs", Business Process Management Journal 22: 368–382.
5. ISE Organizational Behavior, by McShane Steven, McGraw-Hill Educationpublications, ISBN: 9781260570656, 9781260570656.
6. Organizational Behavior Integrating Individuals Groups And Organizations, April 2020, by Joseph E. Champoux, Publishers Taylor and Francis, ISBN 9780367430047.

LESSON-13

MOTIVATION, TYPES OF MOTIVES, THEORIES OF MOTIVATION

Learning objective

- ✓ To understand the Types Of Motive
- ✓ To learn the Importance of Motivation
- ✓ To study the Theories of Motivation

Structure

13.0 Introduction

13.1 Types of Motives

- 13.1.1 Physiological Motives
 - 13.1.1(a) Hunger Motive
 - 13.1.1(b) Thirst Motive
 - 13.1.1 (c) Need for Oxygen
 - 13.1.1(d) Motive for regulation of body temperature
 - 13.1.1(e) Need for sleep
 - 13.1.1(f) Need for avoidance of pain
 - 13.1.1(g) Drive for Elimination of waste
 - 13.1.1(h) Sex Motive
 - 13.1.1(i) Maternal Drive
- 13.1.2(a) Achievement Motive
- 13.1.2(b) Aggressive Motive
- 13.1.2(c) Power Motive
- 13.1.2(d) Acquisitive Motive
- 13.1.2(e) Curiosity Motive
- 13.1.2(f) Gregariousness
- 13.1.3 Personal Motive
 - 13.1.3(a) Force of Habits
 - 13.1.3(b) Goals of life
 - 13.1.3 (c) levels of aspiration
 - 13.1.3(d) Attitude and interest
 - 13.1.3(e) Unconscious Motivation

13.2 Importance of Motivation

- 13.2.1 Puts HR into action
- 13.2.2 Improves level of efficiency of employees
- 13.2.3 Build Friendly Relationship

13.3 Theories of Motivation

- 13.3.1 Maslow Theory of Motivation
- 13.3.2 Herzberg Two Factor Theory of Motivation
- 13.3.2(b) Motivational factor
- 13.3.3 Limitations of Two-factor theory
- 13.3.4 Implications of Two-factor theory

13.4 Summary**13.5 Key words****13.7 Self Assessment Questions****13.8 Suggested Readings****13.0 INTRODUCTION**

Thus, motivation is the act or process of providing a motive that causes a person to take some action. In most cases motivation comes from some need that leads to behavior that results in some type of reward when the need is fulfilled. This definition raises a couple of basic questions. The performance that employers look for in individuals rests on ability, motivation, and the support individuals receive; however, motivation is often the missing variable.

Motivation is the desire within a person causing that person to act. People usually act for one reason: to reach a goal. Thus, motivation is a goal directed drive, and it seldom occurs in a void. The words need, want, desire, and drive are all similar to motive, from which the word motivation is derived. Understanding motivation is important because performance, reaction to compensation, and other HR concerns are related to motivation.

13.1 TYPES OF MOTIVES**Biological Motivation and Homeostasis:**

Biological motives are called as physiological motives. These motives are essential for the survival of the organism. Such motives are triggered when there is imbalance in the body. The body always tends to maintain a state of equilibrium called "Homeostasis"- in many of its internal physiological processes.

This balance is very essential for the normal life. Homeostasis helps to maintain internal physiological processes at optimal levels. The nutritional level, fluid level, temperature level, etc., are maintained at certain optimal level or homeostasis levels. When

there is some variation in these levels the individual is motivated for restoring the state of equilibrium.

13.1.1 Physiological Motives

13.1.1 a. Hunger motive

We eat to live. The food we take is digested and nutritional substances are absorbed. The biochemical processes get their energy from the food in order to sustain life. When these substances are exhausted, some imbalance exists.

We develop hunger motive in order to maintain homeostasis. This is indicated by contraction of stomach muscles causing some pain or discomfort called hunger pangs. Psychologists have demonstrated this phenomenon by experiments.

13.1.1 b. Thirst motive

In our daily life regularly we take fluids in the form of water and other beverages. These fluids are essential for our body tissues for normal functioning. When the water level in the body decreases we develop motive to drink water.

Usually thirst motive is indicated by dryness of mouth. Experiments by psychologists have shown that just dried mouth getting wetted is not enough. We need to drink sufficient quantity of water to satiate our thirst

13.1.1 c. Need for oxygen

Our body needs oxygen continuously. We get it through continuous respiration. Oxygen is necessary for the purification of blood. We cannot survive without regular supply of oxygen. Lack of oxygen supply may lead to serious consequences like damage to brain or death.

13.1.1 d. Motive for regulation of body temperature

Maintenance of normal body temperature (98.6°F or 37.0°C) is necessary. Rise or fall in the body temperature causes many problems. There are some automatic mechanisms to regulate body temperature, like sweating when the temperature rises above normal or, shivering when it falls below normal.

These changes motivate us to take necessary steps. For example, opening of windows, put on fans, take cool drinks, remove clothes, etc., when the temperature increases to above normal level; and closing doors and windows, wear sweaters, take hot beverages when temperature falls down. In this way we try to regulate the body temperature.

13.1.1 e. Need for sleep

Sleep is an essential process for normal functioning of body and mind. When our body and mind are tired they need rest for rejuvenation of energy. It is observed that there is excess accumulation of a toxin called 'Lactic acid' when tired.

After sleep it disappears and the person becomes active. Sleep deprivation also leads to psychological problems like confusion, inability to concentrate, droopy eyelids, muscle tremors, etc.

13.1.1 f. Need for avoidance of pain

No organism can continue to bear pain. Whenever we experience pain we try to avoid it. We are motivated to escape from painful stimulus. For example, when we are under hot sun we go to shade. When something is pinching we avoid it.

13.1.1 g. Drive for elimination of waste

Our body cannot bear anything excess or anything waste. Excess water is sent out in the form of urine or sweat. So also digested food particles after absorption of nutritional substances are sent out in the form of stools. We experience discomfort until these wastes are eliminated.

13.1.1 h. Sex motive

This is a biological motive, arises in the organism as a result of secretion of sex hormones-like androgens and estrogens. Sex need is not essential for the survival of the individual, but it is essential for the survival of the species. However, fulfillment of the sex need is not like satisfying hunger or thirst. The society and the law exercise certain codes of conduct. Human being has to adhere to these rules. Usually this need is fulfilled through marriage.

13.1.1 i. Maternal drive

This is an instinct or an inborn tendency. Every normal woman aspires to become a mother. Motivation, Emotion and Attitudinal Processes 123 learnt from related studies that, this is a most powerful drive. That is why in many cases the women who cannot bear children of their own, will sublimate that motive and satisfy it through socially acceptable ways, like working in orphan schools, baby sittings or adopting other's children.

13.1.2 Social Motives

Physiological motives discussed above pertain to both animals as well as human beings, but the social motives are specific only to human beings. These are called social motives, because they are learnt in social groups as a result of interaction with the family and society. That is why their strength differs from one individual to another. Many social motives are recognized by psychologists. Some of the common social motives are:

13.1.2a. Achievement motive

Achievement motivation refers to a desire to achieve some goal. This motive is developed in the individual who has seen some people in the society attaining high success, reaching high positions and standards.

He/she develops a concern to do better, to improve performance. David C McClelland who conducted a longitudinal study on characteristics of high and low achievers

found that the high achievers choose and perform better at challenging tasks, prefers personal responsibility, seeks and utilizes feedback about the performance standard, having innovative ideas to improve performance.

On the other hand, low achievers do not accept challenges, puts on average standards and accepts failures easily. Parents must try to inculcate leadership qualities in children for better achievement in their future life. They must allow children to take decisions independently, and guide them for higher achievement from the childhood, so that the children develop high achievement motivation.

13.1.2b. Aggressive motive

It is a motive to react aggressively when faced frustrations. Frustration may occur when a person is obstructed from reaching a goal or when he is insulted by others. Even in a fearful and dangerous do or die situation the individual may resort to aggressive behavior. Individual expresses such behavior to overcome opposition forcefully, which may be physical or verbal aggression.

13.1.2c. Power motive

People with power motive will be concerned with having an impact on others. They try to influence people by their reputation. They expect people to bow their heads and obey their instructions. Usually people with high power motive choose jobs, where they can exert their powers. They want people as followers. They expect high prestige and recognition from others. For example, a person may aspire to go for jobs like Police Officer, Politician, Deputy Commissioner, etc.

13.1.2d. Acquisitive motive

This motive directs the individual for the acquisition of material property. It may be money or other property. This motive arises as we come across different people who have earned a lot of money and leading a good life. It is a human tendency to acquire all those things which appear attractive to him.

13.1.2e. Curiosity motive

This is otherwise called stimulus and exploration motive. Curiosity is a tendency to explore and know new things. We see people indulge in a travelling to look at new places, new things and new developments taking place outside their environment. People want to extend their knowledge and experiences by exploring new things. Curiosity motive will be very powerful during childhood. That is why they do not accept any toy or other articles unless they examine them from different angles, even at the cost of spoiling or breaking the objects.

13.1.2f. Gregariousness

This is also known as affiliation need. Gregariousness is a tendency to associate oneself with other members of the group or same species. The individual will be interested in establishing, maintaining and repairing friendly relationships and will be interested in

participating in group activities. Individual will conform to social norms, mores and other ethical codes of the groups in which he/she is interested. To the greater extent gregariousness is developed because many of the needs like basic needs, safety and security needs are fulfilled. In addition to the above there are some other social motives like need for self-esteem, social approval, self-actualization, autonomy, master motive, combat, defense, abasement, etc.

13.1.3 Personal Motives

In addition to the above said physiological and social motives, there are some other motives which are allied with both of the above said motives. These are highly personalized and very much individualized motives. The most important among them are:

13.1.3 a. Force of habits

We see different people having formed different habits like chewing tobacco, smoking, alcohol consumption, etc. There may be good habits also like regular exercising, reading newspapers, prayers, meditations, etc. Once these habits are formed, they act as drivers and compel the person to perform the act. The specialty of habits is that, they motivate the individual to indulge in that action automatically.

13.1.3 b. Goals of life

Every normal individual will have some goals in the life. They may be related to education, occupation, income, sports, acquisition of property, public service, social service, etc. Once a goal is set, he will be motivated to fulfil that goal. The goals people set, depend upon various factors like knowledge, information, guidance, support, personality, facilities available, aspirations, family and social background, etc.

13.1.3 c. Levels of aspirations

Aspiration is aspiring to achieve or to get something or a goal. But such achievement depends upon the level of motivation the individual has. Every individual will have a goal in his life and strive to reach that goal. But the effort to attain that goal varies from one individual to another. The amount of satisfaction he gains depends upon his level of aspiration.

For example, if a student is expecting 80% of marks in examination, gets only 75%, he may be unhappy. On the other hand, a student expecting failure may feel very happy if he gets just 35% passing marks, because, the student with high level of aspiration works hard, whereas the student with low level may not.

Hence, always higher level of aspiration is advisable. However, it should be on par with his abilities also. Because, if an individual aspires for higher level of achievement without possessing required ability, he will have to face frustration and disappointment.

13.1.3 d. Attitudes and interests

Our attitudes and interests determine our motivation. These are specific to individual. For example, a person within the family, may have positive attitude towards family planning and all others having negative attitudes.

So also, interests differ from one individual to another. Example, interest in sports, T.V, etc. Whenever we have a positive attitude, we will have motivation to attain. In negative attitude, we will be motivated to avoid. If a person is interested in music, he will be motivated to learn it. In this way, our personal motives determine our behavior.

13.1.3 e Unconscious motivation

Sigmund Freud, the famous psychologist has explained elaborately about unconscious motivation. According to him, there are certain motives of which we are unaware, because they operate from our unconscious. These motives or desires which are repressed by our conscious remain in our unconscious and will be influencing our behavior.

Our irrational behavior, the slip of tongue, slip of pen, amnesia, multiple personality, somnambulism, etc., are some examples of such behaviors for which we do not have answers apparently. These motives can be delineated only by psychoanalysis. Many times psychosomatic disorders like paralysis, headaches, gastric ulcers, etc., also may be due to unconscious motivation.

The three key elements in our definition are intensity, direction, and persistence. Intensity describes how hard a person tries. This is the element most of us focus on when we talk about motivation. However, high intensity is unlikely to lead to favorable job-performance outcomes unless the effort is channeled in a direction that benefits the organization. Therefore, we consider the quality of effort as well as its intensity. Effort directed toward, and consistent with, the organization's goals is the kind of effort we should be seeking.

Finally, motivation has a persistence dimension. This measures how long a person can maintain effort. Motivated individuals stay with a task long enough to achieve their goal. Four theories of employee motivation formulated during the 1950s, although now of questionable validity, are probably still the best known. We discuss more valid explanations later, but these four represent a foundation on which they have grown, and practicing managers still use them and their terminology.

13.2 Importance of Motivation

Motivation is a very important for an organization because of the following benefits it provides:

13.2.1 Puts Human Resources Into Action

Every concern requires physical, financial and human resources to accomplish the goals. It is through motivation that the human resources can be utilized by making full use of it. This can be done by building willingness in employees to work. This will help the enterprise in securing best possible utilization of resources.

13.2.2 Improves level of efficiency of employees

The level of a subordinate or an employee does not only depend upon his qualifications and abilities. For getting best of his work performance, the gap between ability and

willingness has to be filled which helps in improving the level of performance of subordinates. This will result into-

1. Increase in productivity,
2. Reducing cost of operations, and
3. Improving overall efficiency.
4. Leads to achievement of organizational goals
5. The goals of an enterprise can be achieved only when the following factors take place :-
6. There is best possible utilization of resources,
7. There is a co-operative work environment,
8. The employees are goal-directed and they act in a purposive manner,
9. Goals can be achieved if co-ordination and co-operation takes place simultaneously which can be effectively done through motivation.

13.2.3 Builds friendly relationship

Motivation is an important factor which brings employees satisfaction. This can be done by keeping into mind and framing an incentive plan for the benefit of the employees. This could initiate the following things:

1. Monetary and non-monetary incentives,
2. Promotion opportunities for employees,
3. Disincentives for inefficient employees.
4. In order to build a cordial, friendly atmosphere in a concern, the above steps should be taken by a manager. This would help in:
5. Effective co-operation which brings stability,
6. Industrial dispute and unrest in employees will reduce,
7. The employees will be adaptable to the changes and there will be no resistance to the change.

This will help in providing a smooth and sound concern in which individual interests will coincide with the organizational interests, This will result in profit maximization through increased productivity.

13.2.4 Leads to stability of work force

Stability of workforce is very important from the point of view of reputation and goodwill of a concern. The employees can remain loyal to the enterprise only when they have a feeling of participation in the management. The skills and efficiency of employees will always be of advantage to employees as well as employees. This will lead to a good public image in the market which will attract competent and qualified people into a concern. As it is said, "Old is gold" which suffices with the role of motivation here, the older the people, more the experience and their adjustment into a concern which can be of benefit to the enterprise.

From the above discussion, we can say that motivation is an internal feeling which can be understood only by manager since he is in close contact with the employees. Needs, wants and desires are inter-related and they are the driving force to act. These needs can be understood by the manager and he can frame motivation plans accordingly. We can say that motivation therefore is a continuous process since motivation process is based on needs which are unlimited. The process has to be continued throughout.

13.3 Theories of Motivation

Human behavior is goal-directed. Motivation cause goal-directed behaviour. It is through motivation that needs can be handled and tackled purposely. This can be understood by understanding the hierarchy of needs by manager. The needs of individual serves as a driving force in human behavior. Therefore, a manager must understand the “hierarchy of needs”. Maslow has proposed “The Need Hierarchy Model”.

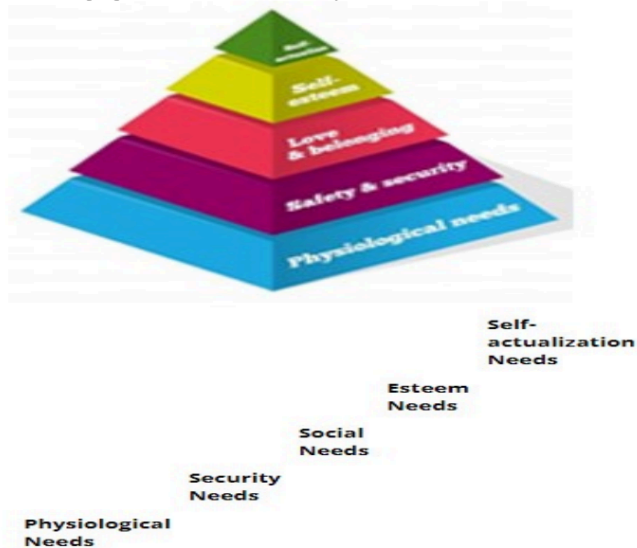


FIGURE - Maslow's Need Hierarchy Model

Physiological needs- These are the basic needs of an individual which includes food, clothing, shelter, air, water, etc. These needs relate to the survival and maintenance of human life.

Safety needs- These needs are also important for human beings. Everybody wants job security, protection against danger, safety of property, etc.

Social needs- These needs emerge from society. Man is a social animal. These needs become important. For example- love, affection, belongingness, friendship, conversation, etc.

Esteem needs- These needs relate to desire for self-respect, recognition and respect from others.

Self-actualization needs- These are the needs of the highest order and these needs are found in those person whose previous four needs are satisfied. This will include need for social service, meditation.

13.3.2 Herzberg's Two-Factor Theory of Motivation

In 1959, Frederick Herzberg, a behavioural scientist proposed a two-factor theory or the motivator-hygiene theory. According to Herzberg, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. According to Herzberg, the opposite of "Satisfaction" is "No satisfaction" and the opposite of "Dissatisfaction" is "No Dissatisfaction".

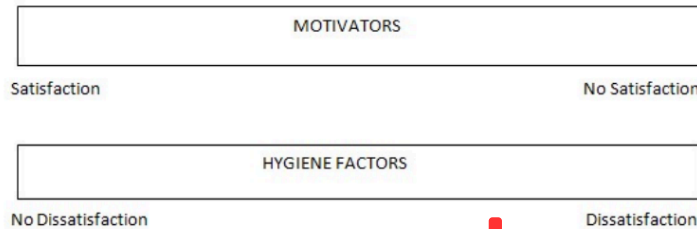


Figure : Herzberg's view of satisfaction and dissatisfaction

Herzberg classified these job factors into two categories-

13.3.2.a Hygiene factors

Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent / if these factors are non-existent at workplace, then they lead to dissatisfaction. In other words, hygiene factors are those factors which when adequate/reasonable in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work. Hygiene factors are also called as **dissatisfies or maintenance factors** as they are required to avoid dissatisfaction. These factors describe the job environment/scenario. The hygiene factors symbolized the physiological needs which the individuals wanted and expected to be fulfilled. Hygiene factors include:

Pay - The pay or salary structure should be appropriate and reasonable. It must be equal and competitive to those in the same industry in the same domain.

Company Policies and administrative policies - The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks, vacation, etc.

Fringe benefits - The employees should be offered health care plans (Mediclaime), benefits for the family members, employee help programmes, etc.

Physical Working conditions - The working conditions should be safe, clean and hygienic. The work equipment's should be updated and well-maintained.

Status - The employees' status within the organization should be familiar and retained.

Interpersonal relations - The relationship of the employees with his peers, superiors and subordinates should be appropriate and acceptable. There should be no conflict or humiliation element present.

Job Security - The organization must provide job security to the employees.

13.3.2.b Motivational factors

According to Herzberg, the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These

factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit. Motivational factors include:

Recognition - The employees should be praised and recognized for their accomplishments by the managers.

Sense of achievement - The employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job.

Growth and promotional opportunities - There must be growth and advancement opportunities in an organization to motivate the employees to perform well.

Responsibility - The employees must hold themselves responsible for the work. The managers should give them ownership of the work. They should minimize control but retain accountability.

Meaningfulness of the work - The work itself should be meaningful, interesting and challenging for the employee to perform and to get motivated.

13.3.3. Limitations of Two-Factor Theory

1. The two factor theory is not free from limitations:
2. The two-factor theory overlooks situational variables.
3. Herzberg assumed a correlation between satisfaction and productivity. But the research conducted by Herzberg stressed upon satisfaction and ignored productivity.
4. The theory's reliability is uncertain. Analysis has to be made by the raters. The raters may spoil the findings by analyzing same response in different manner.
5. No comprehensive measure of satisfaction was used. An employee may find his job acceptable despite the fact that he may hate/object part of his job.
6. The two factor theory is not free from bias as it is based on the natural reaction of employees when they are enquired the sources of satisfaction and dissatisfaction at work. They will blame dissatisfaction on the external factors such as salary structure, company policies and peer relationship. Also, the employees will give credit to themselves for the satisfaction factor at work.

The theory ignores blue-collar workers.

Despite these limitations, Herzberg's Two-Factor theory is acceptable broadly.

13.3.4 Implications of Two-Factor Theory

The Two-Factor theory implies that the managers must stress upon guaranteeing the adequacy of the hygiene factors to avoid employee dissatisfaction. Also, the managers must make sure that the work is stimulating and rewarding so that the employees are motivated to work and perform harder and better. This theory emphasize upon job-enrichment so as to motivate the employees. The job must utilize the employee's skills and competencies to the maximum. Focusing on the motivational factors can improve work-quality.

13.4 SUMMARY

Motivation is the word derived from the word 'motive' which means needs, desires, wants or drives within the individuals. It is the process of stimulating people to actions to

accomplish the goals. In the work goal context the psychological factors stimulating the people's behavior can be Desire For Money, Success, Recognition, Job-Satisfaction, Team Work, Etc We can summarize by saying that motivation is important both to an individual and a business. Motivation is important to an individual as: Motivation will help him achieve his personal goals. If an individual is motivated, he will have job satisfaction. Motivation will help in self-development of individual. An individual would always gain by working with a dynamic team. Similarly, motivation is important to a business as: The more motivated the employees are, the more empowered the team is. The more is the team work and individual employee contribution, more profitable and successful is the business. During period of amendments, there will be more adaptability and creativity. Motivation will lead to an optimistic and challenging attitude at work place.

13.5 KEY WORDS

Biological motives- Biological motives are called as physiological motives. These motives are essential for the survival of the organism.

Social Motives- Physiological motives discussed above pertain to both animals as well as human beings, but the social motives are specific only to human beings. These are called social motives

Hygiene factors-Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term

Motivational factors- The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers

13.6 SELF ASSESSMENT QUESTIONS

1. Discuss the Types of Motive?
2. Define Motivation? Explain the Importance of Motivation?
2. Describe the theories of Motivation?

13.7 SUGGESTED READINGS

1. Mishra, M.N. Organizational Behaviour. Noida: Vikas Publishing House 2010.
2. Aswathappa, K. Organizational Behaviour. Mumbai: Himalaya Publishing House Pvt. Ltd 2010.
3. Gupta C.B A Textbook Of Organizational Behaviour S.Chand Publications January 2014
4. Stephen P. Robbins Organizational Behaviour Eighteen Edition Pearson Publications November 2018
5. John Ivancevich Robert Konopaske Michael Matteson, Organizational Behavior and Management McGraw-Hill Education – Europe Tenth Edition 2018
6. Shearsett Allison Organizational Behavior Independently Published (2018)
7. Inder Jeet, Suman Solanki Organizational Behaviour for B.Com (Honours)(Previous 3 Years Semester) Delhi University Semester 5 Taxman Publication 2018

Dr. M. RAMA SATYANARAYA

LESSON-14

MODERN THEORIES OF MOTIVATION

Learning Objectives

- ✓ To Learn the Modern theories of Motivation
- ✓ To understand Equity theory of Motivation
- ✓ To analyze the Expectancy theory of Motivation

Structure

14.0 Introduction

14.1 Alderfer ERG theory

- 14.1.1 Implications of ERG theory

14.2 Mc Clelland Theory of Need

14.3 Goal Setting theory of Motivation

- 14.3.1 Advantages of Goal setting theory
- 14.3.2 Limitations of Goal setting theory

14.4 Reinforcement theory of Motivation

- 14.4.1 Positive Reinforcement
- 14.4.2 Negative Reinforcement
- 14.4.3 Punishment
- 14.4.4 Extinction
- 14.4.5 Implication of Reinforcement theory

14.5 Equity theory of motivation

- 14.5.1 Equity theory
- 14.5.2 Assumptions of Equity theory

14.6 Expectancy theory of Motivation

- 14.6.1 Advantages of Expectancy theory
- 14.6.2 Limitations of Expectancy theory
- 14.6.3 Implications of Expectancy theory

14.7 Summary

14.8 Key words

14.9 Self Assessment Questions

14.10 Suggested Readings

14.0 INTRODUCTION

To bring Maslow's need hierarchy theory of motivation in synchronization with empirical research, Clayton Alderfer redefined it in his own terms. His rework is called as ERG

theory of motivation. He re categorized Maslow's hierarchy of needs into three simpler and broader classes of needs:

14.1 ALDERFERG ERG THEORY

Existence needs- These include need for basic material necessities. In short, it includes an individual's physiological and physical safety needs.

Relatedness needs- These include the aspiration individual's have for maintaining significant interpersonal relationships (be it with family, peers or superiors), getting public fame and recognition. Maslow's social needs and external component of esteem needs fall under this class of need.

Growth needs- These include need for self-development and personal growth and advancement. Maslow's self-actualization needs and intrinsic component of esteem needs fall under this category of need.

ERG Theory of Motivation

The significance of the three classes of needs may vary for each individual.

Difference between Maslow Need Hierarchy Theory and Alderfer's ERG Theory

ERG Theory states that at a given point of time, more than one need may be operational.

ERG Theory also shows that if the fulfillment of a higher-level need is subdued, there is an increase in desire for satisfying a lower-level need.

According to Maslow, an individual remains at a particular need level until that need is satisfied. While according to ERG theory, if a higher- level need aggravates, an individual may revert to increase the satisfaction of a lower- level need. This is called frustration- regression aspect of ERG theory. For instance- when growth need aggravates, then an individual might be motivated to accomplish the relatedness need and if there are issues in accomplishing relatedness needs, then he might be motivated by the existence needs. Thus, frustration/aggravation can result in regression to a lower-level need.

While Maslow's need hierarchy theory is rigid as it assumes that the needs follow a specific and orderly hierarchy and unless a lower-level need is satisfied, an individual cannot proceed to the higher-level need; ERG Theory of motivation is very flexible as he perceived the needs as a range/variety rather than perceiving them as a hierarchy. According to Alderfer, an individual can work on growth needs even if his existence or relatedness needs remain unsatisfied. Thus, he gives explanation to the issue of "starving artist" who can struggle for growth even if he is hungry.

14.1.1 Implications of the ERG Theory

Managers must understand that an employee has various needs that must be satisfied at the same time. According to the ERG theory, if the manager concentrates solely on one need at a time, this will not effectively motivate the employee. Also, the frustration- regression aspect of ERG Theory has an added effect on workplace motivation. For instance- if an employee is not

provided with growth and advancement opportunities in an organization, he might revert to the relatedness need such as socializing needs and to meet those socializing needs, if the environment or circumstances do not permit, he might revert to the need for money to fulfill those socializing needs. The sooner the manager realizes and discovers this, the more immediate steps they will take to fulfill those needs which are frustrated until such time that the employee can again pursue growth.

14.2 MCCLELLAND'S THEORY OF NEEDS

David McClelland and his associates proposed McClelland's theory of Needs / Achievement Motivation Theory. This theory states that human behavior is affected by three needs - Need for Power, Achievement and Affiliation. Need for achievement is the urge to excel, to accomplish in relation to a set of standards, to struggle to achieve success. Need for power is the desire to influence other individual's behavior as per your wish. In other words, it is the desire to have control over others and to be influential. Need for affiliation is a need for open and sociable interpersonal relationships. In other words, it is a desire for relationship based on co-operation and mutual understanding.

The individuals with high achievement needs are highly motivated by competing and challenging work. They look for promotional opportunities in job. They have a strong urge for feedback on their achievement. Such individuals try to get satisfaction in performing things better. High achievement is directly related to high performance. Individuals who are better and above average performers are highly motivated. They assume responsibility for solving the problems at work. McClelland called such individuals as gamblers as they set challenging targets for themselves and they take deliberate risk to achieve those set targets. Such individuals look for innovative ways of performing job. They perceive achievement of goals as a reward, and value it more than a financial reward. The individuals who are motivated by power have a strong urge to be influential and controlling. They want that their views and ideas should dominate and thus, they want to lead. Such individuals are motivated by the need for reputation and self-esteem. Individuals with greater power and authority will perform better than those possessing less power. Generally, managers with high need for power turn out to be more efficient and successful managers. They are more determined and loyal to the organization they work for. Need for power should not always be taken negatively. It can be viewed as the need to have a positive effect on the organization and to support the organization in achieving its goals.

The individuals who are motivated by affiliation have an urge for a friendly and supportive environment. Such individuals are effective performers in a team. These people want to be liked by others. The manager's ability to make decisions is hampered if they have a high affiliation need as they prefer to be accepted and liked by others, and this weakens their objectivity. Individuals having high affiliation needs prefer working in an environment providing greater personal interaction. Such people have a need to be on the good books of all. They generally cannot be good leaders.

14.3 GOAL SETTING THEORY OF MOTIVATION

In 1960's, Edwin Locke put forward the Goal-setting theory of motivation. This theory states that goal setting is essentially linked to task performance. It states that specific and

challenging goals along with appropriate feedback contribute to higher and better task performance. In simple words, goals indicate and give direction to an employee about what needs to be done and how much efforts are required to be put in.

The important features of goal-setting theory are as follows:

1. The willingness to work towards attainment of goal is main source of job motivation. Clear, particular and difficult goals are greater motivating factors than easy, general and vague goals.
2. Specific and clear goals lead to greater output and better performance. Unambiguous, measurable and clear goals accompanied by a deadline for completion avoids misunderstanding.
3. Goals should be realistic and challenging. This gives an individual a feeling of pride and triumph when he attains them, and sets him up for attainment of next goal. The more challenging the goal, the greater is the reward generally and the more is the passion for achieving it.
4. Better and appropriate feedback of results directs the employee behaviour and contributes to higher performance than absence of feedback. Feedback is a means of gaining reputation, making clarifications and regulating goal difficulties. It helps employees to work with more involvement and leads to greater job satisfaction.
5. Employees' participation in goal is not always desirable.
6. Participation of setting goal, however, makes goal more acceptable and leads to more involvement.
7. Goal setting theory has certain eventualities such as:
8. Self-efficiency- Self-efficiency is the individual's self-confidence and faith that he has potential of performing the task. Higher the level of self-efficiency, greater will be the efforts put in by the individual when they face challenging tasks. While, lower the level of self-efficiency, less will be the efforts put in by the individual or he might even quit while meeting challenges.
9. Goal commitment- Goal setting theory assumes that the individual is committed to the goal and will not leave the goal. The goal commitment is dependent on the following factors:
10. Goals are made open, known and broadcasted.
11. Goals should be set-self by individual rather than designated.
12. Individual's set goals should be consistent with the organizational goals and vision.

14.3.1 Advantages of Goal Setting Theory

Goal setting theory is a technique used to raise incentives for employees to complete work quickly and effectively.

Goal setting leads to better performance by increasing motivation and efforts, but also through increasing and improving the feedback quality.

14.3.2 Limitations of Goal Setting Theory

At times, the organizational goals are in conflict with the managerial goals. Goal conflict has a detrimental effect on the performance if it motivates incompatible action drift.

Very difficult and complex goals stimulate riskier behavior.

If the employee lacks skills and competencies to perform actions essential for goal, then the goal-setting can fail and lead to undermining of performance.

There is no evidence to prove that goal-setting improves job satisfaction.

14.4 Reinforcement Theory of Motivation

Reinforcement theory of motivation was proposed by BF Skinner and his associates. It states that individual's behavior is a function of its consequences. It is based on "law of effect", i.e., individual's behavior with positive consequences tends to be repeated, but individual's behavior with negative consequences tends not to be repeated.

Reinforcement theory of motivation overlooks the internal state of individual, i.e., the inner feelings and drives of individuals are ignored by Skinner. This theory focuses totally on what happens to an individual when he takes some action. Thus, according to Skinner, the external environment of the organization must be designed effectively and positively so as to motivate the employee. This theory is a strong tool for analyzing controlling mechanism for individual's behaviour. However, it does not focus on the causes of individual's behavior.

The managers use the following methods for controlling the behavior of the employees:

14.4.1 Positive Reinforcement

This implies giving a positive response when an individual shows positive and required behavior. For example - Immediately praising an employee for coming early for job. This will increase probability of outstanding behavior occurring again. Reward is a positive reinforce, but not necessarily. If and only if the employees' behavior improves, reward can said to be a positive reinforce. Positive reinforcement stimulates occurrence of a behavior. It must be noted that more spontaneous is the giving of reward, the greater reinforcement value it has.

14.4.2 Negative Reinforcement

This implies rewarding an employee by removing negative / undesirable consequences. Both positive and negative reinforcement can be used for increasing desirable / required behavior.

14.4.3 Punishment

It implies removing positive consequences so as to lower the probability of repeating undesirable behavior in future. In other words, punishment means applying undesirable consequence for showing undesirable behavior. For instance - Suspending an employee for breaking the organizational rules. Punishment can be equalized by positive reinforcement from alternative source.

14.4.4 Extinction

It implies absence of reinforcements. In other words, extinction implies lowering the probability of undesired behavior by removing reward for that kind of behavior. For instance - if

an employee no longer receives praise and admiration for his good work, he may feel that his behavior is generating no fruitful consequence. Extinction may unintentionally lower desirable behavior.

14.4.5 Implications of Reinforcement Theory

Reinforcement theory explains in detail how an individual learns behaviour. Managers who are making attempt to motivate the employees must ensure that they do not reward all employees simultaneously. They must tell the employees what they are not doing correct. They must tell the employees how they can achieve positive reinforcement.

14.5 Equity Theory of Motivation

The core of the equity theory is the principle of balance or equity. As per this motivation theory, an individual's motivation level is correlated to his perception of equity, fairness and justice practiced by the management. Higher is individual's perception of fairness, greater is the motivation level and vice versa. While evaluating fairness, employee compares the job input (in terms of contribution) to outcome (in terms of compensation) and also compares the same with that of another peer of equal cadre/category. D/I ratio (output-input ratio) is used to make such a comparison.

14.5.1 Equity Theory

Ratio Comparison Perception

$O/I_a < O/I_b$ Under-rewarded (Equity Tension)

$O/I_a = O/I_b$ Equity

$O/I_a > O/I_b$ Over-rewarded (Equity Tension)

Negative Tension state

Equity is perceived when this ratio is equal. While if this ratio is unequal, it leads to "equity tension". J. Stacy Adams called this a negative tension state which motivates him to do something right to relieve this tension. A comparison has been made between 2 workers A and B to understand this point.

Referents

The four comparisons an employee can make have been termed as "referents" according to Goodman. The referent chosen is a significant variable in equity theory. These referents are as follows:

Self-inside- An employee's experience in a different position inside his present organization.

Self-outside- An employee's experience in a situation outside the present organization.

Other-inside- Another employee or group of employees inside the employee's present organization.

Other-outside- Another employee or employees outside the employee's present organization.

An employee might compare himself with his peer within the present job in the current organization or with his friend/peer working in some other organization or with the past jobs held by him with others. An employee's choice of the referent will be influenced by the appeal of the referent and the employee's knowledge about the referent.

Moderating Variables

The gender, salary, education and the experience level are moderating variables. Individuals with greater and higher education are more informed. Thus, they are likely to compare themselves with the outsiders. Males and females prefer same sex comparison. It has been observed that females are paid typically less than males in comparable jobs and have less salary expectations than male for the same work. Thus, a women employee that uses another women employee as a referent tends to lead to a lower comparative standard. Employees with greater experience know their organization very well and compare themselves with their own colleagues, while employees with less experience rely on their personal experiences and knowledge for making comparisons.

Choices

The employees who perceive inequity and are under negative tension can make the following choices:

Change in input (e.g. Don't overexert)

Change their outcome (Produce quantity output and increasing earning by sacrificing quality when piece rate incentive system exist)

Choose a different referent

Quit the job

Change self perception (For instance - I know that I've performed better and harder than everyone else.)

Change perception of others (For instance - Jack's job is not as desirable as I earlier thought it was.)

14.5.2 Assumptions of the Equity Theory

The theory demonstrates that the individuals are concerned both with their own rewards and also with what others get in their comparison.

Employees expect a fair and equitable return for their contribution to their jobs.

Employees decide what their equitable return should be after comparing their inputs and outcomes with those of their colleagues.

Employees who perceive themselves as being in an inequitable scenario will attempt to reduce the inequity either by distorting inputs and/or outcomes psychologically, by directly altering inputs and/or outputs, or by quitting the organization.

14.6 EXPECTANCY THEORY OF MOTIVATION

The expectancy theory was proposed by Victor Vroom of Yale School of Management in 1964. Vroom stresses and focuses on outcomes, and not on needs unlike Maslow and Herzberg. The theory states that the intensity of a tendency to perform in a particular manner is dependent on the intensity of an expectation that the performance will be followed by a definite outcome and on the appeal of the outcome to the individual.

The Expectancy theory states that employee's motivation is an outcome of how much an individual wants a reward (Valence), the assessment that the likelihood that the effort will lead to expected performance (Expectancy) and the belief that the performance will lead to reward (Instrumentality).

In short, **Valence** is the significance associated by an individual about the expected outcome. It is an expected and not the actual satisfaction that an employee expects to receive after achieving the goals.

Expectancy is the faith that better efforts will result in better performance. Expectancy is influenced by factors such as possession of appropriate skills for performing the job, availability of right resources, availability of crucial information and getting the required support for completing the job.

Instrumentality is the faith that if you perform well, then a valid outcome will be there. Instrumentality is affected by factors such as believe in the people who decide who receives what outcome, the simplicity of the process deciding who gets what outcome, and clarity of relationship between performance and outcomes. Thus, the expectancy theory concentrates on the following three relationships:

Effort-performance relationship: What is the likelihood that the individual's effort be recognized in his performance appraisal?

Performance-reward relationship: It talks about the extent to which the employee believes that getting a good performance appraisal leads to organizational rewards.

Rewards-personal goals relationship: It is all about the attractiveness or appeal of the potential reward to the individual.

Vroom was of view that employees consciously decide whether to perform or not at the job. This decision solely depended on the employee's motivation level which in turn depends on three factors of expectancy, valence and instrumentality.

14.6.1 Advantages of the Expectancy Theory

It is based on self-interest individual who want to achieve maximum satisfaction and who wants to minimize dissatisfaction.

This theory stresses upon the expectations and perception; what is real and actual is immaterial.

It emphasizes on rewards or pay-offs.

It focuses on psychological extravagance where final objective of individual is to attain maximum pleasure and least pain.

14.6.2 Limitations of the Expectancy Theory

The expectancy theory seems to be idealistic because quite a few individuals perceive high degree correlation between performance and rewards.

The application of this theory is limited as reward is not directly correlated with performance in many organizations. It is related to other parameters also such as position, effort, responsibility, education, etc.

14.6.3 Implications of the Expectancy Theory

The managers can correlate the preferred outcomes to the aimed performance levels.

- a. The managers must ensure that the employees can achieve the aimed performance levels.
- b. The deserving employees must be rewarded for their exceptional performance.
- c. The reward system must be fair and just in an organization.
- d. Organizations must design interesting, dynamic and challenging jobs.
- e. The employee's motivation level should be continually assessed through various techniques such as questionnaire, personal interviews, etc.

What are nAch, nAff, and nPow and How the Need Theory Explains What Motivates Us

Motivation Theories are used by organizational and behavioral experts to help people in understanding what motivates them and how organizations can fit employees to the appropriate roles so that they do work that excites them and in the process, help themselves and the organization as well.

Of particular interest is the Need Theory which states that each of us is motivated according to Three Needs or the n Ach (The Need for Achievement), nAff (The Need for Affiliation with others), and n Pow (The Need for Power over others).

To explain, people who are motivated by nAch are those for whom academic achievements and the need to do work that stimulates their intellectual abilities. These individuals make their mark as scientists, problem solvers, and innovators.

On the other hand, those with n Aff are usually found in People Management roles where their ability to get along and have superior people skills often find their match.

Lastly, those who have a need for power or n Aff are found in positions of authority where their power over others makes them perform well.

Therefore, all of us are motivated by different need

What is Intrinsic Motivation and how does it tie in with the Great Resignation?

Among the different types of motivation, Intrinsic Motivation, or the ability of individuals to motivate themselves according to their inner needs and higher selves, matters more than ever in the present Post Pandemic Times.

This is because due to WFH or Work from Home and Virtual Workplaces, Employees need to push themselves and keep working without Face to Face interactions and the lack of physical motivators, means that they have to draw upon their inner strength to keep going.

Moreover, with the Forced Isolation and the Quarantined Living, employees have to hold on to something more than the attraction of pay and perks and this is where Intrinsic Motivation comes into play.

Indeed, with so many Millennials burning out and quitting their jobs, it is more than ever a need for all stakeholders to nurture inner motivators by way of challenging work and work directed at stimulating the higher needs of individuals.

Recent surveys have shown that HR or Human Resource Professionals are alarmed over what is known as the Great Resignation Spree wherein record numbers of employees (especially those under 30) who are quitting en masse.

What Can HR Managers do to Address Inner Motivators and Keep Employees Engaged

A possible solution to the problem of such mass resignations is to keep employees motivated somehow or the other through intellectually challenging work and a key insight from recent research is that it is no longer the pay and perks that matter, but the added flexibility of working from anywhere and choosing work that matters, which means that corporates should not be in a hurry to discontinue WFH anytime soon.

Indeed, while Old Timers might complain that corporates are pampering and spoiling the younger generations of professionals, it also needs to be remembered that each generation of professionals have their own attributes and needs, and hence, HR imperatives need to change with the times.

More than ever, employees are being asked to shoulder additional burdens due to the exigencies of the Pandemic, and hence, it is only fair for them to be rewarded accordingly.

In addition, without Physical On boarding and Face to Face Introductions, new joiners have no way of acclimatizing with their Employers and their needs, and hence, it is in the fitness of things that HR managers ought to Hand Hold new recruits and find out what Makes Them Tick, so that work can be duly allocated accordingly.

Millennials and Gen Zers Too Need to be Responsible and Find What Makes Them Tick

Having said that it is also incumbent upon the Present Generation of Professionals to desist from participating in the Viral Great Resignation Trend.

They have to find ways and means of challenging themselves to do better and even if they are WFH, they can network with their peers and seniors so that they find a sense of belonging and acceptance.

Indeed, while Industry Experts are duly alarmed with the instances of the Great Resignation, they are not yet pressing the panic button as many Tech Giants have found ways and means of engaging employees. Employee Engagement through Inspiring Work is the Norm now and in addition, many Top Firms have started to empower them as well through additional responsibilities to even relatively young professionals.

This is where Intrinsic Motivation matters as employees can never fully be happy with their pay and perks and instead, they must focus on their work to find fulfillment. The last phrase Employee Fulfilment is the Key to Success as only through Intrinsic Motivation can Millennials find redemption. Therefore, the Ball is In the Court of the Employees as well wherein their Inner Motivators matter more than ever and it is almost entirely up to them.

Why Visionary Leaders Can Help Corporates and Employees Navigate the New Normal

On the other hand, Business Leaders and C Suite Leaders also have their task cut out as they need to actualize their Vision for the Millennials to make them desist from the Great Resignation.

For instance, Tech leaders such as Satya Nadella of Microsoft and Sundar Pichai of Google have openly spoken about the need to keep the Millennial and the Gen Zers motivated. One can only raise the rewards that much and the real challenge is to Make Employees Feel Special and inculcate a Passion for Invention and Discovery.

This can be done by Out of Box Solutions such as making them work on Cutting Edge projects so that the Inner Needs for Success and Respect as well as Recognition and Media Coverage can all coalesce around the Intrinsic Motivation for Fulfillment. Moreover, there is no harm in the CEOs or the Chief Executive Officers to find time to engage with the Younger Employees and inspire them so that they follow the footsteps of the legends and find Inner Drive to Excel. Indeed, in firms such as Infosys, the Halo around the Founders is so magnetic that New Recruits often put in longer hours to feel that they belong.

14.7 SUMMARY

Motivation is the word derived from the word 'motive' which means needs, desires, wants or drives within the individuals. It is the process of stimulating people to actions to accomplish the goals. In the work goal context the psychological factors stimulating the people's behaviour can be - desire for money

14.8 KEY WORDS

ERG- Exaltedness, Relatedness, Growth Need

Need for Achievement- Need for achievement is the urge to excel, to accomplish in relation to a set of standards, to struggle to achieve success.

Need for Power- Need for power is the desire to influence other individual's behaviour as per your wish. In other words, it is the desire to have control over others and to be influential.

Need for Affiliation- Need for affiliation is a need for open and sociable interpersonal relationships. In other words, it is a desire for relationship based on co-operation and mutual understanding.

Goal Setting Theory- The willingness to work towards attainment of goal is main source of job motivation. Clear, particular and difficult goals are greater motivating factors than easy, general and vague goals

14.9 SELF ASSESSMENT QUESTIONS

1. Describe the Alderferg ERG Theory of Motivation?
2. Explain the Mc Clelland theory of Motivation
3. Discuss the Reinforcement theory of Motivation
4. Elucidate the Expectancy theory of Motivation?

14.10 SUGGESTED READINGS

1. Mishra, M.N. Organizational Behaviour. Noida: Vikas Publishing House 2010.
2. Aswathappa, K. Organizational Behaviour. Mumbai: Himalaya Publishing House Pvt. Ltd 2010.
3. Gupta C.B A Textbook Of Organizational Behavior S.Chand Publications January 2014
4. Stephen P. Robbins Organizational Behaviour Eighteen Edition Pearson Publications November 2018
5. John Ivancevich Robert Konopaske Michael Matteson, Organizational Behavior and Management McGraw-Hill Education – Europe Tenth Edition 2018
6. Shearsett Allison Organizational Behavior Independently Published (2018)
7. Inder Jeet, Suman Solanki Organizational Behaviour for B.Com (Honours)(Previous 3 Years Semester) Delhi University Semester Taxman Publication 2018

Dr.M. RAMA SATYANARAYA

LESSON-15

JOB ANALYSIS

Learning Objectives

- ✓ To understand the Job Analysis
- ✓ To learn the Purpose of Job Description
- ✓ To study the Basic contents of Job specification
- ✓ To examine the Job Design

Structure

15.0 Introduction

15.1 Job Description

- 15.1.1 Purpose of Job Description

15.2 Job specification

- 15.2.1 Purpose of Job Specification
- 15.2.2 Significance of Job analysis
- 15.2.3 Components of Job Analysis
 - 15.2.3(a) Job Design
 - 15.2.3(b) Job Title
 - 15.2.3(c) summary
 - 15.2.3 (d) Equipment
 - 15.2.3 (e) Environment
 - 15.2.3(f) Activities

15.3 Job Specification

- 15.3.1 Basic contents of job specification

15.4 Job Evaluation

- 15.4.1 Reduction in equalities in salary structure
- 15.4.2 Specification
- 15.4.3 Helps in selection of employees
- 15.4.4 Harmonious relationship between employee and Managers
- 15.4.5 Standards
- 15.4.6 Relevance of New Job

15.5 Methods of Job Analysis

- 15.5.1 Observation Method
- 15.5.2 Direct Observation

15.5.3 Work Method Analysis

15.5.4 Critical Incident Method

15.5.5 Interview

15.5.6 Questionnaire

15.6 Job Design

15.6.1 characteristics of Job Design

15.6.2 Work flow

15.6.3 Ergonomics

15.6.4 Work Practices

15.6.5 Employee Abilities and Availability

15.6.6 Social Cultural Expectation

15.6.7 Behavioral factors

15.6.8 Feed back

15.6.9 Autonomy

15.7 Methods of Job Analysis

15.7.1 Job Simplification

15.7.2 Job Rotation

15.7.3 Job Enlargement

15.7.4 Job Enrichment

15.8 Summary

15.9 Key words

15.10 Self Assessment Questions

15.11 Suggested Readings

15.0 INTRODUCTION

Human resource management aims at optimum utilization of available human potential. For this purpose, it is essential to make every one understand their job and expectations from the job. This enables them to charter their behaviour appropriately. Job analysis is a process of determining the essential characteristics that are necessary to perform the job effectively. A good job analysis conveys information to take a number of important decisions relating to human resources management. Job design is next to job analysis. Job design involves systematic attempts to organize tasks, duties and responsibilities into a unit of work to achieve certain objectives. Job design integrates the work content and qualifications required for each job that meets the needs of employee and the Organization. Designing a job analysis leads to preparation of job description and job specification. Both of them underlie the roles, responsibilities, and qualifications needed in the job. At the same time, the way jobs are designed has a significant influence on the employees and Organization. In this unit you

will learn the concept, significance and methods of job analysis. You will further learn and have an insight about job design and its methods.

Job analysis is a process of determining which characteristics are necessary for satisfactory job performance and analyzing the environmental conditions in which the job is performed. It analyzes the work content of job & job content of work. The process of job analysis leads to development of two documents viz., job description and job specification.

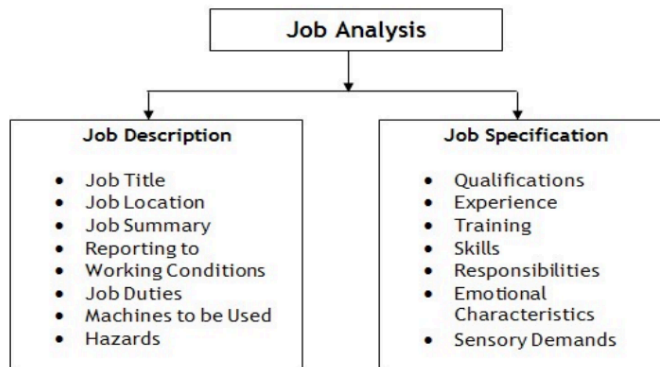


Figure 15.1 Job Analysis

Job description indicates the tasks and responsibilities, job title, duties, machines, tools and equipment, working conditions and occupational hazards that form part of the job whereas job specification comprises of the capabilities required to perform job, education, experience, training, judgmental skills, communication skills and personal skills required to perform the job effectively.

15.1 JOB DESCRIPTION

Job description includes basic job-related data that is useful to advertise a specific job and attract a pool of talent. It includes information such as job title, job location, reporting to and of employees, job summary, nature and objectives of a job, tasks and duties to be performed, working conditions, machines, tools and equipments to be used by a prospective worker and hazards involved in it.

15.1.1 Purpose of Job Description

The main purpose of job description is to collect job-related data in order to advertise for a particular job. It helps in attracting, targeting, recruiting and selecting the right candidate for the right job.

It is done to determine what needs to be delivered in a particular job. It clarifies what employees are supposed to do if selected for that particular job opening.

It gives recruiting staff a clear view what kind of candidate is required by a particular department or division to perform a specific task or job.

It also clarifies who will report to whom.

15.2 Job Specification

Also known as employee specifications, a job specification is a written statement of educational qualifications, specific qualities, level of experience, physical, emotional, technical and communication skills required to perform a job, responsibilities involved in a job and other unusual sensory demands. It also includes general health, mental health, intelligence, aptitude, memory, judgment, leadership skills, emotional ability, adaptability, flexibility, values and ethics, manners and creativity, etc.

15.2.1 Purpose of Job Specification

Described on the basis of job description, job specification helps candidates analyze whether are eligible to apply for a particular job vacancy or not.

It helps recruiting team of an organization understand what level of qualifications, qualities and set of characteristics should be present in a candidate to make him or her eligible for the job opening.

Job Specification gives detailed information about any job including job responsibilities, desired technical and physical skills, conversational ability and much more.

It helps in selecting the most appropriate candidate for a particular job.

Job description and job specification are two integral parts of job analysis. They define a job fully and guide both employer and employee on how to go about the whole process of recruitment and selection. Both data sets are extremely relevant for creating a right fit between job and talent, evaluate performance and analyze training needs and measuring the worth of a particular job.

15.2.2 Significance of Job Analysis

Job analysis is a vital tool in taking a variety of human resource decisions. It is used to design and execute a number of human resource management activities and programs. They are described here:

1. **Manpower Planning:** job analysis helps in forecasting manpower requirements based on the knowledge and skills and quality of manpower needed in organization.
2. **Recruitment:** A carefully designed job analysis provides information as to what sources of recruitment are to be used to hire employees. For example, job analysis in a retail stores about merchandise sorters tells that village level schools are potential source of recruitment.
3. **Selection:** Selection of the right candidate to the right job can only be done with the help of job analysis. In the case of retail stores, a billing assistant can be selected with the knowledge of accounting, cash, and computer operations. This is possible with the help of job analysis.
4. **Training and Career Development:** Job analysis provides valuable information to develop training programs. It provides information about what skills are to be trained. It also provides information about various techniques to be used in career development of employees.

5. Placement and socialization: After people are selected and trained, they must be placed in suitable jobs. Job analysis provides information about the suitability of jobs. A clear job analysis guides the process to socialize the employees to develop sound relationships with all those persons.

6. Compensation: Job analysis provides information as to how much compensation and other financial and non-financial benefits to be associated with each job.

7. Employee Safety and Welfare: Job analysis details information on working conditions. Thus, management tries to provide safety and welfare measures that are outlined in job analysis.

8. Performance Appraisal: Performance of employees is appraised based on standard criteria provided in the job analysis.

9. Counselling: A good job analysis provides information to the superiors about the jobs. They use this information to guide and counsel employees about their career options, performance, training requirements and skill up-gradation. **10. Strategic Planning:** Job analysis enables human resource manager to develop a long-range strategic plan in all concerned areas of human resources.

15.2.3 Components of Job Analysis

15.2.3.a. Job Description: It is an important document. It is descriptive in nature. It is useful to identify a job for consideration by job analyst. Important questions to be answered through job description are:

What should be done? - Why it should be done? -Where it should be done? There is no universal format of writing job description. According to Ghorpade the following information is common in most of the job descriptions.

15.2.3.b Job title: title of the job and other identifying information such as wages, salaries, other benefits

15.2.3.c Summary: summary is written in one or two lines that describes what outputs are expected from job incumbents.

15.2.3.d Equipment: a clear statement of tools, equipment and other information required to perform job effectively.

15.2.3.e Environment: a clear description of the working conditions of the job, the location and other characteristics of work environment such as hazards, noise, temperature, cleanliness etc.

15.2.3.f Activities: a description about the job duties, responsibilities, and expected behaviour on the job. A description of social interactions associated with the job such as the size of work group, interpersonal interaction on the job is made.

Job analyst writes job description in consultations with the workers and supervisors. After writing draft job description, comments and criticism are invited to improve its content. Final draft is then prepared. Job description is written either by making personal observation or using questionnaire to collect relevant information from supervisors and workers. Job description should be reviewed from time to time.

15.3 JOB SPECIFICATION

It also known as man or employee specifications is prepared on the basis of job specification. It specifies the qualities required in a job incumbent for the effective performance of the job.

15.3.1 Basic contents of a job specification are as follows:

1. Personal characteristics such as education, job experience, age, sex, and extra co-curricular activities.
2. Physical characteristics such as height, weight, chest, vision, hearing, health, voice poise, and hand and foot coordination, (for specific positions only).
3. Mental characteristics such as general intelligence, memory, judgment, foresight, ability to concentrate, etc.
4. Social and psychological characteristics such as emotional ability, flexibility, creativity etc.

Various contents of a job specification can be prescribed in three terms:

1. Essential qualities which a person must possess;
2. Desirable qualities which a person may possess; and
3. Contra-indicators which are likely to become a handicap to successful job performance

Job Analysis and Job Design

15.4 JOB EVALUATION

It is a process of determining the relative worth of a job. It is a process which is helpful even for framing compensation plans by the personnel manager. Job evaluation as a process is advantageous to a company in many ways:

15.4.1 Reduction in inequalities in salary structure

It is found that people and their motivation is dependent upon how well they are being paid. Therefore the main objective of job evaluation is to have external and internal consistency in salary structure so that inequalities in salaries are reduced.

15.4.2. Specialization

Because of division of labour and thereby specialization, a large number of enterprises have got hundred jobs and many employees to perform them. Therefore, an attempt should be made to define a job and thereby fix salaries for it. This is possible only through job evaluation.

15.4.3. Helps in selection of employees

The job evaluation information can be helpful at the time of selection of candidates. The factors that are determined for job evaluation can be taken into account while selecting the employees.

15.4.4. Harmonious relationship between employees and manager

Through job evaluation, harmonious and congenial relations can be maintained between employees and management, so that all kinds of salaries controversies can be minimized.

15.4.5. Standardization

The process of determining the salary differentials for different jobs become standardized through job evaluation. This helps in bringing uniformity into salary structure.

15.4.6. Relevance of new jobs

Through job evaluation, one can understand the relative value of new jobs in a concern. According to Kimball and Kimball, "Job evaluation represents an effort to determine the relative value of every job in a plant and to determine what the fair basic wage for such a job should be." Thus, job evaluation is different from performance appraisal. In job evaluation, worth of a job is calculated while in performance appraisal, the worth of employee is rated.

15.5 METHODS OF JOB ANALYSIS

Job analysis methods can be categorized into three basic types: (1) Observation Methods; (2) Interview; and (3) Questionnaire

15.5.1 Observation Method

Observation of work activities and worker behaviors is a method of job analysis which can be used independently or in combination with other methods of job analysis. Three methods of job analysis based on observation are:

- (i) Direct Observation;
- (ii) Work
- (iii) Methods Analysis; and
- (iv) Critical Incidents Technique.

15.5.2 Direct Observation

Using direct observation, a person conducting the analysis simply observes employees in the performance of their duties. The observer either takes general notes or works from a form which has structured categories for comment. Everything is observed: what the worker accomplishes, what equipment is used etc. The limitation of this method is that it cannot capture the mental aspects of jobs, such as decision making or planning, since mental processes are not observable.

15.5.3 Work Methods Analysis

This method is used to describe manual and repetitive production jobs, such as factory or assembly-line jobs. This method is used by industrial engineers to determine standard rates of production

15.5.4 Critical Incidents Technique

It involves observation and recording of examples of particularly effective or ineffective behaviors. Behaviours are judged to be "effective" or "ineffective" in terms of results

produced by the behavior. In this method a person using the critical incidents must describe behaviour in retrospect, or after the fact, rather than as the activity unfolds. Accurate recording of past observations is more difficult than recording the behaviours as they occur.

15.5.5 Interview

In this method, the Analyst interviews the employee, his supervisor and other concerned persons and record answers to relevant questions. The interviewer asks job related questions and a standard format is used to record the data. The limitation of this method is that it does not provide accurate information because the employee may not provide accurate information to protect his own interest. Success of this method depends upon the rapport between the analyst and the employee.

15.5.6 Questionnaire

In this method properly drafted questionnaires are sent to jobholders. Structured questionnaires on different aspects of a job are developed. Each task is described in terms of characteristics such as frequency, significance, difficulty and relationship to overall performance. The jobholders give their rating of these dimensions. The ratings obtained are analyzed and a profile of actual job is developed. This method provides comprehensive information about a job. The limitation of this method is that it is time consuming and costly.

15.6 JOB DESIGN

Job Design Job design is next to job analysis. Job design involves systematic attempts to organize tasks, duties and responsibilities into a unit of work to achieve certain objectives. Job design integrates the work content and qualifications required for each job that meets the needs of employee and the organization. Job design makes the job highly specialized and well designed jobs are important in attracting and retaining a motivated work force. According to Michael Armstrong, "Job Design is the process of deciding on the contents of a job in terms of its duties and responsibilities, on the methods to be used in carrying out the job, in terms of techniques, systems and procedures, and on the relationships that should exist between the job holder and his superior subordinates and colleagues." Job Design is affected by three categories of factors: **Organizational Factors**: The organizational factors that affect job design are characteristics of task, work flow, ergonomics and work practices.

15.6.1 Characteristic of task

Each task consists of 3 elements, namely, planning, executing and controlling. Job design involves the assembly of a number of tasks into a job or a group of jobs. A job may require an employee to perform a variety of connected task. All these characteristics of jobs are taken into consideration for job design.

15.6.2 Workflow

The flow of work in an organization is strongly influenced by the nature of the product. This product usually suggests the sequence and balance between jobs if the work is to be completed efficiently.

15.6.3 Ergonomics

Ergonomics is concerned with the designing and shaping of jobs as per the physical abilities and characteristics of individuals so that they can perform their jobs effectively.

15.6.4 Work Practices

Work practices are the set methods of performing work. This can affect the job design as there is little flexibility in designing the job especially if the work practices are approved by employee unions. Environmental Factors: Environmental factors affect job design. Environmental factors include employee abilities & availability and Social & Cultural expectations.

15.6.5 Employee Abilities & Availability

Abilities and availability of people plays an important role while designing jobs. Due attention needs to be given to the employee who will actually perform the job.

15.6.6 Social And Cultural Expectations

Jobs should be designed keeping the employees in mind. Due to increase in literacy rate and knowledge, employees are now more aware and only perform jobs that are to their liking and match their profile.

15.6.7 Behavioral Factors

Behavioral factors are related to human needs and they need to be satisfied properly. Behavioral elements include the following:

15.6.8 Feedback

Employee should be given proper feedback about his job performance. This will enable the employee to improve his performance and complete the job in a proper manner.

15.6.9 Autonomy

Employee should be given proper autonomy required to perform the work. The absence of autonomy may lead to poor performance on the part of employees.

Use of Abilities: The job should be designed in such a manner that an employee will be able to use his abilities fully and perform the job effectively.

15.7 METHODS OF JOB DESIGN**15.7.1 Job Simplification**

In the job simplification technique, the job is simplified or specialized. A given job is divided into small sub-parts and each part is assigned to one individual employee. Job simplification is introduced when job designers feel that the jobs are not specialized enough.

15.7.2 Job Rotation

Job rotation implies systematic movement of employees from one job to the other. Job remains unchanged but employees performing them shift from one job to the other. With job rotation, an employee is given an opportunity to perform different jobs, which enriches his skills, experience and ability to perform different jobs. It is the process of preparing employees at a lower level to replace someone at the next higher level. It is generally done for the designations that are crucial for the effective and efficient functioning of the organization. By this to some extent boredom is reduced. However for this people interest is primary importance. By this they can also learn new things, new techniques, and new ways of

doing better work. It may also happen that over a period of time they will be finding a job for which they are better suitable. They can also contribute in a better way to achieve the goals of the organization. This aspect of job rotation can be seen widely applied in Retail scenario, where end user or consumer is in direct presence all through. This has for large extent reduced boredom, reduced irregularities due to familiarity, acquired new skills & assuming new & varied responsibilities. In other words it will lead to better job satisfaction, which is the ultimate goal for better contribution.

15.7.3 Job Enlargement

Job enlargement means expanding the scope of the job. Many tasks and duties are aggregated and assigned to a single job. It is opposite to job simplification. Job enlargement is an extension of Job rotation, exposing the people to several jobs without changing the job duties to be performed. He is taken off the boring job for a while & is allowed to take up a related task & so on. Monotony is relieved temporarily.

Critics are of the opinion that this approach involves nothing more than having to perform several boring jobs rather than one. Job enlargement is to expand in several tasks than just to do one single task. It is also the horizontal expansion of a job. It involves the addition of tasks at the same level of skill and responsibility. It is done to keep workers from getting bored. This would also be considered multi tasking by which one person would do several persons jobs, saving the company money and man hours that normally would be paid to additional workers. Small companies may not have as many opportunities for promotions, so they try to motivate employees through job enlargement. For example when I worked at a restaurant. I would bus the tables, wash the dishes, and run food upstairs. If they had just one person doing each job on the same night, it would cost the management three times the money. This adds more functions; increases variety of tasks & this is short lived. It cannot enrich the human content of job. The ultimate answer is Job Enrichment.

15.7.4 Job Enrichment

Job enrichment means making the job rich in its contents so that an employee will get more satisfaction while performing that job. It upgrades the responsibility, scope and challenge. A vast majority of the jobs are repetitive & monotonous in nature. This results in reducing the motivational content & human element of the job with repercussions on performance. The central focus of job enrichment is giving people more control over their work (lack of control is a key cause of stress, and therefore of unhappiness.) Where possible, allow them to take on tasks that are typically done by supervisors. This means that they have more influence over planning, executing, and evaluating the jobs they do. In enriched jobs, people complete activities with increased freedom, independence, and responsibility. They also receive plenty of feedback, so that they can assess and correct their own performance.

Job Enrichment tries to embellish the job with factors of motivation:

- a. Achievement
- b. Recognition
- c. Increased Responsibilities
- d. Self Involvement
- e. Opportunities for Growth
- f. Advancement
- g. Increased Competence.

Job Enrichment is concerned with redesigning the job to include a variety of work content; that gives the person more autonomy & responsibility for planning, directing & controlling his own performance & provide opportunity for personal growth & meaningful work experience. Job Enrichment also for decentralization of decision making rights to individual over areas that directly affect his task functions. The emphasis is on the result of efforts rather than the procedure to carry out the work, thus making the job result oriented. This also results in motivation, satisfaction in believing oneself to be personally accountable for results & being able to know how satisfactory ones efforts are. By Job Enrichment, condition or state of human capabilities which were not fully utilized & creation of frustration among the individual is removed to the extent possible.

15.8 SUMMARY

Job analysis is a systematic investigation of tasks, duties and responsibilities of a job. Job analysis starts with collection of relevant information and ends with development of job description and job specification. The specific uses of job analysis are: Manpower planning, Recruitment and selection, training and placement, compensation and employee welfare, counseling and performance appraisal. Job description is a written document consists of job title, summary, equipment, environment and activities.

15.9 KEY WORDS

Job Simplification - Job simplification technique, the job is simplified or specialized. A given job is divided into small sub-parts and each part is assigned to one individual employee. Job simplification is introduced when job designers feel that the jobs are not specialized enough.

Job Rotation - Job rotation implies systematic movement of employees from one job to the other. Job remains unchanged but employees performing them shift from one job to the other

Job Enrichment - Job Enrichment is concerned with redesigning the job to include a variety of work content; that gives the person more autonomy & responsibility for planning, directing & controlling his own performance & provide opportunity for personal growth & meaningful work experience

Job Enlargement - Job enlargement means expanding the scope of the job. Many tasks and duties are aggregated and assigned to a single job

15.10 SELF ASSESSMENT QUESTIONS

1. Define Job description? Discuss the Purpose of Job Description?
2. Describe the Significance and Components of Job analysis?
3. Discuss the Basic Contents of Job Specification?
4. Explain the Characteristics to Job Design?

15.11 SUGGESTED READINGS

1. Mishra, M.N. Organizational Behaviour. Noida: Vikas Publishing House 2010.
2. Aswathappa, K. Organizational Behaviour. Mumbai: Himalaya Publishing House Pvt. Ltd 2010.
3. Gupta C.B A Textbook Of Organisational Behaviour S.Chand Publications January 2014
4. Stephen P. Robbins Organizational Behavior Eighteen Edition Pearson Publications November 2018
5. John Ivancevich Robert Konopaske Michael Matteson, Organizational Behavior and Management McGraw-Hill Education – Europe Tenth Edition 2018

Dr.M. RAMA SATYANARAYA

LESSON -16

JOB ENLARGEMENT AND JOB ENRICHMENT

Learning objectives

- ✓ To study the principles of job design
- ✓ To understand the Benefits of Job Enlargement
- ✓ To study the Job enrichment

Structure

16.0 Introduction

16.1 Principle of Job Design

16.2 Methods of Job Design

- 16.2.1 Job Simplification
- 16.2.2 Job Rotation
- 16.2.3 Job Enlargement
- 16.2.4 Job Enrichment

16.3 Benefits of Job Enlargement

- 16.3.1 Reduced Monotony
- 16.3.2 Increased Work Flexibility
- 16.3.3 No skills training required

16.4 Job Enrichment and Job Enlargement

16.5 How does an organization enrich an job

16.6 Benefits of Job Enlargement

16.7 Techniques of Job Enlargement

- 16.7.1 Advantages of Job Enlargement
 - 16.7.1 (a) Learning New skills
 - 16.7.1.(b) Boost energy of employee by reducing boredom
 - 16.7.1.(c) Creates positive Better work Environment
 - 16.7.1(d) Increase chance of recognition and reward
 - 16.7.1(e) Provide Motivation for advancement
 - 16.7.1(f) It provides a sense of accomplishment
 - 16.7.1(g) Reduce absenteeism
 - 16.7.1(h) Create Professional Approach
- 16.7.2 Disadvantages of Job Enrichment

- 16.7.2.a Increase Work load
- 16.7.2.b. Additional skills needed
- 16.7.2.c. Lack of Knowledge
- 16.7.2.d Incapability
- 16.7.2.e Miscommunication
- 16.7.2.f Lack of Performance
- 16.7.2.g Unfavorable to employee

16.8 Summary

16.9 Key words

16.10 Self Assessment Questions

16.11 Suggested Readings

16.0 INTRODUCTION

Job design is of comparatively recent origin. The human resource managers have realized that the design of a job has considerable influence on the productivity and job satisfaction; poorly designed jobs often result in boredom to the employees, increased turnover, job dissatisfaction, low productivity and an increase in overall costs of the organization. All these negative consequences can be avoided with the help of proper job design.

According to Jon Werner and DeSimone, "Job design is the development and alteration of the components of a job (such as the tasks one performs, and the scope of one's responsibilities) to improve productivity and the quality of the employees' work life."

Job design has been defined by Davis (1966) as "The specification of the contents, methods, and relationships of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the job-holder."

Milkovich and Boudreau defined job design as, "Job design integrates work content (tasks, functions, and relationships), the rewards (extrinsic and intrinsic) and the qualifications required (skills, knowledge, abilities) for each job in a way that meets the needs of employees and the organization."

Michael Armstrong has defined job design as "the process of deciding on the content of a job in terms of its duties and responsibilities, on the methods to be used in carrying out the job, in terms of techniques, systems and procedures, and on the relationships that should exist between the job holder and his superiors, subordinates and colleagues."

Job design is an attempt to create a match between job requirements and human attributes. It involves organizing the components of the job and the interaction patterns among the members of a work group. It helps in developing appropriate design of job to improve efficiency and satisfaction.

16.1 PRINCIPLES OF JOB DESIGN

Principles are the bases of the approach used in job design. Robertson and Smith (1985) have suggested the following five principles of job design:

1. To influence skill variety, provide opportunities for people to do several tasks and combine tasks.
2. To influence task identity, combine tasks and from natural work units.
3. To influence task significance, form natural work units and inform people of the importance of their work.
4. To influence autonomy, give people responsibility for determining their own working systems.
5. To influence feedback; establish good relationship and open feedback channels.

16.2 METHODS OF JOB DESIGN

16.2.1 Job Simplification

In job simplification, the complete job is broken down into small subparts; this is done so that employee can do these jobs without much specialized training. Moreover, small operations of the job can also be performed simultaneously so that the complete operation can be done more quickly. For job simplification, generally time and motion studies are used.

16.2.2 Job Rotation

Another technique designed to enhance employee motivation is job rotation, or periodically assigning employees to alternating jobs or tasks. For example, an employee may spend two weeks attaching 41 bumpers to vehicles and the following two weeks making final checks of the chassis. During the next month, the same employee may be assigned to two different jobs. Therefore, the employee would be rotated among four jobs. The advantage of job rotation is that employees do not have the same routine job day after day. Job rotation only addresses the problem of assigning employees to jobs of limited scope; the depth of the job does not change. The job cycle of the actual daily work performed has not been lengthened or changed. Instead, employees are simply assigned to different jobs with different cycles. Because job rotation does not change the basic nature of jobs, it is criticized as nothing more than having an employee perform several boring and monotonous jobs rather than one. Some employees dislike job rotation more than being assigned to one boring job because when they are assigned to one job they know exactly where to report and what work to expect each day. Workers quickly realize that job rotation does not increase their interest in their work. Although it seldom addresses the lack of employee motivation, it give managers a means of coping with frequent absenteeism and high turnover. Thus when absenteeism or turnover occurs in the work force, managers can quickly fill the vacated position because each employee can perform several jobs. Job rotation is often effectively used as a training technique for new, inexperienced employees. At higher organizational levels, rotation also helps to develop managerial generalists because it exposes them to several different operations

16.2.3 Job Enlargement

Another means of increasing employee's satisfaction with routine jobs is job enlargement, or increasing the number of tasks performed (i.e. increasing the scope of the job). Job enlargement, like job rotation, tries to eliminate short job cycles that create boredom. Unlike job rotation, job enlargement actually increases the job cycle. When a job is enlarged, either the tasks being performed are enlarged or several short

tasks are given to one worker. Thus, the scope of the job is increased because there are many tasks to be performed by the same worker. Job enlargement programs change many methods of operation- in contrast to job rotation, in which the same work procedures are used by workers who rotate through work stations. Although job enlargement actually changes the pace of the work and the operation by reallocating tasks and responsibilities, it does not increase the depth of a job. The focus of designing work for job enlargement is the exact opposite of that for job specialization. Instead of designing jobs to be divided up into the fewest of tasks per employee, a job is designed to have many tasks for the employee to perform. An enlarged job requires a longer training period because there are more tasks to be learned. Worker satisfaction should increase because it is reduced as the job scope is expanded. However, job enlargement programs are successful with jobs that have increased scope; such workers are less prone to resort to absenteeism, grievances, slowdowns and other means of displaying job dissatisfaction. Enlargement is done only on the horizontal level. Thus, the job remains the same, but becomes of a larger scale than before. In the words of George Strauss and L.R. Sayles "Job enlargement implies that instead of assigning one man to each job, a group of men can be assigned to a group of jobs and then allowed to decide for themselves how to organize the work. Such changes permit more social contacts and control over the work process."

16.2.4 Job Enrichment

The concept of job enrichment has been derived from Herzberg's two-factor theory of motivation in which he has suggested that job content is one of the basic factors of motivation. If the job is designed in such a manner that it becomes more interesting and challenging to the job performer and provides him opportunities for achievement, recognition, responsibility, advancement and growth, the job itself becomes a source of motivation to the individual. According to Richard W. Beatty and Graig Eric. Schneider, "Job enrichment is a motivational technique which emphasizes the need for challenging and interesting work. It suggests that jobs be redesigned so that intrinsic satisfaction is derived from doing the job. In its best applications it leads to a vertically enhanced job by adding function from other organizational levels, making it contain more variety and challenge and offer autonomy and pride to the employee." According to P. Robbins, "Job enrichment refers to the vertical expansion of the jobs. It increases the degree to which the worker controls the planning, execution and evaluation of his work." In the words of Robert Albanese, "Job enrichment sometimes called. "vertical job leading" is a job redesign strategy that focuses on job depth."

Job enlargement is a job design technique wherein there is an increase in the number of tasks associated with a certain job. In other words, it means increasing the scope of one's duties and responsibilities. The increase in scope is quantitative in nature and not qualitative and at the same level.

Job enlargement is a horizontal restructuring method that aims at increase in the workforce flexibility and at the same time reducing monotony that may creep up over a period of time. It is also known as horizontal loading in that the responsibilities increase at the same level and not vertically.

Many believe that since the enlargement is horizontal in nature there is not a great need for training! Contrary to this, job enlargement requires appropriate training especially

on time and people management. Task related training is not required much since the person is already aware of the same or doing it for some time.

16.3 BENEFITS OF JOB ENLARGEMENT

The following are the major benefits of Job enlargement

16.3.1 Reduced Monotony

Howsoever interesting the job may appear in the beginning, sooner or later people complain of boredom and monotony. Job enlargement if planned carefully can help reduce boredom and make it more satisfying and fulfilling for the employees.

16.3.2 Increased Work Flexibility

There is an addition to the number of tasks an individual performs. There is thus an increased scope of carrying out tasks that are versatile and yet very similar in certain aspects.

16.3.3 No Skills Training Required

Since the individual has already been performing the task in the past, there is no great requirement for imparting of new skills. However people and time management interventions may be required. The job thus gets more motivational for the one performing it.

16.4 Job Enrichment and Job Enlargement

The difference between job enrichment and job enlargement is essentially of quantity and quality. Whereas job enlargement means increasing the scope of job quantitatively by adding up more tasks, job enrichment means improvement in the quality of job such that employees are more satisfied and fulfilled.

Through job enrichment an employee finds satisfaction and contentment in his job and through job enlargement employee feels more responsible and worthwhile in the organization. Job enrichment entails the functions of planning and organizing and enlargement involves execution of the same. Both complement each other, in that job enrichment empowers and enlargement executes.

Job enrichment depends upon job enlargement for success and the reverse is not true.

Job enrichment means a vertical expansion in duties and responsibilities and span of control whereas in job enlargement the expansion is horizontal in nature. Job enrichment has been found to have greater impact in terms of motivation when compared to job enlargement. Since enrichment gives employee greater insights in managerial functioning and a better work profile, it is looked upon as an indicator of growth and development. The same is not true in case of job enlargement which is seen as an employer tactic to increase the workload.

Organizations are increasingly facing the heat of attrition, which is not good to health of the same. Lots of time, money and resources are spent into training an individual for a particular job and when he / she leaves the return on that investment equals null. Often it is not for the money that people leave; that may be the reason with the frontline staff but as we move towards the upper levels of organizational hierarchy, other reasons gain prominence. Many of those who quit their jobs complain of their jobs as uninteresting!

All this has compelled organizations to think of ways to make the job they offer interesting. Lots of efforts are made to keep monotony at bay; job enrichment is one of them. It is the process of making a job more interesting, challenging and satisfying for the employees. It can either be in the form of up gradation of responsibilities, increase in the range of influence and the challenges.

16.5 HOW DOES AN ORGANIZATION ENRICH A JOB

Typically job enrichment involves combining various existing and new tasks into one large module of work. The work is then handed over to an employee, which means there is an increase in responsibilities and scope. This increase in responsibility is often vertical. The idea is to group various tasks together such that natural work units are created.

In addition expanding jobs vertically also gives employee direct control over works units and employees that were formerly under the jurisdiction of top management only. While on one hand this increases the ownership of the employees in their work, it also relieves the unnecessary burden from the top management. Job enrichment also opens up a feedback channel for the employees. Employees are frequently apprised of their performance. This keeps them on track and helps them know their weak and strong points. Performance standards are set for the employees themselves and future performances are matched against the benchmarks. All this without any serious intervention or involvement of the top management!

In a certain bank that dealt with commercial credit letters for import and export trade, the employees processed the documents in a sequence with each employee being specialised for certain aspect of verification. Often it so happened that a mistake at preceding level lead to a series of mistakes at succeeding level. Errors accumulated at each level and this result in huge loss of productivity. The organization decided to go for job enrichment where each employee or clerk was specialized in all aspects of processing. Each employee was now able to handle a client on his own. After some time it was found out that the transaction volume increased by 100 percent!

Job enrichment is a process where the organization try to boosts up the morale of employee by providing a importance and higher work satisfaction to their employees. They treat them well by offering best of tasks that hep them improve and perks just as offered to their superiors or mangers.

In job enrichment, a candidate might be eligible for those benefits which can provide security and growth in the post of work.

16.6 BENEFITS OF JOB ENRICHMENT

Research studies on job enrichment found out decreased levels of absenteeism among the employees, reduced employee turnover and a manifold increase in job satisfaction. There are certain cases however where job enrichment can lead to a decrease in productivity, especially when the employees have not been trained properly. Even after the training the process may not show results immediately, it takes time to reflect in the profit line.

16.7 TECHNIQUES OF JOB ENRICHMENT

Techniques of Job Enrichment: In order to enrich the jobs. The management should adopt the following measures:

Organizational Behaviour	16.7	Job Enlargement and Job...
<ol style="list-style-type: none"> 1. Freedom in decisions 2. Assign a natural work unit to an employee. 3. Encouraging participation 4. Allow the employee to set his own standards of performance. 5. Minimize the controls to provide freedom to the employees 6. Make an employee directly responsible for his performance. 7. Encourage participation of employees in deciding organizational goals and policies. 8. Expand job vertically 9. Introducing new, difficult and creative tasks to the employees. 10. Sense of achievement. 		

16.7.1 Advantages of Job Enrichment

As per the job enrichment theory, there are several advantages or benefits of job enlargement in terms of their own origin and structure.

These job enlargement advantages can provide overall job satisfaction and growth in the field of work.

And even cover up all the importance of job enlargement and necessary objectives of job enrichment in the growth of the company.

16.7.1 .a. Learning New Skills

Providing job enrichment comes with a burden of additional duties and responsibilities. And to complete those duties and responsibilities of the post of work, the employees need to be aware of all the additional skills.

These additional skills provide details of the work which need to be completed.

Most of the time job enrichment can be favorable only for those employees who are willing to learn new skills for the sake of their own bright future.

16.7.1.b. Boosts energy of the employee by reducing boredom

Boosting energy is the answer to the question how does job enrichment motivate employees. As it has been already explained that job enrichment provides additional responsibilities to the employees of the company. And such kind of responsibilities creates a differentiation of working pattern. Differentiation in working pattern provides a different type of energy to perform that particular job. And eventually, it reduces boredom in the daily working environment. This is one of the important advantages of such job enrichment.

16.7.1.c . Creates a positive and better working environment

Providing job enrichment is one of the decisions of the company where in which it needs to be discussed that such type of job enrichment can be beneficial for the growth of the company.

Once the company experiences positive vibes from their job enrichment program, then it is quite possible that even employees can be positive about their new duties and responsibilities.

And this kind of environment in the workplace can be termed as one of the decisions for the betterment of the company and their employees.

16.7.1.d. Increases the chances of recognition and reward

Once the company provides job enrichment for their employees then there is a mere possibility that those employees can be recognized for the work allotted or can also be rewarded for their sincere work.

And fortunately, these employee rewarding and recognition process can create some sort of boost among its employees to work even better for their better future and growth.

Therefore, it is necessary for the employees of the company that they need to make use of their job enrichment in a better manner.

16.7.1.e . Provides motivation for the advancement

As per all the key elements of the job enrichment provided by the company, the employees will be awarded an extra load of duty, but that extra load of duty comes with an extra baggage of motivation.

Most of the time employees will be motivated to work better in their field of work and this can make things visible for the advancement of the growth of the company.

Therefore, it is possible that a small amount of motivation can create wonders in one's professional life.

16.7.1.f. It provides a sense of accomplishment

It generates a sense of accomplishment for both the employee and the company or the employer. Most of the time the employers of the company provide job enrichment to their employees, not for the sake of their employees, but actually, it is one of the strategies that the company delivers to make sure that they can earn better profits and provide better overall growth of the company.

Therefore, the fact is that job enrichment is beneficial not only for the employee but it is very important for the employer as well.

16.7.1 .g. Reduces absenteeism

It is possible that after the company goes with a decision of job enrichment, it can reduce the number of absenteeism in the workplace. And this can eventually change the outlook of the company.

All the employees of the company will be interested to know more about the new load of work which can reduce the time which can be wasted easily.

Therefore, understanding job enrichment is important for the company which is necessary to build an empire of successful business

16.7.1.h. Create a professional approach

The decision of providing job enrichment for the employees is one of the important decision which needs its own time.

And once the company takes such a decision, then there are quite a few changes that are going to take place in the company.

One of the important and major change that happen would be employees' professionalism. The employees of the company possibly keep a professional approach in the company.

16.7.2 Disadvantages of Job Enrichment

It is necessary to understand that job enrichment not just comes with all the beneficial and motivational elements.

Unfortunately, it can be triggered with some of the limitations as well. And these limitations can make certain things clear about job enrichment with its own nature of flaw.

16.7.2.a. Increases work load

As it is explained earlier and some of the employees of the company even agree that those companies which provide job enrichment to their employees expect a lot of their employees working structure. And to understand that working structure, employers of the company increase the work load eventually. It is even possible that job enrichment can mean a little extra for the employees in terms of their work load provided.

16.7.2.b. Additional skills needed

This is quite clear that when the company provides job enrichment for their employees, it makes things tough for the employees in terms of learning new skills.

In brief words, it makes it difficult for the employees to learn new skills at that age of work. And eventually, that company can lose its standard of work because of that job enrichment decision. Learning additional skills can be exciting, but learning during that type of heavy workload is a wrong decision.

16.7.2.c. Lack of knowledge

Most of the time, job enrichment can be dangerous for the company in terms of their growth. And that is because of the lack of knowledge of the employees.

For example, if an employee is being provided with a job enrichment along with an extra load of work, then there is a possibility that the employee would not be capable of handling that load of work because of his/her lack of knowledge about that work.

16.7.2.d. Incapability

Working under intense pressure is surely an effective and important trait. But after explaining all the above statements it is very much easy to understand that if an employee will be allotted with a job enrichment there is a possibility that particular employee would not be able to handle such kind of work pressure in the name of job enrichment. Therefore, it is quite clear that not everything that comes out of job enrichment can be beneficial for the employees nor for the employers.

16.7.2.e. Mis Communication

Because all sorts of problems and issues with a job enrichment there is a possibility that the company can even face some sort of miscommunication between their employees and the employers.

And such type of mis-communication can lead the company to its end. Therefore, it is necessary for both the party that they need to handle such type of difference of point of view in a matured manner.

16.7.2.f. Lack of Performance

As it made clear that once the employee faces a load of work which he/she is not skilled for, can make things worse for the employees.

And it is very much important that to overcome that situation the employee needs to be aware of all the necessary skills needed to complete the task given.

In this process of learning the employee can lose his/her performance at work which he/she used to excel.

16.7.2.g. Unfavorable for the employees

There is a quite a pile of decision which comes to accommodate with job enrichment. And those unfavorable decisions can make things worse for the company employees.

Therefore, it is possible that employees might oppose the decision taken by the company in the name of their employees' growth.

And there is even a possibility that employees can take things in a completely different way and the company can end up suffering because of that decision.

The bottom line is that all these advantages and disadvantages can make one thing clear about job enrichment and that is providing job enrichment can be a power which comes from its own flaws. Therefore, interested people can definitely understand the actual objective of these benefits and limitations of job enrichment.

16.8 Summary

The purpose of an organization is to give each person a separate distinct job and to ensure that these jobs are coordinated in such a way that the organization accomplishes its goals. Developing an organization structure results in jobs that have to be staffed. Job analysis is the procedure through which you find out (1) what the job entails, and (2) what kinds of people should be hired for the job.

It involves six steps:

- (1) determine the use of the job analysis information;
- (2) collection of background information;
- (3) selection of jobs for analysis;
- (4) collection of job analysis data;
- (5) processing the information;
- (6) preparing job descriptions and job classifications; and
- (7) developing job specifications.

Techniques of job analysis are – observation method, questionnaires, participant diary/logs, interview, critical incidents, technical conference method, and job performance. Job description and job specification are products of job analysis. Job description should indicate: duties to be performed by the job holder and the manner he should complete the tasks. Job specification: answer the question “what human traits and experience are necessary to do the job. It portrays what kind of person to recruit and for what qualities that person

should be tested". Job design is an attempt to create a match between job requirements and job attribute. Job rotation implies transfer to a job of same level and status. Job simplification enables the employees to do the without much specialized training. Job enlargement is the process of increasing the scope of job of a particular by adding more tasks to it. And job enrichment implies increasing the contents of a job or the deliberate upgrading of responsibility scope and challenge in work. Job enlargement and job enrichment are both important forms of job design in order to enhance the productivity and satisfaction of the job holders.

16.9 KEY WORDS

Job Description- Job description should indicate: duties to be performed by the job holder and the manner he should complete the tasks. Job specification: answer the question "what human traits and experience are necessary to do the job. It portrays what kind of person to recruit and for what qualities that person should be tested".

Job design Job design integrates work content (tasks, functions, and relationships), the rewards (extrinsic and intrinsic) and the qualifications required (skills, knowledge, abilities) for each job in a way that meets the needs of employees and the organization."

Job Enlargement- Job enlargement is the process of increasing the scope of job of a particular by adding more tasks to it. And job enrichment implies increasing the contents of a job or the deliberate upgrading of responsibility scope and challenge in work.

Job enrichment- Job enrichment is a motivational technique which emphasizes the need for challenging and interesting work. It suggests that jobs be redesigned so that intrinsic satisfaction is derived from doing the job

16.10 SELF ASSESSMENT QUESTIONS

1. Discuss the Principle of Job Design?
2. Examine the Methods of Job Design?
3. Briefly Explain the Benefits of Job Enlargement
4. Examine the difference Job Enrichment and Job Enlargement
5. Discuss the benefits and Techniques of job Enrichment

16.11 SELF SUGGESTED READINGS

1. Mishra, M.N. *Organizational Behaviour* Noida: *Vikas Publishing House* 2010.
2. Aswathappa, K. *Organizational Behavior*. Mumbai: Himalaya Publishing House Pvt. Ltd 2010.
3. Gupta C.B A Textbook Of Organisational Behavior S.Chand Publications January 2014
4. Stephen P. Robbins *Organizational Behaviour* Eighteen Edition Pearson Publications November 2018
5. John Ivancevich Robert Konopaske Michael Matteson, *Organizational Behavior and Management* McGraw-Hill Education – Europe Tenth Edition 2018
6. Shearsett Allison *Organizational Behavior* Independently Published (2018)
7. Inder Jeet, Suman Solanki *Organisational Behaviour for B.Com (Honours)(Previous 3 Years Semester)* Delhi University Semester 5 Taxman Publication 2018

Dr. M. RAMA SATYANARAYA

LESSON-17

ORIGIN OF FORMAL AND INFORMAL ORGANISATION

Learning objectives

- ✓ To Understand the Steps in the Organization
- ✓ To Learn the Importance of Organization Function
- ✓ To Study the Principles of Organizing Function

Structure

17.0 Introduction

17.1 steps in Organizing function

- 17.1.1 Identification of activities
- 17.1.2 Departmentally organizing activities
- 17.1.3 Classifying authority
- 17.1.4 Co-ordination between Authority and Responsibility

17.2 Importance of Organization function

- 17.2.1 Specialization
- 17.2.2 Well defined jobs
- 17.2.3 Clarifies Authority
- 17.2.4 Co-ordination
- 17.2.5 Effective Administration
- 17.2.6 Growth and Diversification
- 17.2.7 Sense of Security
- 17.2.8 Scope for New changes

17.3 Principles of Organizing

- 17.3.1 Principle of Specialization
- 17.3.2 Principle of Functional definition
- 17.3.3 Principle of Span of Control
- 17.3.4 Wide span of control
- 17.3.5 Narrow span of control
- 17.3.6 Managerial Abilities
- 17.3.7 Competence of subordinates
- 17.3.8 Nature of work

17.3.9 Delegation of authority

17.3.10 Degree of Decentralization

17.3.11 Principle of scalar chain

17.4 Formal and Informal Organization

17.4.1 Formal Organization

17.4.2 Characteristic features of formal Organization

17.4.3 Advantages of formal organization

17.4.4 Disadvantages or criticism of formal organization

17.5 Informal Organization

17.5.1 Characteristic feature of Informal Organization

17.5.2 Benefits of Informal Organization

17.6 Difference between formal and informal organization

17.6.1 Formal Organization

17.6.2 Informal Organization

17.7 Summary

17.8 Key words

17.9 Self Assessment Question

17.10 Suggested readings

17.0 INTRODUCTION

Organizing is the function of management which follows planning. It is a function in which the synchronization and combination of human, physical and financial resources takes place. All the three resources are important to get results. Therefore, organizational function helps in achievement of results which in fact is important for the functioning of a concern. According to Chester Barnard, "Organizing is a function by which the concern is able to define the role positions, the jobs related and the co-ordination between authority and responsibility. Hence, a manager always has to organize in order to get results.

A manager performs organizing function with the help of following steps:-

17.1 STEPS IN ORGANIZING FUNCTION

17.1.1 Identification of activities

All the activities which have to be performed in a concern have to be identified first. For example, preparation of accounts, making sales, record keeping, quality control, inventory control, etc. All these activities have to be grouped and classified into units.

17.1.2 Departmentally organizing the activities

In this step, the manager tries to combine and group similar and related activities into units or departments. This organization of dividing the whole concern into independent units and departments is called departmentation.

17.1.3 Classifying the authority

Once the departments are made, the manager likes to classify the powers and its extent to the managers. This activity of giving a rank in order to the managerial positions is called hierarchy. The top management is into formulation of policies, the middle level management into departmental supervision and lower level management into supervision of foremen. The clarification of authority helps in bringing efficiency in the running of a concern. This helps in achieving efficiency in the running of a concern. This helps in avoiding wastage of time, money, effort, in avoidance of duplication or overlapping of efforts and this helps in bringing smoothness in a concern's working.

17.1.4 Co-ordination between authority and responsibility

Relationships are established among various groups to enable smooth interaction toward the achievement of the organizational goal. Each individual is made aware of his authority and he/she knows whom they have to take orders from and to whom they are accountable and to whom they have to report. A clear organizational structure is drawn and all the employees are made aware of it.

17.2 IMPORTANCE OF ORGANIZING FUNCTION

17.2.1 Specialization

Organizational structure is a network of relationships in which the work is divided into units and departments. This division of work is helping in bringing specialization in various activities of concern.

17.2.2 Well defined jobs

Organizational structure helps in putting right men on right job which can be done by selecting people for various departments according to their qualifications, skill and experience. This is helping in defining the jobs properly which clarifies the role of every person.

17.2.3 Clarifies authority

Organizational structure helps in clarifying the role positions to every manager (status quo). This can be done by clarifying the powers to every manager and the way he has to exercise those powers should be clarified so that misuse of powers do not take place. Well defined jobs and responsibilities attached helps in bringing efficiency into managers working. This helps in increasing productivity.

17.2.4 Co-ordination

Organization is a means of creating co-ordination among different departments of the enterprise. It creates clear cut relationships among positions and ensure mutual co-operation among individuals. Harmony of work is brought by higher level managers exercising their authority over interconnected activities of lower-level manager.

Authority responsibility relationships can be fruitful only when there is a formal relationship between the two. For smooth running of an organization, the co-ordination between authority- responsibility is very important. There should be co-ordination between different relationships. Clarity should be made for having an ultimate responsibility attached to every authority. There is a saying, "Authority without responsibility leads to ineffective behavior and responsibility without authority makes person ineffective." Therefore, co-ordination of authority- responsibility is very important.

17.2.5 Effective administration

The organization structure is helpful in defining the jobs positions. The roles to be performed by different managers are clarified. Specialization is achieved through division of work. This all leads to efficient and effective administration.

17.2.6 Growth and diversification

A company's growth is totally dependent on how efficiently and smoothly a concern works. Efficiency can be brought about by clarifying the role positions to the managers, co-ordination between authority and responsibility and concentrating on specialization. In addition to this, a company can diversify if its potential grow. This is possible only when the organization structure is well- defined. This is possible through a set of formal structure.

17.2.7 Sense of security

Organizational structure clarifies the job positions. The roles assigned to every manager is clear. Co-ordination is possible. Therefore, clarity of powers helps automatically in increasing mental satisfaction and thereby a sense of security in a concern. This is very important for job- satisfaction.

17.2.8 Scope for new changes

Where the roles and activities to be performed are clear and every person gets independence in his working, this provides enough space to a manager to develop his talents and flourish his knowledge. A manager gets ready for taking independent decisions which can be a road or path to adoption of new techniques of production. This scope for bringing new changes into the running of an enterprise is possible only through a set of organizational structure.

17.3 PRINCIPLES OF ORGANIZING

The organizing process can be done efficiently if the managers have certain guidelines so that they can take decisions and can act. To organize in an effective manner, the following principles of organization can be used by a manager.

17.3.1 Principle of Specialization

According to the principle, the whole work of a concern should be divided amongst the subordinates on the basis of qualifications, abilities and skills. It is through division of work specialization can be achieved which results in effective organization.

17.3.2 Principle of Functional Definition

According to this principle, all the functions in a concern should be completely and clearly defined to the managers and subordinates. This can be done by clearly defining the

duties, responsibilities, authority and relationships of people towards each other. Clarifications in authority-responsibility relationships helps in achieving co-ordination and thereby organization can take place effectively. For example, the primary functions of production, marketing and finance and the authority responsibility relationships in these departments should be clearly defined to every person attached to that department. Clarification in the authority-responsibility relationship helps in efficient organization.

17.3.3 Principles of Span of Control/Supervision

According to this principle, span of control is a span of supervision which depicts the number of employees that can be handled and controlled effectively by a single manager. According to this principle, a manager should be able to handle what number of employees under him should be decided. This decision can be taken by choosing either from a wide or narrow span. There are two types of span of control:-

17.3.4 Wide span of control

It is one in which a manager can supervise and control effectively a large group of persons at one time. The features of this span are:-

- i. Less overhead cost of supervision
- ii. Prompt response from the employees
- iii. Better communication
- iv. Better supervision
- v. Better co-ordination
- vi. Suitable for repetitive jobs

According to this span, one manager can effectively and efficiently handle a large number of subordinates at one time.

17.3.5 Narrow span of control

According to this span, the work and authority is divided amongst many subordinates and a manager doesn't supervise and control a very big group of people under him. The manager according to a narrow span supervises a selected number of employees at one time. The features are:-

Work which requires tight control and supervision, for example, handicrafts, ivory work, etc. which requires craftsmanship, there narrow span is more helpful.

- i. Co-ordination is difficult to be achieved.
- ii. Communication gaps can come.
- iii. Messages can be distorted.
- iv. Specialization work can be achieved.
- v. Factors influencing Span of Control

17.3.6 Managerial abilities

In the concerns where managers are capable, qualified and experienced, wide span of control is always helpful.

17.3.7 Competence of subordinates

Where the subordinates are capable and competent and their understanding levels are proper, the subordinates tend to very frequently visit the superiors for solving their problems. In such cases, the manager can handle large number of employees. Hence wide span is suitable.

17.3.8 Nature of work

If the work is of repetitive nature, wide span of supervision is more helpful. On the other hand, if work requires mental skill or craftsmanship, tight control and supervision is required in which narrow span is more helpful.

17.3.9 Delegation of authority

When the work is delegated to lower levels in an efficient and proper way, confusions are less and congeniality of the environment can be maintained. In such cases, wide span of control is suitable and the supervisors can manage and control large number of sub-ordinates at one time.

17.3.10 Degree of Decentralization

C. In such cases, a tall structure is helpful. There are certain concerns where decentralization is done in very effective way which results in direct and personal communication between superiors and sub-ordinates and there the superiors can manage large number of subordinates very easily. In such cases, wide span again helps.

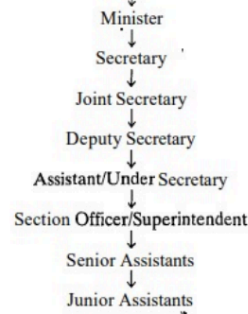
17.3.11 Principle of Scalar Chain

Scalar chain is a chain of command or authority which flows from top to bottom. With a chain of authority available, wastages of resources are minimized, communication is affected, overlapping of work is avoided and easy organization takes place. A scalar chain of command facilitates work flow in an organization which helps in achievement of effective results. As the authority flows from top to bottom, it clarifies the authority positions to managers at all level and that facilitates effective organization.

17.3.12 Principle of Unity of Command

It implies one subordinate-one superior relationship. Every subordinate is answerable and accountable to one boss at one time. This helps in avoiding communication gaps and feedback and response is prompt. Unity of command also helps in effective combination of resources, that is, physical, financial resources which helps in easy co-ordination and, therefore, effective organization.

One of the areas in the field of organization theory that has engaged the attention of scholars is the role of formal and informal organizations. Formal organization is one which is deliberately planned and designed and duly sanctioned by the competent authority. It is the organization as shown on the organization chart or as described by manuals and rules. It is an organization as it appears to the observers from outside. It is customary for any organization to prepare a chart forming the structure; The following chart would serve as an illustration.

DEPARTMENT OF FOOD & AGRICULTURE

According to Chester Barnard Formal organization is a system of consciously coordinated activities or forces of two or more persons. Barnard explains that individuals agree to work in an organization because they are prepared to contribute their services and receive in return certain benefits. The working of the postal department can be given as a good example. The delivery of mail depends upon certain interrelated activities like sorting of the letters, distribution of mail to the concerned postmen and delivery at the door step of the individuals concerned. Louis Allen defines formal organization as "a system of well defined jobs, each bearing a definite measure of authority, responsibility and accountability, the whole consciously designed to enable the people of the enterprise to work most effectively together in accomplishing their objectives". i Thus formal organization enables designing of an organization, identification of various levels for decision-making, allocation of duties and responsibilities and ensuring smooth performance.

17.4 Formal And Informal Organization

The formal organization refers to the structure of jobs and positions with clearly defined functions and relationships as prescribed by the top management. This type of organization is built by the management to realize objectives of an enterprise and is bound by rules, systems and procedures. Everybody is assigned a certain responsibility for the performance of the given task and given the required amount of authority for carrying it out. Informal organization, which does not appear on the organization chart, supplements the formal organization in achieving organizational goals effectively and efficiently. The working of informal groups and leaders is not as simple as it may appear to be. Therefore, it is obligatory for every manager to study thoroughly the working pattern of informal relationships in the organization and to use them for achieving organizational objectives

17.4.1 Formal Organization

Chester I Bernard defines formal organization as -"a system of consciously coordinated activities or forces of two or more persons. It refers to the structure of well-defined jobs, each bearing a definite measure of authority, responsibility and accountability." The essence of formal organization is conscious common purpose and comes into being when persons—

- i. Are able to communicate with each other

- ii. Are willing to act and Share a purpose.

The formal organization is built around four key pillars. They are:

- i. Division of labor
- ii. Scalar and functional processes
- iii. Structure and
- iv. Span of control

Thus, a formal organization is one resulting from planning where the pattern of structure has already been determined by the top management.

17.4.2 Characteristic Features of formal organization

Formal organization structure is laid down by the top management to achieve organizational goals.

Formal organization prescribes the relationships amongst the people working in the organization.

The organization structures is consciously designed to enable the people of the organization to work together for accomplishing the common objectives of the enterprise

Organization structure concentrates on the jobs to be performed and not the individuals who are to perform jobs

In a formal organization, individuals are fitted into jobs and positions and work as per the managerial decisions. Thus, the formal relations in the organization arise from the pattern of responsibilities that are created by the management.

A formal organization is bound by rules, regulations and procedures.

In a formal organization, the position, authority, responsibility and accountability of each level are clearly defined.

Organization structure is based on division of labor and specialization to achieve efficiency in operations.

A formal organization is deliberately impersonal. The organization does not take into consideration the sentiments of organizational members.

The authority and responsibility relationships created by the organization structure are to be honored by everyone.

In a formal organization, coordination proceeds according to the prescribed pattern.

17.4.3 Advantages of Formal Organization

The formal organization structure concentrates on the jobs to be performed. It, therefore, makes everybody responsible for a given task

A formal organization is bound by rules, regulations and procedures. It thus ensures law and order in the organization.

The organization structure enables the people of the organization to work together for accomplishing the common objectives of the enterprise

17.4.4 Disadvantages or Criticisms of Formal Organization

The formal organization does not take into consideration the sentiments of organizational members.

The formal organization does not consider the goals of the individuals. It is designed to achieve the goals of the organization only

The formal organization is bound by rigid rules, regulations and procedures. This makes the achievement of goals difficult.

17.5 INFORMAL ORGANIZATION

Informal organization refers to the relationship between people in the organization based on personal attitudes, emotions, prejudices, likes, dislikes etc. an informal organization is an organization which is not established by any formal authority, but arises from the personal and social relations of the people. These relations are not developed according to procedures and regulations laid down in the formal organization structure; generally large formal groups give rise to small informal or social groups. These groups may be based on same taste, language, culture or some other factor. These groups are not pre-planned, but they develop automatically within the organization according to its environment.

17.5.1 Characteristics features of informal organization

Informal organization is not established by any formal authority. It is unplanned and arises spontaneously.

Informal organizations reflect human relationships. It arises from the personal and social relations amongst the people working in the organization.

Formation of informal organizations is a natural process. It is not based on rules, regulations and procedures.

The inter-relations amongst the people in an informal organization cannot be shown in an organization charts

In the case of informal organization, the people cut across formal channels of communications and communicate amongst themselves.

The membership of informal organizations is voluntary. It arises spontaneously and not by deliberate or conscious efforts.

Membership of informal groups can be overlapping as a person may be member of a number of informal groups,

Informal organizations are based on common taste, problem, language, religion, culture, etc. it is influenced by the personal attitudes, emotions, whims, likes and dislikes etc. of the people in the organization.

17.5.2 Benefits of Informal organization

- i. It blends with the formal organization to make it more effective

- ii. Many things which cannot be achieved through formal organization can be achieved through informal organization
- iii. The presence of informal organization in an enterprise makes the managers plan and act more carefully
- iv. Informal organization acts as a means by which the workers achieve a sense of security and belonging. It provides social satisfaction to group member
- v. An informal organization has a powerful influence on productivity and job satisfaction
- vi. The informal leader lightens the burden of the formal manager and tries to fill in the gaps in the manager's ability.
- vii. Informal organization helps the group members to attain specific personal objectives
- viii. Informal organization is the best means of employee communication. It is very fast.
- ix. Informal organization gives psychological satisfaction to the members. It acts as a safety valve for the emotional problems and frustrations of the workers of the organization because they get a platform to express their feelings.
- x. It serves as an agency for social control of human behavior.

17.6 DIFFERENCES BETWEEN FORMAL AND INFORMAL ORGANIZATION

17.6.1 Formal Organization

1. Formal organization is established with the explicit aim of achieving well-defined goals
2. Formal organization is bound together by authority relationships among members. A hierarchical structure is created, constituting top management, middle management and supervisory management
3. Formal organization recognizes certain tasks which are to be carried out to achieve its goals.
4. The roles and relationships of people in formal organization are impersonally define
5. In formal organization, much emphasis is placed on efficiency, discipline, conformity, consistency and control
6. In formal organization, the social and psychological needs and interests of members of the organization get little attention.
7. The communication system in formal organization follows certain pre-determined patterns and paths.
8. Formal organization is relatively slow to respond and adapt to changing situations and realities.

17.6.2 Informal Organization

1. Informal organization springs on its own. Its goals are ill defined and intangible.
2. Informal organization is characterized by a generalized sort of power relationships. Power in informal organization has bases other than rational legal right
3. Informal organization does not have any well-defined tasks.
4. In informal organization the relationships among people are interpersonal.

5. Informal organization is characterized by relative freedom, spontaneity, by relative freedom, spontaneity, homeliness and warmth.

6. In informal organization the socio psychological needs, interests and aspirations of members get priority.

7. In informal organization, the communication pattern is haphazard, intricate and natural.

8. Informal organization is dynamic and very vigilant. It is sensitive to its surroundings.

17.7 SUMMARY

Organization that has a set of set rules and procedures within an organization. In a formal organization, the work is delegated to each and every individual of the organization. Everyone works towards the attainment of definite goals, which are in compliance with the goals of the organization. The authority, responsibility, and accountability of individuals in the organization are very well defined. Hence, promoting the co-ordination of various activities of the organization very effectively. The responsibilities of the individuals in the organization are well defined. They have a definite place in the organization due to a well-defined hierarchical structure that is inherent in any formal organization. The formal organizational structure clearly articulates the job to be performed by each individual, authority, responsibility assigned to each individual, superior-subordinate relationship, and designation of each individual in the organization. This structure is deliberately created by managers for achievement of organizational goals.

17.8 KEY WORDS

Organizing -Organizing is the function of management which follows planning. It is a function in which the synchronization and combination of human, physical and financial resources takes place.

Formal organization as -"a system of consciously coordinated activities or forces of two or more persons

Informal organization refers to the relationship between people in the organization based on personal attitudes, emotions, prejudices, likes, dislikes etc. an informal organization is an organization which is not established by any formal authority, but arises from the personal and social relations of the people

Wide span of control - It is one in which a manager can supervise and control effectively a large group of persons at one time

Narrow span of control- According to this span, the work and authority is divided amongst many subordinates and a manager doesn't supervises and control a very big group of people under him

Unity of Command- It implies one subordinate-one superior relationship. Every subordinate is answerable and accountable to one boss at one time.

Scalar chain- Scalar chain is a chain of command or authority which flows from top to bottom.

17.9 SELF ASSESSMENT QUESTIONS

1. Define Organizing? Discuss the steps in Organizing function?
2. Explain the Importance of organization function?
3. Describe the Principles of organizing

17.10 SUGGESTED READING

1. Mishra, M.N. Organizational Behavior. Noida: Vikas Publishing House 2010.
2. Aswathappa, K. Organizational Behavior. Mumbai: Himalaya Publishing House Pvt. Ltd 2010.
3. Gupta C.B A Textbook Of Organizational Behaviour S.Chand Publications January 2014
4. Stephen P. Robbins Organizational Behavior Eighteen Edition Pearson Publications November 2018
5. John Ivancevich Robert Konopaske Michael Matteson, Organizational Behavior and Management McGraw-Hill Education – Europe Tenth Edition 2018
6. Shearsett Allison Organizational Behavior Independently Published (2018)
7. Inder Jeet, Suman Solanki Organizational Behavior for B.Com (Honours)(Previous 3 Years Semester) Delhi University Semester 5 Taxman Publication 2018

Dr.V.NAGA NIRMALA

LESSON-18

PROBLEMS ASSOCIATED WITH THE INFORMAL ORGANIZATION

Learning objectives

- ✓ To study the Nature of Informal Organization
- ✓ To discuss the Types of informal groups
- ✓ To Understand the functions of Informal Organizations

Structure

18.0 Introduction

18.1 Definition

18.2 Nature of Informal Organization

- 18.2.1 Informal Leaders
- 18.2.2 Role of Informal leaders
- 18.2.3 Key Characteristics of Informal Organization

18.3 Functions of Informal Organization

- 18.3.1 Perpetuate the cultural and social values
- 18.3.2 Provide social statue and satisfaction
- 18.3.3 Promote Communication among members
- 18.3.4 Provide social control

18.4 Concept

18.5 Types of Informal Group

- 18.5.1 Horizontal Group
- 18.5.2 Vertical group
- 18.5.3 Mixed Group
- 18.5.4 Apathetic Group
- 18.5.5 Erratic group
- 18.5.6 Strategic Group
- 18.5.7 Conservative Group

18.6 How does Informal group form

18.7 Features of Informal group**18.8 Difference between the Formal and Informal Organization****18.9 Functions of Informal organization****18.10 Importance of Informal Organization**

18.10.1 Advantages

18.10.2 Disadvantages

18.10.2.a. Conflict

18.10.2.b. Rumors

18.10.3 Functions of Informal organization

18.10.4 Merits of Informal organization

18.10.5 Demerits of Informal Organization

18.11 Control of Informal Organization**18.12 Summary****18.13 key words****18.14 Self Assessment Questions****18.15 Suggested Readings****18.0 INTRODUCTION**

Organizational behavior is concerned with people's thoughts, feelings, emotions, and actions in a work setting. Understanding an individual behavior is in itself a challenge, but understanding group behavior in an organizational environment is a monumental managerial task.

As Nadler and Thushman put it: "Understanding one individual's behavior is challenging in and of itself; understanding a group that is made up of different individuals and comprehending the many relationships among those individuals is even more complex. Ultimately, the organization's work gets done through people, individually or collectively, on their own or in collaboration with technology. Therefore, the management of organizational behavior is central to the management task – a task that involves the capacity to "understand" the behavior patterns of individuals, groups and organizations, to "predict" what behavioral responses will be elicited by various managerial actions and finally to use this understanding and these predictions to achieve "control".

Organizational behavior can then define as: "The study of human behavior in organizational settings, the interface between human behavior and the organizational context, and the organization itself." The above definition has three facets – the individual behavior, the organization and the interface between the two

Each individual brings to an organization a unique set of beliefs, values, attitudes and other personal characteristics and these characteristics of all individuals must interact with each other in order to create an organizational setting. The organizational behavior is specifically concerned with work-related behavior which takes place in organizations. In addition to understanding the on-going behavioral processes involved in their own jobs, managers must understand the basic human element of their work. Organizational behavior offers three major ways of understanding this context; people as organizations, people as resources and people as people. Above all, organizations are people; and without people there would be no organizations. Thus, if managers are to understand the organizations in which they work, they must first understand the people who make up the organizations. As resources, people are one of an organization's most valuable assets. People create the organization, guide and direct its course, and vitalize and revitalize it. People make its decisions, solve its problems, and answer its questions. As managers increasingly recognize the value of potential contributions by their employees, it will become more and more important for managers and employees to grasp the complexities of organizational behavior. Finally, there is people as people – an argument derived from the simple notion of humanistic management.

People spend a large part of their lives in organizational settings, mostly as employees. They have a right to expect something in return beyond wages and benefits. They have right to expect satisfaction and to learn new skills. An understanding of organizational behavior can help the manager better appreciate this variety of individual needs and expectations. Organizational behavior is concerned with the characteristics and behaviors of employees in isolation; the characteristics and processes that are part of the organization itself; and the characteristics and behaviors' directly resulting from people with their individual needs and motivations working within the structure of the organization. One cannot understand an individual's behavior completely without learning something about that individual's organization. Similarly, he cannot understand how the organization operates without studying the people who make it up. Thus, the organization influences and is influenced by individuals.

Need For Studying Organizational behavior

The rules of work are different from the rules of play. The uniqueness of rules and the environment of organizations forces managers to study organizational behavior to learn about normal and abnormal ranges of behavior. More specifically, organizational behavior serves three purposes:

1. What causes behavior?
2. Why particular antecedents cause behavior?
3. Which antecedents of behavior can be controlled directly and which are beyond control?

A more specific and formal course in organizational behavior helps an individual to develop a more refined, workable set of assumptions more directly relevant to his work interactions. Organizational behavior helps in predicting human behavior in the organizational setting by drawing a clear distinction between individual behavior and group behavior. Organizational behavior does not provide solution to all complex and multifarious behavior puzzles of organizations. It is only the intelligent judgment of the manager in dealing with a specific issue can try to solve problem. Organizational behavior

only assists in making judgments that derived from tenable assumptions, judgment that takes into account the important

Formal and informal organizations are together, the informal organization is created within the formal organization and reacts to it. Vice versa the formal organization, which is consciously and carefully planned, but the informal organization has a natural order and structure that evolves in the workplace. The purpose of writing this paper is to clarify the distinction between formal and informal organizations, because the difference between these concepts is vague or unknown to the majority, so by studying and reviewing scientific sources to explain this issue and the expected points will found and the value of research is based on the findings distinction of formal and informal organizations by expressing valuable and important points in the composition of clear and explicit sentences. Actually, informal organizations usually come into being at the same time or after the formation of the formal organization. Indeed, within formal organizations, emotional groups are formed based on shared cultural attitudes and evaluations and shared interests through the establishment of friendly, intimate, and personal relationships. Neglecting the informal system is ignoring the irrational aspects of organizational behavior. It is important to mention it that neglecting any of them is short-sighted and will caused detriment of the organization. Clearly, the dynamics of organizational life can be understood only when, in addition to the formal structure of the organization, it was aware of its tendencies, groupings and informal relationships. The impact of informal organization on formal organization can have constructive or devastating consequences.

In general, the informal organization arises as a result of social relations between individuals and is formed without any serious relations outside the formal authority system. It refers to the pattern of activities, interactions and human relationships, which emerge spontaneously due to social and psychological forces operating at the work place. It arises naturally on the basis of friendship of some common interest, which may or may not be related with work. It is an unintended and non-planned network of unofficial and social patterns of human relationships. Informal organization represents the pattern of interpersonal and intergroup relations that develop within the formal organization. For example, the typists working in different department may form an informal group due to similarity of work

An organization is nothing but a group of people who aim to achieve common objectives. One can look at it as a single entity as well. Each organization comprises of the human relationships between people who are a part of it. There may be either a formal or an informal organization depending on the nature of these relationships between people. Informal Organization

Contrary to a formal organization, an informal organization does not depend on relationships of ranks per se. Even functions of people do not define their position within the organization.

1. In informal organizations, personal attitudes, prejudices, likes and dislikes determine human relationships. People find a place in the organization depending on these informal factors.
2. Informal organizations generally emerge by default. Policies, procedures or ranks do not play a role in establishing them. People end up creating them by interacting with each other.
3. An informal organization always exists in a formal one. Managers can prevent its creation but they can certainly regulate it.

4. Some scholars say that informal organizations basically emerge from joint personal activities. People always end up creating them subconsciously by interacting with each other. Thus, personal and social relationships are mainly responsible for creating an informal organization.
5. An informal organization is a group of people who share a common identity and are committed to achieving a common purpose. Informal organizations are created by the will and shared identity of their members. The operation of an organization, in reality, is known as an informal organization as opposed to a formal organization, which is based on roles and responsibilities.
6. Informal organizations emerge from the interaction or communication between employees irrespective of their designations and hierarchies. It runs parallel to a formal organization.

18.1 DEFINITION

According to Chester Barnard, "an informal organization is an aggregate of interpersonal relationships without any conscious purpose but which may contribute to joint results."

According to Schein, an informal organization exists in the sense that it has no legal existence, no legal boundaries, no membership roster, no tangible assets, no formal structure, and no official leadership. The distinguishing feature of an informal organization is the social fabric that binds its members together with a common identity.

18.2 NATURE OF INFORMAL ORGANIZATION

Informal Organization arises from social Interaction. It was concluded by Hawthorne Experiments that informal organizations were an integral part of the total work situation. Informal organizations are the network of personal and social relations arises spontaneously as the people make contact with each other and are not the result of formal authority. Power in informal organizations' is attached to person and not to the position and it is given by the members of, the group irrespective of the position in formal structure or is attained by the leader. It is quite unstable since it relates to the sentiments of the people of the group. Managers, generally, are the leaders in the formal organization and they like to abolish the informal groups. But they cannot do so because they know that they have not established them so they cannot abolish. Informal organizations are small because they are closely related to the limitation of personal relationships. So, they are so many informal organizations in a formal organization.

18.2.1 Informal Leaders

The leader of an informal organization is elected by the members of the groups for different reasons such as age, seniority, technical, competence, work location, and responsive personality, etc. depending upon the work situation. There may be as many informal leaders as there are informal groups or work situations. One may be a leader for one cause while another may lead the group for the other cause. Thus there are innumerable leaders of varying importance and in return, they enjoy certain privileges and rewards and they are looked upon as the respectable member of the society.

Role of Informal Leader

The general role of an informal leader is to

- a) To help the group reach its goals, and
- b) To maintain and enhance group life.

Although there are so many informal leaders in a group but there is only one primary leader who holds more influence on the group. Each manager of the formal organization must know who the key informal leader of the group is and should contact him to get his help in furthering the organization goals. If he is working against the employer, he can deface the image of the management among the members of the group and can undermine motivation and job-satisfaction. A successful leader of an informal organization can not necessarily be the successful formal leader of an organization. Some 'emerged as' arrogant bosses as soon as they receive the formal authority. Some fail as formal bosses because they fear formal responsibility or they are afraid of committing mistakes because their area of operation is much wider than that of leaders of informal organizations.

18.2.3 Key Characteristics of the Informal Organization

The nature of the informal organization becomes more distinct when its key characteristics are juxtaposed with those of the formal organization.

- (1) Evolving constantly
- (2) Grass roots
- (3) Dynamic and responsive
- (4) Excellent at motivation
- (5) Requires insider knowledge to be seen
- (6) Treats people as individuals
- (7) Flat and fluid
- (8) Trust and reciprocity
- (9) Difficult to pin down
- (10) Essential for situations that change quickly or are not yet fully understood.

18.3 FUNCTIONS OF INFORMAL ORGANIZATIONS

Keith Davis suggests that informal groups serve at least four major functions within the formal organizational structure.

18.3.1 Perpetuate the cultural and social values

They perpetuate the cultural and social values that the group holds dear. Certain values are usually already held in common among informal group members. Day-to-day interaction reinforces these values that perpetuate a particular lifestyle and preserve group unity and integrity. For example, a college management class of 50 students may contain several informal groups that constitute the informal organization within the formal structure of the class. These groups may develop out of fraternity or sorority relationships, dorm residency, project work teams, or seating arrangements. Dress codes, hairstyles, and political party involvement are reinforced among the group members.

18.3.2 Provide social status and Satisfaction

They provide social status and satisfaction that may not be obtained from the formal organization. In a large organization (or classroom), a worker (or student) may feel like an anonymous number rather than a unique individual. Members of informal groups, however, share

jokes and gripes, eat together, play and work together, and are friends-which contributes to personal esteem, satisfaction, and a feeling of worth.

18.3.3 Promote communication among members

The informal group develops a communication channel or system (i.e., grapevine) to keep its members informed about what management actions will affect them in various ways. Many astute managers use the grape- vine to "informally" convey certain information about company actions and rumors.

18.3.4 Provide social control

They provide social control by influencing and regulating behavior inside and outside the group. Internal control persuades members of the group to conform to its lifestyle. For example, if a student starts to wear a coat and tie to class, informal group members may razz and convince the student that such attire is not acceptable and therefore to return to sandals, jeans, and T-shirts. External control is directed to such groups as management, union leadership, and other informal groups.

18.4 Concept

Informal organizations have no fixed rules or hierarchies defined between people. It is fluid and dynamic in its form. Both formal and informal groups coexist in an organization and are essential for efficient functioning. We can classify informal organizations into three groups that are defined by the similarities and dissimilarities of the work performed by the members of each group. These are listed below:

18.5 Types of Informal Groups

18.5.1 Horizontal Group

People who work at the same level in an organization belong to a horizontal group. Such groups promote mutual support and information sharing among the members. It is often found that people share the same problems, concerns, and interests. They solve problems without depending on their bosses or higher or lower hierarchical members. For example, people working for different departments like sales, operations, production, etc. but who are at the same level in the organizational hierarchy form a horizontal group.

18.5.2 Vertical Group

People working at different levels in an organization belong to the vertical group. Such groups are formed through skip-level relationships. For example, a top-level employee may be associated with a first-level employee, or a group of first-level employees may establish a group with their bosses. Such groups promote better communication and quick access to the issues arising in the organization.

18.5.3 Mixed Group

People from different levels and different departments create a Mixed Group. The groups are created based on common interests like club memberships, common interests or their backgrounds. For example, the president of the sales department may bond with the director of technology.

18.5.4 Apathetic groups

Apathetic groups are least active, have fewest grievances and do not engage in concerted action against management. They are characterized by dispersal and unaccepted leadership, lack of cohesiveness, internal disunity and conflict and suppressed dissatisfaction.

18.5.5 Erratic groups

Erratic groups are characterized by rapid inflammability, poor control, inconsistent behavior, centralized autocratic leadership and union formation activities.

18.5.6 Strategic groups

Strategic groups are characterized by well-planned and consistent grievances. They act as shrewd, calculating groups that put continuous pressure on management in order to attend to their problems.

18.5.7 Conservative groups

Conservative groups are characterized by moderate internal unity, limited pressure for highly specific objectives and a sense of self-assurance.

18.6 HOW DO INFORMAL GROUPS FORM?

Informal groups are created in the organization because of operation of social and psychological forces operating at workplace. Informal groups develop apart from officially prescribed plan of the organization. Informal groups arise rapidly on the basis of friendship or some common interest which may or may not be work related.

There are informal groups of operatives. Informal organization tends to develop when formal organization proves to be inefficient or when it fails to satisfy important psychological and social wants and aspirations of the members in the work environment.

Example of Informal Organization

Members of the sales team join every day for lunch with the human resource team. Another example of such informal groups is that sales team personnel help tech development employees to figure.

18.7 FEATURES OF INFORMAL ORGANIZATION

Informal organizations exist in every organization. They are built spontaneously, over time, and not deliberately.

1. Policies, procedures, or norms are not required to create such groups; they are formed merely based on personal interactions and common interests.
2. There is no specific direction in the flow of information.
3. It does not possess any definite structure or hierarchy.
4. Another feature of informal organizations is that they are found in every business. It is because social interactions are essential.
5. Employees who do not get along well with one another may not be able to work cooperatively. This affects the organization's financial profitability.
6. Finally, managers can only regulate rather than prohibit informal organizations. This regulation is significant because it has the potential to influence the productivity and morale of everyone involved.

18.8 DIFFERENCE BETWEEN A FORMAL AND INFORMAL ORGANIZATION

1. A formal organization is created by the management deliberately, whereas an informal organization is created spontaneously by members.
2. Formal organizations are stable and run long, but informal groups are unstable.
3. The purpose of a formal organization is to accomplish its organizational goal, as opposed to an informal organization, which fulfills the psychological and social needs of its members.
4. In a formal organization, the job of a member is clearly defined by the management and is held accountable to the organization. This is in contrast to an informal organization, which is formed based on interpersonal relationships and has no defined responsibilities or roles.
5. Formal organizations are bound by hierarchies, but informal group members are equal.
6. In formal organizations, the focus is on work performance, whereas in informal ones, it's interpersonal relationships.
7. Rules and regulations are well-defined in a formal organization, while informal organizations have their norms, beliefs, and values.
8. The size of formal organizations is large when compared to informal organizations, which are small.

18.9 FUNCTIONS OF INFORMAL ORGANIZATION

Informal organizations have several important functions. They are:

It provides a source of friendship and social connections for members of the organization.

1. Interpersonal relationships and informal groups can help employees better understand what is going on in the company and establish contact with it so that they have a certain sense of control over the work environment.
2. Informal organizations can provide status and recognition that formal organizations cannot or will not provide employees.
3. The interpersonal network can help the socialization of new employees by informally communicating rules, responsibilities, basic goals, and job expectations.

4. Organizational grapevine helps employees better understand what is happening in their workplace by quickly transmitting information and conveying it to places that cannot be reached by the formal system.

18.10 IMPORTANCE OF INFORMAL ORGANIZATION

Information is exchanged between groups and people quickly because the lines of communication are not defined.

1. Quick feedback is received.
2. Job satisfaction is attained because the social needs of the members are fulfilled, thus leading to stability in the organization.
3. People in an organization are diverse, and so are their needs, which cannot be fulfilled by the formal design of the organization.
4. They provide the members with an opportunity to build status and social interaction and enable them to overcome identity crises. It also provides an audience to listen to and reach out to.

18.10.1 Advantages

The informal organization has several advantages. They are:

1. First, they instill a sense of unity and solidarity among members.
2. It happens because they are obsessed with each other's social interactions. Therefore, this leads to job satisfaction and stability in the organization.
3. In addition, a strong informal organization can be an effective means of rapid communication. Managers and employees can use this.
4. The informal organization can compensate for the limitations imposed by formal structure, enabling it to successfully achieve organizational goals.
5. The managers also benefit from the informal organizations by using them to understand the grievances of employees.
6. Workers benefit from the emotional security provided by the informal organization. A sense of being present and belonging in a positive atmosphere boosts job satisfaction. A positive influence from an informal organization leads to increased productivity.
7. Managers know that members of the informal organization will keep an eye on its activities, which is why they plan carefully after going through the benefits and drawbacks.

18.10.2 Disadvantages

18.10.2.a Conflicts

Informal grouping gives rise to conflicts because multiple people tend to boss each other. To achieve social satisfaction sometimes, the members slip away from formal organizational timelines, thereby decreasing productivity.

18.10.2. b Rumors

1. With communication between different members across departments, there are chances of rumors getting spread quickly.

Organizational Behaviour	18.11	Problems Associated with...
--------------------------	-------	-----------------------------

2. Spreading of wrong information disrupts the work environment hampering the work balance.
3. Conformity
4. People share common interests in clubs to form groups. However, when a non-conforming member joins this group they may be pressured to conform to the group which can be

18.10.3 Functions of Informal Organization

The primary function of informal organizations is basically to maintain cultural values of people. When people can associate themselves with each other socially, they always feel a sense of togetherness. Consequently, another function of informal organizations is to provide social satisfaction to members.

Finally, an informal organization also provides an effective means of communication to its members. They can interact with each other freely and efficiently. Managers can use it to send across messages quickly and directly.

18.10.4 Merits of Informal Organization

1. Informal organizations have several benefits. Firstly, they inculcate a sense of unity and togetherness among their members.
2. This happens because of the social interactions they indulge in with each other. This consequently leads to work satisfaction and stability in the organization.
3. Furthermore, a robust informal organization can be an effective means of swift communication. Both employees and well as managers can use this.
4. Managers also benefit from informal organizations by using them to understand the grievances of employees. Since employees freely interact with each other, they can unify and address their problems collectively.

18.10.5 Demerits of Informal Organization

1. The main problem of informal organizations is that they can make members averse to change. Their social interaction with each other creates lifestyles, cultures, and conventions. People do not positively respond to changes to these things easily.
2. For example, employees of many companies organize gatherings and functions for festivals. If the management suddenly decides to ban such social events, it will definitely face resistance.
3. Another problem with informal organizations is that members have to conform to a set of togetherness. This, in turn, can lead them away from the larger organizational objectives. A conflict of roles like of this kind can be detrimental to the organization.

18.11 Control of Informal Organizations

As we learned above, managers cannot create or prohibit informal organizations but they can regulate them. In order to do this, managers must first accept and acknowledge their existence.

Next, they should also strive to be a part of it in order to assert influence over the employees. Furthermore, managers should try to streamline objectives of the informal organization with those of the business itself.

18.12 SUMMARY

In the formal organizational structure individuals are assigned various job positions. While working at those job positions, the individuals interact with each other and develop some social and friendly groups in the organization. This network of social and friendly groups forms another structure in the organization which is called informal organizational structure.

The informal organizational structure gets created automatically and the main purpose of such structure is getting psychological satisfaction. The existence of informal structure depends upon the formal structure because people working at different job positions interact with each other to form informal structure and the job positions are created in formal structure. So, if there is no formal structure, there will be no job position, there will be no people working at job positions and there will be no informal structure.

18.13 KEY WORDS

Organizational behavior- Organizational behavior can then defined as: "The study of human behavior in organizational settings, the interface between human behavior and the organizational context, and the organization itself."

Informal Organization-informal organization is an aggregate of interpersonal relationships without any conscious purpose but which may contribute to joint results."

Informal Leaders- The leader of an informal organization is elected by the members of the groups for different reasons such as age, seniority, technical, competence, work location, and responsive personality, etc. depending upon the work situation

Horizontal Group- People who work at the same level in an organization belong to a horizontal group. Such groups promote mutual support and information sharing among the members

Vertical Group- People working at different levels in an organization belong to the vertical group. Such groups are formed through skip-level relationships

Apathetic groups-Apathetic groups are least active, have fewest grievances and do not engage in concerted action against management. They are characterized by dispersal and unaccepted leadership, lack of cohesiveness, internal disunity and conflict and suppressed dissatisfaction.

Erratic groups- Erratic groups are characterized by rapid inflammability, poor control, inconsistent behavior, centralized autocratic leadership and union formation activities.

Strategic groups -Strategic groups are characterized by well-planned and consistent grievances. They act as shrewd, calculating groups that put continuous pressure on management in order to attend to their problems.

Conservative groups- Conservative groups are characterized by moderate internal unity, limited pressure for highly specific objectives and a sense of self-assurance

18.14 SELF ASSESSMENT QUESTIONS

1. Discuss the Nature of Informal Organizations
2. Explain the role of Informal leaders and Key characteristics of Informal Organization
3. Examine the Functions and Types of Informal Organization
4. Discuss the Advantages and Disadvantages of Informal organization

18.15 SUGGESTED READINGS

1. Mishra, M.N. Organizational Behavior. Noida: Vikas Publishing House 2010.
2. Aswathappa, K. Organizational Behavior. Mumbai: Himalaya Publishing House Pvt. Ltd 2010.
3. Gupta C.B A Textbook Of Organizational behavior S.Chand Publications January 2014
4. Stephen P. Robbins Organizational Behavior Eighteen Edition Pearson Publications November 2018
5. John Ivancevich Robert Konopaske Michael Matteson, Organizational Behavior and Management McGraw-Hill Education – Europe Tenth Edition 2018
6. Shearsett Allison Organizational Behavior Independently Published (2018
7. Inder Jeet, Suman Solanki Organizational Behavior for B.Com (Honours)(Previous 3 Years Semester) Delhi University Semester 5 Taxman Publication 2018

Dr.V.Naga Nirmala

LESSON-19

ORGANIZATIONAL EFFECTIVENESS

Learning objectives

- ✓ To understand the Approaches of Organizational effectiveness
- ✓ To study the Systems of Organizational effectiveness

Structure

19.0 Introduction

19.1 Definition

19.2 Meaning

19.3 Approaches of Organizational Effectiveness

- 19.3.1 Goal Attainment Approach
 - 19.3.1(a) Assumptions
 - 19.3.1(b) Disadvantages of Goal Attainment approaches
- 19.3.2 System Approach
 - 19.3.2(a) Advantages of System Approach
 - 19.3.2(b) Disadvantages of System Approach
- 19.3.3 Strategic Constituencies Approach
 - 19.3.3(a) Highlight of Strategic Constituencies approach
 - 19.3.3(b) Disadvantages of Strategic Constituencies
- 19.3.4 Balance Score card
 - 19.3.4(a) Financial Perspective
 - 19.3.4(b) Customer Perspective
 - 19.3.4 (c) Internal Perspective

19.4 Systems of Organizational Effectiveness

- 19.4.1 Leadership
- 19.4.2 Organizational culture
- 19.4.3 Existing Management styte
- 19.4.4 Communication
- 19.4.5 Accountability
- 19.4.6 Delivery Efficiency and Strategy

19.4.7 Performance

19.4.8 Measurement

19.4.9 Motivation

19.4.10 Knowledge Management

19.5 Summary

19.6 Key words

19.7 Self Assessment Questions

19.8 Suggested Readings

19.0 INTRODUCTION

Organizational effectiveness is defined as an extent to which an organization achieves its predetermined objectives with the given amount of resources and means without placing undue strain on its members. Organizational effectiveness is about each individual doing everything they know how to do and doing it well; in other words organizational efficiency is the capacity of an organization to produce the desired results with a minimum expenditure of energy, time, money, and human and material resources. The desired effect will depend on the goals of the organization, which could be, for example, making a profit by producing and selling a product.

An organization, if it operates efficiently, will produce a product without waste.

Highly effective organizations exhibit strengths across five areas: leadership, decision making and structure, people, work processes and systems, and culture

19.1 DEFINITION

Organizational effectiveness is defined as a concept to measure the efficiency of an organization in meeting its objectives with the help of given resources without putting undue strain on its employees. It is about how the company can produce the target quota of products, how efficient its process is, and how much waste is produced.

19.2 MEANING

It is a fact that performance automatically improves when the leadership system is at its best. The function of leadership includes defining the future, setting direction, becoming organized, creating strategies, implementing them effectively, clarity in directions, clear communication, alignment of goals, developing talent, building accountability, allocating resources and delivering results.

An organization needs to have a clear mission and vision that can deal with the ever-changing industry and side-by-side to meet its goals. Remember it is human resources that prove advantageous, and it should be the priority of a business entity to retain, motivate and develop them to achieve organizational effectiveness.

19.3 APPROACHES TO ORGANIZATIONAL EFFECTIVENESS

19.3.1 The Goal-Attainment Approach

states that an organization's effectiveness should be judged by whether it has achieved what it sets out to achieve (its organizational goals). Examples of organizational goals are:

1. Achieving Certain Quality Outcomes,
2. Achieving Certain Profit Objectives,
3. Increasing Market Share.

The goal-attainment approach assumes that organizations are:

- i. Rational,
- ii. Deliberate,
- iii. Goal-Seeking Entities.

Consequently, successful goal accomplishment can be considered an appropriate measure of effectiveness. But the use of goals implies additional assumptions that must be valid if goal attainment is to be a viable measure of effectiveness.

19.3.1(a) These assumptions are:

1. organizations must have goals;
2. the goals must be explicit, adequately clear, and widely known;
3. there should be a manageable number of goals which reflect areas important to the organization (thus, organizations cannot set to achieve too many goals); and
4. progress towards goals must be measurable and there should be a time limit attached to them.

19.3.1(b) Disadvantages of the goal-attainment approach are:

Potential difficulties with choosing whose goals should be applied – should these be the goals of shareholders, top management, or goals of environmental pressure groups?

Organizations tend to have "official" and "unofficial" sets of goals. "Official" goals are usually influenced strongly by standards of social desirability (e.g. 'to be a responsible member of the community' – such goal sounds desirable, but it does not really help to understand what the organization is trying to achieve).

Many organizational goals are confidential in order not to become known to competitors. Consequently, it may be difficult to assess whether organizational goals are achieved.

Organizations usually have both short- and long-term goals. Thus, the problem is which goals should be used when applying this approach?

Essentially all companies have multiple goals. In order to assess effectiveness management must decide which goals are the most important and rank them somehow. The problem arises – how to rank goals which tend to be quite different? That is, the goals of a financial department are quite different to those of a research and development, but which ones are more important for the organization?

In order to increase the validity of the identified goals managers should:

Make sure that input is received from all those who have a major influence on formulating and implementing the official goals, even if they are not part of senior management;

1. Recognize that organizations pursue both short- and long-term goals;
2. Reduce the degree of incompatibility between goals;
3. Aim to set tangible, verifiable, and measurable goals rather than rely on vague statements attempting to meet societal expectations;
4. Be aware that goals usually change / evolve over time.

Some argue that defining effectiveness only in terms of goal attainment results in an incomplete measure of effectiveness. Thus, an organization should also be judged on its ability to:

1. acquire inputs,
2. process them efficiently,
3. distribute the outputs, and
4. maintain stability and balance between the various subsystems of the organization.

This means that the organization can maintain itself through a repetitive cycle of activities.

19.3.2 Systems Approach

It views end goals as only one element in a more complex set of criteria. Systems models stress additional criteria that will increase the long-term survival of the organization. These are:

- i. the organization's ability to acquire resources,
- ii. maintain itself internally as a social organization, and
- iii. interact successfully with its external environment.

In contrast to the goal-attainment approach, the systems approach focuses on the means necessary to ensure the organization's continued survival. Thus, it can be said that in the systems approach the main focus is not on the goals but on the way in which those goals are achieved.

One of the implications of the systems approach to effectiveness is that organizations are made up of interrelated subparts and, consequently, if any of these subparts performs poorly, it will negatively affect the performance of the whole system. Additionally, the system needs to

acknowledge and interact with important environmental constituencies. In order to survive, the system needs a steady replenishment of resources consumed in production.

However, management needs to remember that the resources of the system are not just physical assets - they also include such intangibles as inventions and patents, brand names, etc. Failure to replenish these as they decay will result in the organization's decline.

The systems view looks at factors such as:

- i. the ability to ensure continued receipt of inputs into the system and the distribution of outputs,
- ii. the efficiency with which the organization transforms inputs to outputs,
- iii. the clarity of internal communications,
- iv. flexibility of response to environmental changes,
- v. the level of conflict among groups, and
- vi. rates of innovation.

These measures may be benchmarked against other organizations in the same industry. Another systems application of organizational effectiveness is the concept of added value, developed by John Kay. The cycle of absorbing inputs **from the environment**, turning **them into usable products and services** and then marketing these should leave a surplus of cash over and above that needed to maintain the system in its repetitive cycle. This surplus is called the value added, and Kay argued that the larger it is the more successful the company will be. He also argued that a commercial organization that does not add value cannot justify its existence in the long run.

19.3.2 (a) Advantages of the systems approach are

Management using this approach is less likely to make decisions that trade off the organization's long-term health and survival for ones that will make them look good in the near term.

1. The approach increases the managers' awareness of the interdependence of organizational activities.
2. It is applicable where end goals either are very vague or defy measurement.

19.3.2 (b) Disadvantages of the systems approach are

3. Some process variables are specified and easy to measure; however, other critical ratios may not be as easy to quantify (e.g. rate of innovation).
4. Where environments change very quickly, a certain set of measures may easily become irrelevant, making certain measures less important, while raising the importance of what previously was not considered significant.
5. The systems approach seems to focus on the means necessary to achieve effectiveness rather than organizational effectiveness itself.

19.3.3 The Strategic-Constituencies Approach

It proposes that an effective organization is one that satisfies the demands of those important parts of the environment, the constituencies, from which it requires support for its continued existence. Thus, it seeks to satisfy only those in the environment who can threaten the organization's survival – that is, the strategic constituencies. Under this approach, organizations are assumed to exist within an environment where demands are placed on the organization by various important groups, or constituencies.

In such a context, organizational effectiveness becomes an assessment of how successful the organization has been in satisfying those strategic constituencies on which the survival of the organization depends.

19.3.3(a) Highlights of the Strategic-Constituencies Approach

The 'political arena' metaphor highlights that the organization has a number of important constituencies, each with different degrees of power and each trying to have its demands satisfied. Additionally, the strategic-constituencies approach assumes that managers pursue a number of goals and that those selected represent a response to those interest groups that control the resources necessary for the organization to survive.

The stakeholder approach recognizes not only the importance of strategic constituencies but also of those who may not have the political power to influence the existence of the organization or even its direction (e.g. families of workers, environmental activists). Such groups, even though they may not be formally organized as a pressure group, are considered to be affected by the organization and should therefore be considered when important decisions are made.

19.3.3 (b) Disadvantages of the strategic constituencies approach are:

It is not always easy to identify the strategic constituencies, especially if the organization's environment is large. Because the environment changes rapidly, what is critical to the organization today may not be so tomorrow. Today's strategic constituencies may not be any threat to the organization tomorrow, while overlooked groups may suddenly threaten the organization's existence. As with the goals in the goal-attainment approach, managers must rank the strategic constituencies somehow. It is often difficult to decide which strategic constituencies are more important than the others.

19.3.4 The Balanced Score card

The Balanced Scorecard, developed by Kaplan and Norton, seeks to balance the various demands on the organization with its capabilities. The main aim of this approach is to provide an integrated measure of organizational effectiveness. Kaplan and Norton suggested that there is no one measure that can assess an organization's performance or that can focus attention on critical areas of the business; thus, the balanced scorecard attempts to view performance in several areas simultaneously and identify not just results but how the results were achieved.

These are:

19.3.4(a) Financial perspective

It financial measures enable an organization to determine how profitable it is and its rate of return on assets. Thus, the financial measures indicate whether an organization's strategy and its execution are contributing to profitability, or covering costs.

19.3.4 (b) Customer perspective

It deals goals and measures under this heading typically include assessment of time to delivery, product utility, market share etc. which, when combined, show how the product or service contributes to creating value for customers.

19.3.4 (c) Internal perspective

It deals these measures concentrate on what the company must do internally to meet the customers' expectations.

This is a process-driven measure, examples of which may include quality attainment, costs of production, etc.

19.3.4 (d) Innovation and learning perspective

This goal is associated with the ability to develop and introduce new products of value to customers or clients. It also includes measures of continuous improvement and production efficiencies.

Kaplan and Norton stress that it is possible to have too many measures of organizational performance. They suggest that management should identify just a few goals for each of the four perspectives. The measures developed for each goal should be easy to understand and contribute to deciding whether the goal has been achieved or not.

19.3.4. (i) The Advantages of the balanced scorecard approach are:

The identification and ranking of goals by importance is not an easy, subjective process; thus, there is no certainty that chosen goals and measures are the most relevant ones. The utility of the balanced scorecard may be limited if what is chosen to be measured is not important. As noted before, what is important usually changes over time, thus goals and measures may need to be changed quite often.

19.3.4 (ii) Disadvantages of the balanced scorecard approach are:

It brings together in a single report many areas of importance to an organization's competitiveness. These include both short-term efficiency issues and those relating to the long-term adaptability of the organization.

As senior managers need to consider all important operational issues together, they have to evaluate whether improvement in one area may have been achieved at the expense of creating problems in another.

19.4 Systems of organizational effectiveness

The six systems set up conditions necessary to create a high-performing organization, It includes

19.4.1. Leadership

Leadership is the prime factor affecting the success or failure of organizations. It is the process in which one individual exerts influence over others. Leadership is a process that enables a person to influence others to achieve a goal and directs an organization to become rational and consistent. In organizations where there is faith in the leaders, employees will look towards the leaders for almost everything. During drastic change in times, employees will perceive leadership as supportive, concerned and committed to their welfare, while at the same time recognizing that tough decisions need to be made. True leadership states that leadership skills can be mastered by people who wish to become leaders. The two very important components of effective leadership: One is belief and confidence in leadership, which is an indicator of employee satisfaction in the organization. The second is effective communication by the leadership in making the employees understand the business strategy, helping them understand and contribute to the achievement of the organization's business objectives and sharing information about organization with the employees for their benefit and guidance.

For example, the well known Indian entrepreneur Narayana Murthy turned his small software venture started in 1981 with his friends into a great name on the map of the world. Infosys grew rapidly by leaps and bounds in the 1990's. Narayana Murthy introduced a program through which he distributed the company's profit amongst his employees practicing corporate governance practices. Through this he earned trust, praise and respect. In 1999, it became the first Indian company to be introduced on the Nasdaq Stock Market. By 2000 Infosys made its presence on the globe. Narayana Murthy with his exceptional leadership nurtured the organization to become one of the most respected across the globe. His strong value systems, high ethical values and a nurturing atmosphere at the organization lead to the success. Narayana Murthy's leadership style not only had many firsts to his credit but he also championed corporate governance. From the beginning, Narayana Murthy focused on the most challenging market of those times, The United States. In order to keep up the pace of growth of Infosys and manage the same he set up a Leadership Institute in Mysore, India. Commenting on the institute, Narayana Murthy said, "It is our vision at Infosys, to create world-class leaders who will be at the forefront of business and technology in today's competitive marketplace".

One of the critical steps in organization effectiveness is developing leadership within the company. It is leaders who create a vision for their company, define, refine and execute critical processes, translate values into strategies, take action and be accountable. A leader has to answer three things

1. Value – What is the value he is offering to the customers to gain a competitive advantage in the market
2. Approach – How is he fulfilling the unique needs of his stakeholders and which *strategy* is going to support the vision for achieving competitive advantage
3. Alignment – What is the designed alignment of processes, practices, strategy, structure culture, etc and will they be able to create maximum conditions for achieving company vision

19.4.2 Organization culture

Since the past 25 years the concept of organizational culture has been widely accepted to understand human systems. It is a valuable analytical tool in its own right. Organizational Culture is the totality of beliefs, customs, traditions and values shared by the members of the organization. Each aspect of organizational culture can be seen as an important environmental condition affecting the systems and its subsystems.

The culture of a group can be defined as a pattern of shared basic assumptions that the group learned as it solved its problems of external adaption and internal integration, that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

The nature of the organizational culture decides the degree to which the desired results from the employees are obtained. The individual perceptions of the members of the organization determine the various types of organizational culture, individuals with realm of universal truths and are broad enough to accommodate any variety of circumstance. The primary components of organizational culture are:

19.4.3 Existing management styles and systems

These components contribute to the degree to which the desired result from the employees is obtained. The direction in which the organizations move in the future is highly determined by the value system to which the employees support directly or indirectly or by their behavior. A strong organizational culture contributes to the better performance of the employees. The behavior of the employees is an analytical tool to determine an effective organizational culture which includes a system of informal rules. Culture helps the organization to achieve the desired goals. The organizational culture acts as a motivating factor to enhance their own and organizational performance.

For example, several years ago Hewlett Packard faced huge problems which encouraged it to change its organizational culture. In Hewlett Packard they introduced program in which the staff had to formulate three personal and professional goals each year. The members of staff those meet these set goals were acknowledged and were sent early to be their respected families. After the introduction of this program it was observed that despite the fact that the staff was working less hours there was no loss in productivity and the staff retention rate had also increased. The program was graded by the extent was its implementation in managerial personal

lives and how they modeled it. Hence, HP succeeded in making changes in its organizational structure to be a competitive advantage.

19.4.4 Communication

Every organization needs an effective communication system so that the flow of information is smooth. Leaders can be successful when they can communicate their message to other people in a precise manner. Everything happens in a company because of the exchange of information, and this is why strategic communication is considered a critical element in the success chain.

It makes sure that the impact of the message is in alignment with the intention so that it will lead to a better and complete understanding. What, where, when, how everything matters hence keep track of your words and communicate effectually. An essential way for organizational effectiveness is by making sure that the leader is aligning with the people around him and teaching regularly.

This transparent communication strategy will keep the focus on a common cause, minimize uncertainty, prevent excuses and give weight to the decisions of the leadership to shape the behavior and belief of the employees

19.4.5 Accountability

Organizational effectiveness is to a great extent dependent on the concept of accountability. A company should build an environment where every individual, as well as a group, is accountable for the tasks he participates in.

It is the accountability that determines how effectively the people perform the given functions. The organizations must make sure that there are performance accountability systems in place to clarify the expectations of the company and align the rewards as well as consequences with actual accomplishments.

19.4.6 Delivery Efficiency Strategy

The next step in the six systems of organizational effectiveness is the delivery of products and services. It is a fact that consumers and markets are ever-changing, and this means that a company should be prepared to shift and make adjustments to accommodate these changes as well as changes caused by advancements in technology. A straightforward delivery process will ensure the delivery to the right customers and their engagement in full. This is why business entities try to create simple procedures that are adaptable, responsive. There is no scope for complexity because the onus is on satisfying customer experience. When organizations align initiative and operations with strategy using the best technique, they can pursue breakthroughs in critical areas and build future capability.

19.4.7 Performance

Human resources are the most valuable asset of a company, and this is why the proper emphasis is given on hiring and retaining the best of the best. It is essential to find the right fit for the job and develop their skills and know-how through training and other learning methods to increase organizational effectiveness. Business entities are particular about rewarding knowledge, talent, and expertise to boost employee performances so that they can ultimately have a positive impact on organizational effectiveness.

19.4.8 Measurement

It is imperative to measure organizational effectiveness. A business entity must set a standard set of metrics and develop a system of reviews and parameters to analyze and measure tasks, projects, productivity, behavior, processes, and results. It is leaders who establish and maintain the measurement system to track progress and review status regularly.

19.4.9. Motivation

Motivation is a catalyst to move individuals toward goals. Motivation is the processes that account for an individual's intensity, direction, and persistence of effort toward attaining a goal. Motivation may be defined more formally as a psychological or internal process initiated by some need, which leads to the activity which will satisfy that need. Motivational factors differ from person to person. According to Abraham Maslow there are five levels of human needs which need to fulfill for individuals at work. According to this theory the needs are structured into a hierarchy which starts at the lowest level of need when it is fully met, would a worker be motivated by the opportunity of having the next need up in the hierarchy satisfied. According to Herzberg (1987) there are two main factors of motivation: Contextual factors and Descriptive factors. Contextual factors are factors like salaries, working conditions, organization strategy etc. Descriptive factors are threats, opportunities, competences, sense of belonging etc. Motivation factors that are affective and effective in one employee or in a group of employees may not be affective or effective in others. This is an area where study and feedback will have to be carried out.

19.4.10 Knowledge Management

Knowledge management is a concept in which an organization deliberately gathers, organizes, shares and analyses its knowledge in terms of resources, documents and people skills. As a result of technology advancement, the way we access and embodies information has changed; in the current scenario many organizations have knowledge management frameworks in place. Knowledge Management has become a reasonable business tool; its complexity is often vexing and as a field, will still be under development for a long time to come. Knowledge management will be integrated into the basket of effective management tools. The objective of Knowledge Management is to build and exploit intellectual capital in an effective and profitable manner.

For instance, in 1938, Chester Carlson invented the photocopy machine. After his deliberate attempts to sell it to big giants like IBM in the industry who thought that it is a failed concept, he handed the marketing of the product to small company called Haloid. After the proven success of the product Haloid changed its name to Xerox in 1961 to define its core business. Xerox further diversified into different products, some added value to the business and some were liquidated. In order to further define its core business, the company named itself the "Document Company". To keep up with the pace of growth and sustainability of the business in 1990's started implementing knowledge management and knowledge sharing activities. In order to decentralize their knowledge sharing initiatives they introduced a program called "Eureka". In this programme they informally captured the tips shared by their service representatives and created a database of tips. These tips then were accessible to all the representatives around the world. Xerox continued to introduce these knowledge management initiatives both internally and commercially as well. Because of such initiatives Xerox was acknowledged and recognized as the "Most Admired Knowledge Enterprises in the world"

19.5 SUMMARY

It is a fact that performance automatically improves when the leadership system is at its best. The function of leadership includes defining the future, setting direction, becoming organized, creating strategies, implementing them effectively, clarity in directions, clear communication, alignment of goals, developing talent, building accountability, allocating resources and delivering results. An organization needs to have a clear mission and vision that can deal with the ever-changing industry and side-by-side to meet its goals. Remember it is human resources that prove advantageous, and it should be the priority of a business entity to retain, motivate and develop them to achieve organizational effectiveness.

19.6 KEY WORDS

Motivation- Motivation is the processes that account for an individual's intensity, direction, and persistence of effort toward attaining a goal. Motivation may be defined more formally as a psychological or internal process initiated by some need, which leads to the activity which will satisfy that need.

Organizational effectiveness- Organizational effectiveness is defined as a concept to measure the efficiency of an organization in meeting its objectives with the help of given resources without putting undue strain on its employees.

Knowledge Management- Knowledge management is a concept in which an organization deliberately gathers, organizes, shares and analyses its knowledge in terms of resources, documents and people skills.

Accountability - Organizational effectiveness is to a great extent dependent on the concept of accountability. A company should build an environment where every individual, as well as a group, is accountable for the tasks he participates in.

19.7 SELF-ASSESSMENT QUESTIONS

1. Define Organizational Effectiveness? Discuss the approaches of Organizational Effectiveness?
2. Discuss the systems of Organizational Effectiveness?

19.8 SUGGESTED READINGS

1. Mishra, M.N. Organizational Behavior. Noida: Vikas Publishing House 2010.
2. Aswathappa, K. Organizational Behavior. Mumbai: Himalaya PublishingHouse Pvt. Ltd 2010.
3. Gupta C.B A Textbook Of Organizational Behavior S.Chand Publications January 2014
4. Stephen P. Robbins Organizational Behavior Eighteen Edition Pearson Publications November 2018
5. John Ivancevich Robert Konopaske Michael Matteson, Organizational Behavior and Management McGraw-Hill Education – Europe Tenth Edition 2018
6. Shearsett Allison Organizational Behavior Independently Published (2018)
7. Inder Jeet, Suman Solanki Organizational Behaviour for B.Com (Honours)(Previous 3 Years Semester) Delhi University Semester 5 Taxman Publication 2018

Dr.V.Naga Nirmala

LESSON-20

ORGANIZATIONAL CLIMATE

Lesson Objectives

- ✓ To Understand the Characteristics of Organizational climate
- ✓ To study the Dimensions of Organizational climate
- ✓ To Learn the Developing Sound Organizational climate

Structure

20.0 Introduction

20.1 Meaning and Definition

20.2 Characteristics of Organizational climate

- 20.2.1 General Perspective
- 20.2.2 Abstract and Intangible Concept
- 20.2.3 Unique and Distinct Identity
- 20.2.4 Enduring quality
- 20.2.5 Multi Dimensional Concept

20.3 Factors Influencing organizational climate

20.4. Impact of Organizational Climate

- 20.4.1 Constraint system
- 20.4.2 Evaluation of self and others
- 20.4.3 By Acting as stimuli
- 20.4.4 By Helping Individual to form a perception

20.5 Organizational climate and Effectiveness

20.6 Dimensions of Organizational Climate

- 20.6.1 Dominant Orientation
- 20.6.2 Interpersonal relationship
- 20.6.3 conflict Management
- 20.6.4 Individual Autonomy
- 20.6.5 Organization Control system
- 20.6.6 Organization Structure
- 20.6.7 Task Oriented or Relation Oriented Management
- 20.6.8 Rewards and Punishment
- 20.6.9 Communication

20.7 Developing Sound Organizational climate

- 20.7.1 Effective Communication system
- 20.7.2 Concern for people
- 20.7.3 Participative Decision Making
- 20.7.4 Change in Policies, Procedures, Rules
- 20.7.5 Technological change

20.8 Participation and Organizational climate

- 20.8.1 Mental and Emotional Involvement
- 20.8.2 Acceptance of Responsibility
- 20.8.3 Motivation to contribute

20.9 Summary

20.10 Key words

20.11 Self Assessment Questions

20.12 Suggested Readings

20.0 INTRODUCTION

Climate of an organization is somewhat like the personality of a person. Just as every individual has a personality that makes him unique and different from other persons. Each organization has an organizational climate that clearly distinguishes it from other organizations.

Basically, the organizational climate reflects a person's perception of the organization to which he belongs. It is a set of unique characteristics and features that are perceived by the employees about their organizations which serves as a major force in influencing their behavior. Thus, organizational climate in a broad sense, can be understood as the social setting of the organization.

20.1 MEANING AND DEFINITION

Before understanding the meaning of organizational climate, we must first understand the concept of climate.

"Climate in natural sense is referred to as the average course or condition of the weather at a place over a period of years as exhibited by temperature, wind, velocity and precipitation."

However, it is quite difficult to define organizational climate incorporating the characteristics of natural climate. This is so because the most frustrating feature of an attempt to deal with situational variables in a model of management performance is the enormous complexity of the management itself. People have defined organizational climate on the basis of its potential properties. A few important definitions are as given below.

According to Forehand and Gilmer, "Climate consists of a set of characteristics that describe an organization, distinguish it from other organizations are relatively enduring over time and influence the behavior of people in it."

According to Campbell, "Organizational climate can be defined as a set of attributes specific to a particular organization that may be induced from the way that organization deals with its members and its environment. For the individual members within the organization, climate takes the form of a set of attitudes and experiences which describe the organization in terms of both static characteristics (such as degree of autonomy) and behaviour outcome and outcome- outcome contingencies."

Thus, organizational climate is a relatively enduring quality of the internal environment that is experienced by its members, influences their behavior and can be described in terms of the value of a particular set of characteristics of the organization. It may be possible to have as many climates as there are people in the organization when considered collectively, the actions of the individuals become more meaningful for viewing the total impact upon the climate and determining the stability of the work environment. The climate should be viewed from a total system perspective. While there may be differences in climates within departments these will be integrated to a certain extent to denote overall organizational climate.

20.2 Characteristics of Organizational Climate

The nature of organizational climate will be clear from the following characteristics:

20.2.1. General Perspective

Organizational climate is a general expression of what the organization is. It is the summary perception which people have about the organization. It conveys the impressions people have of the organizational internal environment within which they work.

20.2.2. Abstract and Intangible Concept

Organizational climate is a qualitative concept. It is very difficult to explain the components of organizational climate in quantitative or measurable units.

20.2.3. Unique and Distinct Identity

Organizational climate gives a distinct identity to the organization. It explains how one organization is different from other organizations.

20.2.4. Enduring Quality

Organizational climate built up over a period of time. It represents a relatively enduring quality of the internal environment that is experienced by the organizational members.

20.2.5. Multi-Dimensional Concept

Organizational climate is a multi- dimensional concept. The various dimensions of the organizational climate are individual autonomy, authority structure, leadership style, pattern of communication, degree of conflicts and cooperation etc.

20.3 Factors Influencing Organizational Climate

Organizational climate is a manifestation of the attitudes of organizational members towards the organization. Researchers have used the data relating to individual perception of

organizational properties in identifying organizational climate. Even in this context, there is a great amount of diversity.

Litwin and Stringer have included six factors which affect organizational climate. These factors are:

- (i) **Organizational Structure:** Perceptions of the extent of organizational constraints, rules, regulations, red tape,
- (ii) **Individual Responsibility:** Feeling of autonomy of being one's own boss,
- (iii) **Rewards:** Feelings related to being confident of adequate and appropriate rewards,
- (iv) **Risk and Risk Taking:** Perceptions of the degree of challenge and risk in the work situation,
- (v) **Warmth and Support:** Feeling of general good fellowship and helpfulness prevailing in the work setting.
- (vi) **Tolerance and Conflict:** Degree of confidence that the climate can tolerate, differing opinions.

Schneider and Barlett give a broader and systematic study of climate dimensions.

They include the following factors:

- (i) Management Support,
- (ii) Management Structure.
- (iii) Concern for new employees
- (iv) Inter-agency conflict,
- (v) Agent dependence and
- (vi) General Satisfaction

Taguiri has identified five factors influencing the organizational climate on the basis of information provided by managers.

These are:

- (i) Practices relating to providing a sense of direction or purpose to their jobs-setting of objectives, planning and feedback,
- (ii) Opportunities for exercising individual initiative,
- (iii) Working with a superior who is highly competitive and competent.
- (iv) Working with cooperative and pleasant people,
- (v) Being with a profit oriented and sales oriented company. KATZ et. al. have identified five factors which affect individual performance in organization;
- (i) Rules orientation,

- (ii) The nurturance of subordinates,
- (iii) Closeness of Supervision,
- (iv) Universalism,
- (v) Promotion-achievement orientation.

Lawrence James and Allan Jones have classified the following factors that influence organizational climate:

- (i) Organizational Context: Mission, goals and objectives, function etc.
- (ii) Organizational Structure: Size, degree of centralization and operating procedures.
- (iii) Leadership Process: Leadership styles, communication, decision making and related processes.
- (iv) Physical Environment: Employee safety, environmental stresses and physical space characteristics.
- (v) Organizational Values and Norms: Conformity, loyalty, impersonality and reciprocity.

Q. Richard M. Hodgetts has classified organizational climate into two major categories. He has given an analogy with an iceberg where there is a part of the iceberg that can be seen from the surface and another part that is under the water and cannot be seen. The factors in the visible part that can be observed and measured are called OVERT factors and the factors that are not visible and quantifiable are called covert factors.

Both these factors are shown in the following figure in the form of an iceberg:

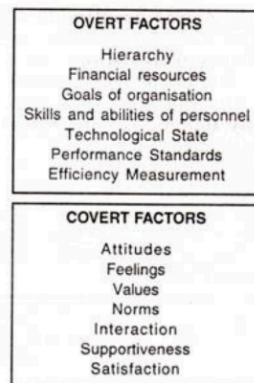
The results of the above studies show that it is very difficult to generalize the basic contents of organizational climate, based on these studies. However, some broad generalizations can be drawn and it can be concluded that four basic factors are somewhat common to the findings of most studies.

These factors are:

- (i) Individual autonomy.
- (ii) The degree of structure imposed upon the position.
- (iii) Reward Orientation.
- (iv) Consideration, warmth and support.

Another common factor can be in respect of conflict and cooperation. But this factor is used in different perspectives by different people.

Overt Factors and Covert Factors



20.4 Impact of Organizational Climate:

Organizational climate influences to a great extent the performance of the employees because it has a major impact on motivation and job satisfaction of individual employees. Organizational climate determines the work environment in which the employee feels satisfied or dissatisfied. Since satisfaction determines or influences the efficiency of the employees, we can say that organizational climate is directly related to the efficiency and performance of the employees.

The organizational climate can affect the human behaviour in the organization through an impact on their performance, satisfaction and attitudes. There are four mechanisms by which climate affects the behaviour of the employees.

20.4.1. Constraint System

Organizational climate can operate as a constraint system in both the positive and negative sense. This can be done by providing information to the employees about what kind of behaviour will be rewarded, punished or ignored. Thus, behaviour can be influenced by varying degrees of rewards and punishments. Such a constraint system would influence the behaviour of those people who are most interested in those specific values which are assigned to different behavioral outcomes.

20.4.2. Evaluation of Self and Others

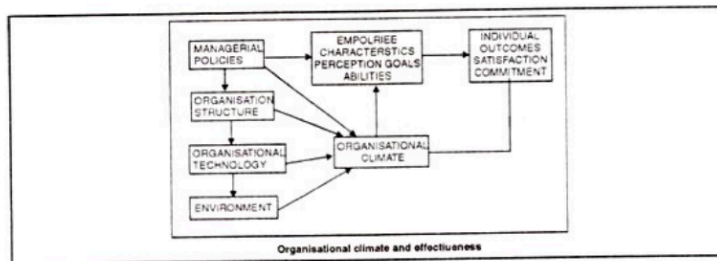
Organizational variables may affect behaviour through evaluation of self and others. In this evaluation process both the physiological and psychological variables will be associated. Such evaluation will affect the human behaviour.

20.4.3. By Acting as Stimuli

Organizational factors can influence human behavior by acting as stimuli. As stimuli they influence individual's arousal level, which is a motivational variable directing human behaviour. The level of arousal will directly affect the level of activation and hence performance.

20.4.4. By Helping the Individual to Form a Perception

Organizational factors influence the behaviour by helping the individual in forming a perception of the organization. The perception then influences behaviour. Thus, good organizational climate is instrumental to higher employee satisfaction, better human relations and higher productivity, the role of climate can be explained with the help of the following figure.



20.5 ORGANIZATIONAL CLIMATE AND EFFECTIVENESS

The factors indicated in the figure represent major determinants of climate in an organization and as such represent important areas of management concern. If employees satisfaction and job performance are to be improved, the management must modify these factors so that the employees view climate as favorable to them. Various research studies also confirm the positive relationship between organizational climate and employee performance.

Frederiksen on the basis of laboratory studies involving 260 middle level managers concludes that different organizational climate has different impact on human performance. He summarizes his findings in the following statement.

“It appears that the amount of administrative work in the stimulated job is more predictable in a climate that encourages innovation than in one that encourages standard procedures and that in an innovative climate, greater productivity can be expected of people with skills and attitudes that are associated with independence of thought and action and the ability to be productive in free unstructured situations.”

This study suggests that the performance was more predictable for subjects who worked in a consistent climate than those who had to work in an inconsistent environmental climate. Inconsistent climate was having indirect impact on productivity. Another laboratory study shows that significant differences were found in performance and satisfaction of people in varying organizational climates.

For example, in this study, three types of organizational climates were created:

- (i) Authoritarian structured.
- (ii) Democratic friendly and
- (iii) Achieving business.

It was found that the achieving organization produced the most in terms of money volumes, numbers of new products and cost saving innovations. People in democratic friendly environment expressed maximum satisfaction with their jobs. However, people in the authoritarian structured organization produced goods of highest quality because of right specifications put by government orders. Other studies have shown the similar results.

20.6 DIMENSIONS OF ORGANIZATIONAL CLIMATE:

The important dimensions or components which collectively represent the climate of an organization are as discussed below:

20.6.1. Dominant Orientation

Dominant orientation of the organization is an important determinant of climate and it is the major concern of its members. If the dominant orientation is to adhere to established rules and regulations, the climate is characterized by control. If the orientation is to produce excellence the climate will be characterized by achievement.

20.6.2. Inter-Personal Relationships

The interpersonal relationships in the organizations are reflected in the way informal groups are formed and operated. The informal groups may benefit the organization also, but in some cases it may displace the goals of the organization.

20.6.3. Conflict Management

In the organization, there can always be inter-group as well as intra group conflicts. The organizational climate will depend upon how effectively these conflicts are managed. If they are managed effectively, there will be an atmosphere of cooperation in the organization. If they are not managed properly there will be an atmosphere of distrust and non-cooperation.

20.6.4. Individual Autonomy

If the individual employees are given sufficient freedom to work and exercises authority, it will result in efficiency in operations. The autonomy will lighten the burden of higher level executives.

20.6.5. Organizational Control System

The control system of the organization can be either rigid or flexible. Rigid control will lead to impersonal or bureaucratic atmosphere in the organization. There will be minimum scope for self regulation.

20.6.6. Organizational Structure

The organizational structure serves the basis of inter personal relations between superiors and subordinates. It clarifies as to who is responsible to whom and who is to direct whom. If there is centralization of authority, the participation in decision making by the subordinates will be very less. On the other hand, if there is decentralization of authority, there will be an atmosphere of participative decision making.

20.6.7. Task Oriented or Relations Oriented Management:

The dominant style of managers will also affect the organizational climate. Task oriented approach means that the leadership style will be autocratic. The employees will have to show results or face the punishment. The employee morale will be low in the long run.

If the managers are relations oriented, the climate will be considerate and supportive. There will be team spirit in the organization because the needs and aspirations of the workers will be given due importance.

20.6.8. Rewards and Punishments

The system of rewards and punishments is also an important component of organizational climate if the reward system is directly related to performance and productivity, there will be an atmosphere of competition among the employees. Everybody will like to work hard and earn more reward in the form of promotions and pay rise. If there is biasedness in the distribution of rewards, the meritorious employees will be discouraged.

20.6.9. Communication

The communication system of the organization will also affect the organizational climate. The flow of information, its direction, its dispersement and its type are all important determinants. Proper communication system means that the subordinates are in a position to express their ideas, suggestions and reactions, otherwise they will feel frustrated.

20.6.10. Risk Taking

How members respond to risks and whose help is sought in situations involving risks are important in any organization. If individuals feel free to try out new ideas without any fear they will not hesitate in taking risks. Such an atmosphere will be conducive to innovative ideas.

The above dimensions or components are not mutually exclusive, they often overlap each other. The way in which these different dimensions operate an organization indicates the underlying philosophy of the management.

20.7 Developing a Sound Organizational Climate

To develop a sound organizational climate is a long term proposition. Organizational climate depends upon the organizational behavior system. The organizational climate should represent the goals and philosophies of those who join together to create the organization. The type of climate that an organization seeks is contingent upon the type of people it has, the type of technology, level of education and expect actions of people in it.

The following techniques are generally helpful in improving the climate of the organization:

20.7.1. Effective Communication System

There should be a two-way communication in the organization so that the employees know what is going on and react to it. The manager can modify his decision on the basis of feedback received.

20.7.2. Concern for People

The management should be interested in the human resource development. It should work for the welfare of employees and an improvement in their working conditions. For developing a sound organizational climate, the management should have show concern for the people.

20.7.3. Participative Decision Making

The management should involve the employees in decision making process, particularly those decisions which are related to goal setting and affect them. Participative decision making will make the employees committed to the organization and more co-operative also.

20.7.4. Change in Policies, Procedures and Rules

The organizational climate can also be changed by making changes in the policies, procedures and rules. It is a time consuming process but the changes will also be long lasting if the workers see the changes in policies, procedures and rules as favorable to them.

20.7.5. Technological Changes

Generally, the workers and employees resist any innovative changes. But where technological changes improve the working conditions of the employees, the change will be easily accepted. Better climate will be there if the management adopts innovative changes in consultation with the employees.

But all the above factors are contingent upon the assumptions of the nature of people in general. For example, the ECONOMIC MAN is basically motivated by money and economic security and hence, economic factors may be used to attract and motivate him. For a SOCIAL MAN positive social relations and interactions are a must. Thus, the creation of a climate where happy family atmosphere prevails is appropriate for him. The self actuating man seeks achievement, accomplishment and meaning in what he does. The organizational climate with a certain degree of freedom is appropriate for him.

Thus, in order to build up a sound organizational climate, management must understand the people in the organization. The importance must be given to what motivates people's performance in general and building an overall climate conducive to motivation, a keen insight into the individual in particular and tailoring a personal approach to leadership and job design to which the man will respond with commitment. The different types of people suggest that there cannot be any all purpose organizational climate.

20.8 Participation and Organizational Climate

As we have emphasized earlier also, participation is a very effective tool to develop sound organizational climate. Thus, every organization can make an attempt to develop organizational climate based on participation. Participation is based on democratic value of organizational life.

Bennis has given some basic features of democracy as applied to organizational life. According to him, democracy is basically a system of values.

These values include:

- (i) Full and free communication regardless of rank and power.
- (ii) A reliance on consensus rather than on the more customary forms of coercion or compromise to manage conflict.
- (iii) The idea that influence is based on technical competence and knowledge than on the vagaries of personal whims or prerogative of power.
- (iv) An atmosphere that permits and even encourages emotional expression as well as task oriented acts.
- (v) A basically human bias, one which accepts the inevitability of conflict between the organization and the individual but which is willing to cope with and mediate in this conflict on rational grounds.

To summaries, we can say that there are three important ideas in this concept of participation:

20.8.1. Mental and Emotional Involvement

The basic feature of participative system is that there should be mental and emotional involvement of the employees in the administration of the organization. This involvement is psychological rather than physical. A person who participates is ego involved rather than merely task involved. If there is no psychological involvement of the employees, the participation is no participation but just a manipulation. In such a situation, the manager tries to make people think that they are participating and having an influence, while in reality they are not.

20.8.2. Acceptance of Responsibility

A second important characteristic of participation is that people are encouraged to accept responsibility. Since people are mentally and emotionally involved in decision making, they have to undertake responsibilities also. Thus, they become both decision makers and executors.

This is a social process by which people become involved in an organization and want it to work successfully. When people want to do something, they will find a way. Under participative conditions people perceive managers as supportive contributors to the team. Employees are ready to work actively with managers, rather reactively against them.

20.8.3. Motivation to Contribute

Participation motivates people to contribute to the situation. They are given opportunities to use their initiative and creativity towards the objectives of the organization. Participation uses the creativity of all persons; thereby all of them contribute something in decision making. Contribution is different from consent because in consent the person only confirms what has already been decided. A consent or does not contribute to decision making rather he merely approves what has been decided by others.

20.9 SUMMARY

Organizational climate denotes the shared perception of employees towards the formal policies of their employer and informal practices of their leadership. The construct has several similarities with organizational culture but it has the potential to be a better barometer

of employee response to an organizational policy or practice as it can be operationalised for a specific category. Measures for assessing organizational climate as a whole, or for a specific practice area like safety and customer service, have been reported by researchers. However, few studies report how to improve organizational climate for better results.

20.10 KEY WORDS

Organizational Climate- Organizational Climate consists of a set of characteristics that describe an organization, distinguish it from other organizations are relatively enduring over time and influence the behavior of people in it.”

Dominant orientation- Dominant orientation of the organization is an important determinant of climate and it is the major concern of its members

Inter-Personal Relationships- The interpersonal relationships in the organizations are reflected in the way informal groups are formed and operated.

20.11 SELF-ASSESSMENT QUESTIONS

1. Define Organizational climate? Briefly Explain the characteristics of Organizational climate?
2. Discuss the Factors that Influence the Organizational climate
3. Explain the Developing sound Organizational climate structure

20.12 SUGGESTED READINGS

1. Mishra, M.N. Organizational Behavior. Noida: Vikas Publishing House 2010.
2. Aswathappa, K. Organizational Behavior. Mumbai: Himalaya Publishing House Pvt. Ltd 2010.
3. Gupta C.B A Textbook Of Organizational Behavior S.Chand Publications January 2014
4. Stephen P. Robbins Organizational Behavior Eighteen Edition Pearson Publications November 2018
5. John Ivancevich Robert Konopaske Michael Matteson, Organizational Behavior and Management McGraw-Hill Education – Europe Tenth Edition 2018
6. Shearsett Allison Organizational Behavior Independently Published (2018)
7. Inder Jeet, Suman Solanki Organizational Behavior for B.Com (Honours)(Previous 3 Years Semester) Delhi University Semester 5 Taxman Publication 2018

Dr.V.Naga Nirmala

203HM21

MHRM DEGREE EXAMINATION

First Year – Semester- II

Paper - III

ORGANISATIONAL BEHAVIOR

Time: Three hours

Maximum : 70 marks

SECTION A — (5 x 4 = 20 marks)

Answer any FIVE of the following

- 1 (a). Organizational Behavior
- (b). Learning
 - (c). Attitudes
 - (d). Counselling
 - (e). Leadership
 - (f). Motivation
 - (g). Job Enlargement
 - (h). Job Enrichment
 - (i). Organizational Climate
 - (j). Organizational Effectiveness

SECTION B — (2 x 10 = 20 marks)

Answer any TWO of the following

- 2). Explain the Scope and Approaches of Organizational Behavior?
- 3). Explain the Personality Traits. State in detail the Big Five Personality Traits?

- 4). Explain the trait theories of Leadership ?
- 5). Discuss the difference between the Formal and Informal Organization?

SECTION C — (2 × 15 = 30 marks)

Answer any TWO of the following

- 6). Compare and Contrast between the F.W Taylor and Henry Fayol Motivation Theories?
- 7). Discuss the Causes and Consequences of Stress?
- 8). Explain the principles of Scientific Management and Human Relations approach to motivation?
- 9). What is Organizational Effectiveness? Explain the difference between the Efficiency and Effectiveness

203 MA HRM

ORIGINALITY REPORT

91 %
SIMILARITY INDEX

87 %
INTERNET SOURCES

14 %
PUBLICATIONS

61 %
STUDENT PAPERS

MATCH ALL SOURCES (ONLY SELECTED SOURCE PRINTED)

29%

★ www.coursehero.com

Internet Source

Exclude quotes Off

Exclude matches Off

Exclude bibliography Off

203 MA HRM

GRADEMARK REPORT

FINAL GRADE

/0

GENERAL COMMENTS

PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7

PAGE 8

PAGE 9

PAGE 10

PAGE 11

PAGE 12

PAGE 13

PAGE 14

PAGE 15

PAGE 16

PAGE 17

PAGE 18

PAGE 19

PAGE 20

PAGE 21

PAGE 22

PAGE 23

PAGE 24

PAGE 25

PAGE 26

PAGE 27

PAGE 28

PAGE 29

PAGE 30

PAGE 31

PAGE 32

PAGE 33

PAGE 34

PAGE 35

PAGE 36

PAGE 37

PAGE 38

PAGE 39

PAGE 40

PAGE 41

PAGE 42

PAGE 43

PAGE 44

PAGE 45

PAGE 46

PAGE 47

PAGE 48

PAGE 49

PAGE 50

PAGE 51

PAGE 52

PAGE 53

PAGE 54

PAGE 55

PAGE 56

PAGE 57

PAGE 58

PAGE 59

PAGE 60

PAGE 61

PAGE 62

PAGE 63

PAGE 64

PAGE 65

PAGE 66

PAGE 67

PAGE 68

PAGE 69

PAGE 70

PAGE 71

PAGE 72

PAGE 73

PAGE 74

PAGE 75

PAGE 76

PAGE 77

PAGE 78

PAGE 79

PAGE 80

PAGE 81

PAGE 82

PAGE 83

PAGE 84

PAGE 85

PAGE 86

PAGE 87

PAGE 88

PAGE 89

PAGE 90

PAGE 91

PAGE 92

PAGE 93

PAGE 94

PAGE 95

PAGE 96

PAGE 97

PAGE 98

PAGE 99

PAGE 100

PAGE 101

PAGE 102

PAGE 103

PAGE 104

PAGE 105

PAGE 106

PAGE 107

PAGE 108

PAGE 109

PAGE 110

PAGE 111

PAGE 112

PAGE 113

PAGE 114

PAGE 115

PAGE 116

PAGE 117

PAGE 118

PAGE 119

PAGE 120

PAGE 121

PAGE 122

PAGE 123

PAGE 124

PAGE 125

PAGE 126

PAGE 127

PAGE 128

PAGE 129

PAGE 130

PAGE 131

PAGE 132

PAGE 133

PAGE 134

PAGE 135

PAGE 136

PAGE 137

PAGE 138

PAGE 139

PAGE 140

PAGE 141

PAGE 142

PAGE 143

PAGE 144

PAGE 145

PAGE 146

PAGE 147

PAGE 148

PAGE 149

PAGE 150

PAGE 151

PAGE 152

PAGE 153

PAGE 154

PAGE 155

PAGE 156

PAGE 157

PAGE 158

PAGE 159

PAGE 160

PAGE 161

PAGE 162

PAGE 163

PAGE 164

PAGE 165

PAGE 166

PAGE 167

PAGE 168

PAGE 169

PAGE 170

PAGE 171

PAGE 172

PAGE 173

PAGE 174

PAGE 175

PAGE 176

PAGE 177

PAGE 178

PAGE 179

PAGE 180

PAGE 181

PAGE 182

PAGE 183

PAGE 184

PAGE 185

PAGE 186

PAGE 187

PAGE 188

PAGE 189

PAGE 190

PAGE 191

PAGE 192

PAGE 193

PAGE 194

PAGE 195

PAGE 196

PAGE 197

PAGE 198

PAGE 199

PAGE 200

PAGE 201

PAGE 202

PAGE 203

PAGE 204

PAGE 205

PAGE 206

PAGE 207

PAGE 208

PAGE 209

PAGE 210

PAGE 211

PAGE 212

PAGE 213

PAGE 214

PAGE 215

PAGE 216

PAGE 217

PAGE 218

PAGE 219

PAGE 220

PAGE 221

PAGE 222

PAGE 223

PAGE 224

PAGE 225

PAGE 226

PAGE 227

PAGE 228

PAGE 229
