

ORGANIZATIONAL BEHAVIOUR FOR HEALTHCARE ORGANIZATIONS

**MASTER OF BUSINESS ADMINISTRATION
(HOSPITAL ADMINISTRATION)**

FIRST YEAR, SEMESTER-I, PAPER-II



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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 2024, Acharya Nagarjuna University is offering educational opportunities at the UG, PG levels apart from research degrees to students from over 221 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.Sc., B.A., B.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.

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MASTER OF BUSINESS ADMINISTRATION (HOSPITAL ADMINISTRATION)

Programme Code: 197

PROGRAMME SYLLABUS

1st YEAR – 1st SEMESTER SYLLABUS

102HA26: ORGANIZATIONAL BEHAVIOUR FOR HEALTHCARE ORGANIZATIONS

Unit - I Focus and Purpose of Organisational Behaviour: Definition and Meaning, nature and scope, Goals of OB – Key elements in O.B. – Challenges and opportunities for O.B. – Contributing disciplines to O.B. – O.B. Model.

Unit - II Individual Behaviour: Perception – Process, factors influencing perception, barriers in perceptual accuracy, enhancing perceptual skills. Personality – Stages of Development, determinants of personality, Values and Attitudes and their relevance in O.B. context

Unit - III Group Dynamics: Meaning and types of groups, Dynamics of group formation, frame work of group behaviour. Developing inter-personal skills

Unit - IV Organisational change and Development: Change dimensions, change process, pressures for change, resistance to change, overcoming resistance to change, and change management. Organisational Development: objectives and techniques of Organisational Development.

Unit - V Organisational Conflict & Culture: Organisational conflicts – Meaning, conflicts at individual, group and organisational level, sources of conflicts, functional and dysfunctional aspects, stimulating productive conflict, strategies for conflict resolution-
Organizational Culture Definition and characteristics, creating and sustaining culture

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Lesson – 1

INTRODUCTION TO ORGANISATIONAL BEHAVIOUR

Objectives :

After studying this lesson you will understand -

- What is organisational behaviour
- Importance of organisational behaviour
- Goals and scope of organisational behaviour

Structure of the lesson

- 1. INTRODUCTION TO OB**
- 2. MEANING AND DEFINITIONS**
- 3. IMPORTANCE OF OB**
- 4. NATURE AND SCOPE**
- 5. GOALS OF OB**
- 6. KEY ELEMENTS OF OB**
- 7. CHALLENGES AND OPPORTUNITIES OF OB**
- 8. CONTRIBUTING DISCIPLINES OF OB**
- 9. OB MODEL**
- 10. CONCLUSION**

- ☉ Individuals Don't win; Teams Do – Sam Walton

(Wal-Mart World CEO)

- ☉ The Organization is, above all, Social, it is people – Peter Drucker (Management Guru)

- ☉ An Organization, no matter how well designed, is only as good as the people who live and work in it. Deehock
- ☉ We don't Manage people, we manage behaviours.
- ☉ "Life is unlivable without organisations"

What is (are) organisation (s)

Organizations are as old as the human race itself. Archaeologists have discovered massive temples dating back to 3500 BC that were constructed through the organized actions of many people. The fact that these impressive monuments were built suggest that not only did complex organizations exist, but that the people in them worked cohesively for common causes.

- Organization is "A Group of People Working together for a common purpose".
- Organisations are sets of people who work together to achieve shared goals.
- Organisation are group of people who work independently towards some purpose.
- Organisations are not physical structures; rather they are people who work together to achieve set of goals

Now who are people? What is their significance? Do they need any behaviour?

- ☉ **Hospital:** A hospital is a health care institution (organisation) providing patient treatment with specialized medical and nursing staff and medical equipment.
- ☉ **Hospital:** Hospital is a place for the diagnosis and treatment of human ills and restoration of health and well-beings of those temporarily deprived of these
- ☉ Hospital is a combination of many processes. To the community it is a place **to receive medical care**. To the Physician it is a place to **treat patient**. To the employees it is a place to **work**. and to the hospital manager it is a **multifaceted organization**.

ORGANIZATION

- A **hospital** is a multifaceted organization comprising many **committees, departments, types of personnel, and services.**
- It **requires** highly trained employees, efficient systems and controls, necessary supplies, adequate equipment and **facilities**, and of course, **physicians and patients.**



EVOLUTION OF OB:

Five stages are distinct in the evolution of OB

- Industrial Revolution
- Scientific Management
- Human Relations Movement
- Hawthorne studies
- OB itself.

Initially people (Human Resources) treated as commodity. But later it was identified as very important resources,

Industrial Revolution (19th century), Industrial Revolution was responsible for Planting the seed for potential improvement.

- ❖ Robert Owen (1800) a young welsh factory owner) was one of the first to emphasize human needs of employees, he is father of personnel Management this could hardly be called modern organizational Behaviour.
- ❖ Human resource in organisations received management's attention much earlier as 1800 B C itself, Minimum Wage Rate and incentive Plan was included in the babylonin code of hammurabai.

- ❖ In 1835 Andrew Ure Published his “the philosophy of Manufacturers” he included the human factor as one of the factors of production. Believing in the importance of the human factor, Ure provided workers with hot Tea, Medical Treatment, and sickness payments.
- ❖ JN Tata (1886) special interests in the welfare of his employees. In 1886, he instituted a pension fund, and in 1895 he began to pay accident compensation.
- ❖ FW Taylor (1900) Father of scientific Management he published his work “principles of Scientific Management” in 1911. Taylor advocates the **selection of right people for right jobs, training them adequately, placing them in jobs for which they were best suited and remunerating them handsomely**.
- ❖ Elton Mayo of Human Relation Movement: failure of scientific management gave birth to the human relations movement which is characterized by heavy emphasis on employee co-operation and Morale. Under this, people were to be treated as human beings and not as machines, listening to their needs and problems and involving them in decision making in matters relating to working conditions. There are many reasons for this human relations positions. Historically, three of the most important contributing factors would be the Great Depression, the labour movement, the results of the now famous Hawthorne studies.
- ❖ Hawthorne studies: it laid foundation for understanding people, social and psychological behaviour at work place.
- ❖
- ❖ **Organisational Behaviour:** The human relations movement thus started, continued and flourished for a long time. Unfortunately, the movement grew so fast that much fadism and shallowness developed. Some practitioners began to emphasise the big smile, ‘being nice to people’ and keep them happy’ while subtly trying to manipulate employees. Naturally, the human relations movement received serious criticism. In course of time, the term human relations lost its flavour, although it continues to be used, especially at the operating level – because of its appropriateness. As the field became more mature and research based, the new term that arose to describe it was ‘organisational behaviour’ experts trace this development to the late 1950s and early 1960s.
- ❖ OB has made considerable strides since 1960s, although there have been occasional steps backward as well. Managers increasingly recognise the value of human resources and strive to better understand people and their role in complex organisations and competitive business situations. This realisation has come from the subject, organisational Behaviour

INTRODUCTION TO OB: OB helps firms to achieve effectiveness in their activities, organizations comprises people and OB helps in utilizing these resources for achieving organizational effectiveness.

Today's business is preoccupied with the human resources. Human beings play a very vital role in the growth of the organizations individually and groups; earlier organisations used to consider non human resources such as money, machinery, methods and materials more important than human resource, but now this philosophy has been changed. Organisations have started realising the importance of human resources, organization's also understand that it is only human resources which posses physical, administrative, decision making, executive and organising skills. Therefore OB has evolved as a relevant field of study

Meaning and Definition of OB

Meaning of OB: However, three features need to emphasized in any definition.

1. *OB is the study of human behaviour;*
2. *The study is about behaviour in organisations; and*
3. *Knowledge about human behaviour would be useful in improving organisation's effectiveness.*

combining the above three features, OB may be understood to the study of human behaviour in organisational settings of the interface between human behaviour and the organisation and of the organisation itself.

Definition of OB

- ☉ Organizational behaviour is the **study of individuals**, groups and organizational systems. Organisational behaviour examines how human beings behave and interact with each other in the organisations. OB is considered as an art of applied science which deals with the emotions, feelings, believes, perceptions, intellectuality and mentality of people working in an organisation.
- ☉ OB is defined as a field of study, that **investigates the impact that individuals**, groups and structure have on behaviour within organisations for the purpose of applying such knowledge towards improving an organisation's performance.
- ☉ OB refers to the **behaviour of individuals** and groups within organisations and the interaction between organisational members and their external environment.

- ☉ *OB is the systematic study and careful application of knowledge about how people – as individuals and as groups – act within organisations. It strives to identify ways in which people can act more effectively.*

Why study OB or Importance of organisational behaviour (OB)

OB is a subject which not only makes an individual a better employee of an organisation but makes him or her a better person and a better citizen. By promoting positive attitudes and creating high tastes, OB contributes towards better quality of life. OB helps in several ways.

1. OB Provides a roadmap to our lives in organization
2. It helps us understand and predict organizational life
3. OB helps us influence organizational events
4. OB helps an individual understand himself/herself and others better
5. OB will help the manager understand the basis of motivation and what he or she should do to motivate subordinates
6. OB is useful for maintaining cordial industrial relations
7. OB will help understand the causes of the problem, predict its course of action, and control its consequences
8. OB helps an individual to share his/her career
9. OB also helps for efficient management of human resources.

| Benefits | Problems |
|---|---------------------------|
| Role clarity, resources expansion, organisational redesign. | Conflict. |
| Workplace harassment committee | Workplace harassment |
| Counseling | Alcoholism and drug abuse |

Nature and scope of OB:

OB has emerged as a separate field of study. The nature it has acquired by now is identified as follows.

1. **A separate field of study and not Discipline only:** by definition, a discipline is an accepted science, that is based on theoretical foundation. But OB has multi interdisciplinary orientation and is, not based on a specific theoretical background. Therefore it is better reasonable to call OB as a separate field of study rather than a discipline only.
2. **An Interdisciplinary Approach:** OB is essentially an interdisciplinary approach to study human behaviour at work. It tries to integrate the relevant knowledge drawn from related disciplines like psychology, sociology and anthropology to make them applicable for studying and analysing Organisational Behaviour.
3. **An Applied Science:** The very nature of OB is applied, what OB basically does is the application of various researches to solve the organisational problems related to human behaviour.
4. **A Humanistic and Optimistic Approach:** OB applies humanistic approach towards people working in the organisation, it treats people as thinking, feeling human beings. OB 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 organisation can and will actualise these potentials, if they are given proper conditions and environment.
5. **A total system Approach:** the systems approach is one that integrates all the variables affecting organisational functioning. The systems approach has been developed by the behavioural scientists to analyse human behaviour in view of his/her socio psychological

framework. Man's socio-psychological framework makes him a complex one and the systems approach tries to study his/her complexity and find a solution to it.

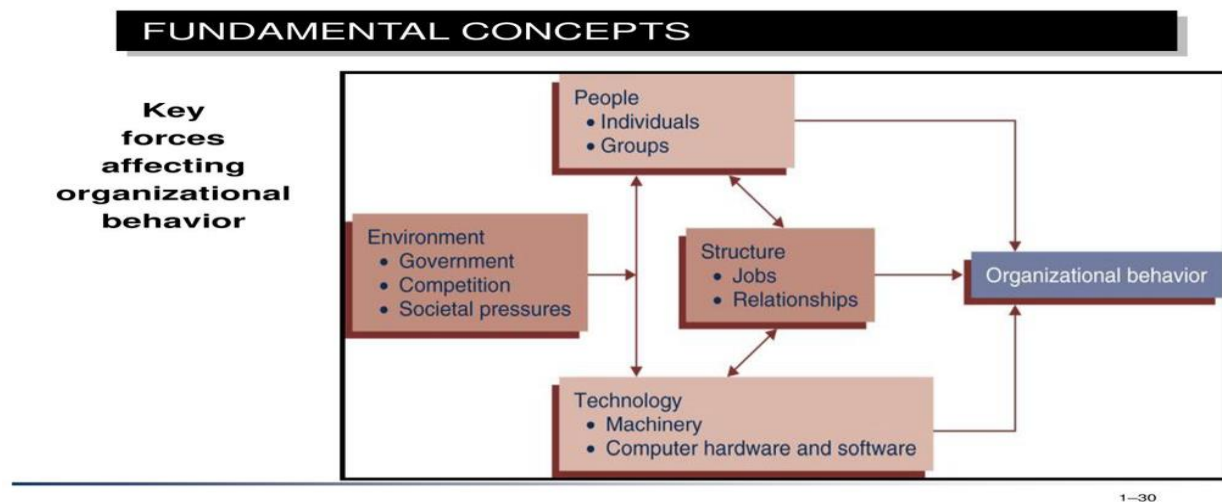
SCOPE OF ORGANISATIONAL BEHAVIOUR: OB encompasses the study of human behaviour. The scope of OB includes the study of Individual Behaviour, (intrapersonal) interpersonal behaviour and behaviour of the organizations themselves.

6. ***Intrapersonal behaviour*** covers such aspects as personality, attitude, perception, learning, opinion, motivation, job satisfaction, values and stress management.
7. ***Inter personal behaviour:*** includes group dynamics, team dynamics, inter group conflict, leadership, communication, power and politics etc.
8. ***About organisation:*** the study covers such aspects as their formation, structures, effectiveness and formal and informal organisation, organisation culture and change management.
9. ***In a nutshell, OB studies how organisations influence people or how people influence organisations.***

Goals of ob

- 1) Describe:** The first Goal of OB is to describe systematically, how people behave under a variety of conditions. Achieving this goal allows managers to communicate about human behaviour at work using common language.
- 2) Understand:** why people behave as they do. Managers would be highly frustrated if they could only talk about behaviour of employees, but not understand the reasons behind those actions.
- 3) Predicting:** predicting future employee behaviour is another goal of OB. Ideally managers would have the capacity to predict which employees might be dedicated and productive (or) which one might be absent, tardy (means late, act as slow or respond) or disruptive.
- 4) Control:** The final Goal of OB is to control, at least partially and develop some human activity at work. Managers are held responsible for performance outcomes, they are vitally interested in being able to make an impact on employee behaviour, skill development, team effort and productivity. In this regard OB can aid them in their pursuit of this goal.

Key Elements of OB (or) Key Forces of OB



Introduction: organisation is a group of people who work together to achieve a common goal by using their skills. The term organization does not mean only by structure, design and shape, it also includes the group of individuals which works independently to achieve organizational objectives effectively.

1. People: Individuals working in an organisation from the social system which is internal to the organisation, it includes individuals and groups. Individuals are the building blocks of the organizations and play a vital role in achieving the goals and objectives of the organization. Therefore it is very important to understand, predict and control the behaviour of individuals working in the organisation

2. Structure: Structure of an organisation defines workflow and the relationship between the people in the organisation. It is important that the roles and responsibility of each individual working in an organisation should be defined clearly. interconnection of authority, responsibility and division of work in an organization. Some important concepts of structure are given as follows.

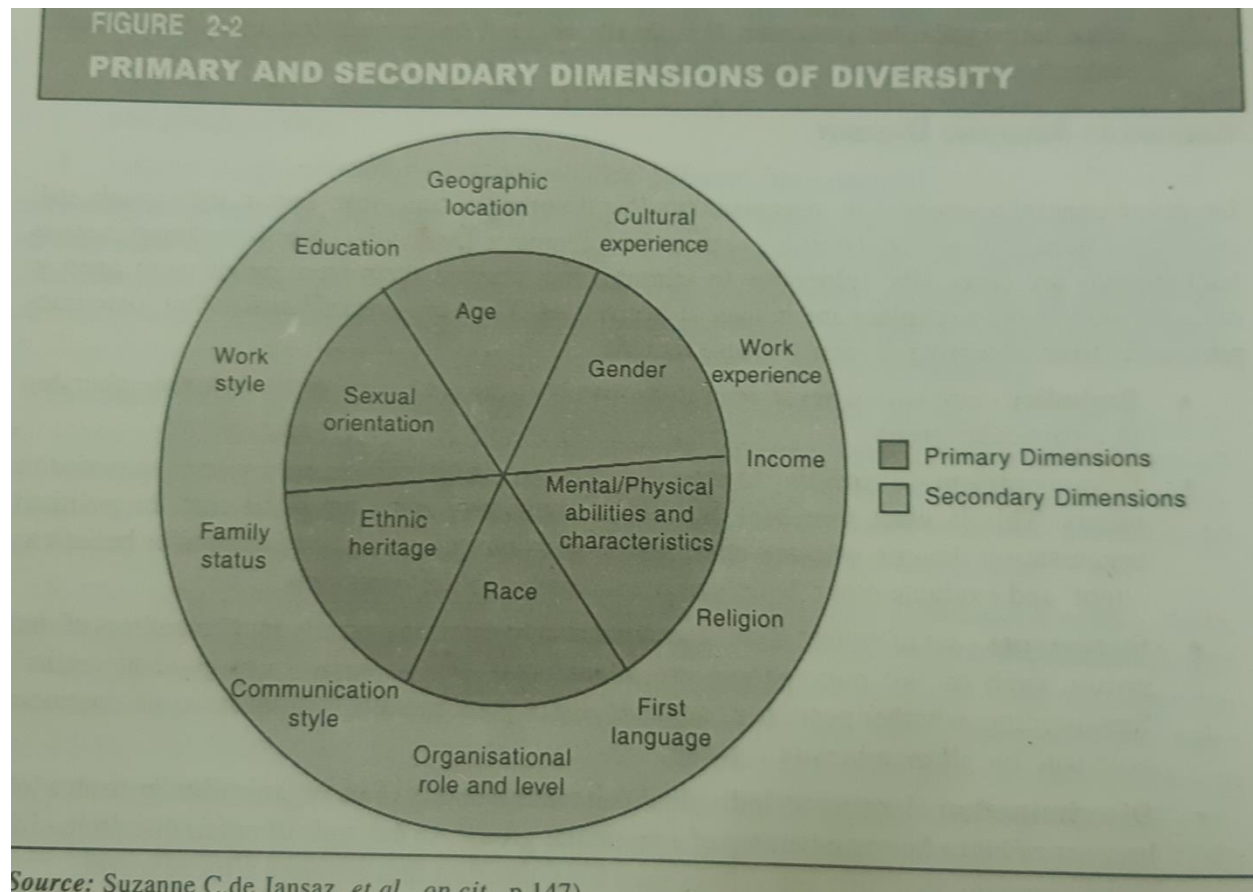
- Hierarchy of authority:** it describes the distribution of authority among the different organizational positions
- Division of Labour:** it describes the breakup of work into small tasks and assigning the tasks to the various members according to their abilities

- c) **Span of control:** it refers to the optimum number of workers to be managed by a supervisor
- d) **Specialization:** it refers to the idea of assigning the tasks to the concerned staff on the basis of qualification/specialisation.

Structures of an organization can be of two types. 1) Formal 2) Informal

1. **Formal Organisation structure:** it means formally organized enterprise where structure of role, authority, responsibility, and workflow is properly defined. Formal organisations are hierarchical in nature. Top managers can organise the organisation well by inducing the congenial environment.
2. **Informal Organisation structure:** those organisations have neither any framed or specific structure nor hierarchical levels like formal organisations. Informal organisations represent the network of interpersonal relationships that emerge when people associate with each other.
3. **Technology :** organisations use technology to convert their inputs into outputs. Process and everything that is used in the transformation process. Managing technology to gain competitive advantage with global market and to maintain position in the local market is the biggest challenge for any organisation.
4. **Environment:** Environment is a crucial part of organisation behaviour. There are two types of environment within which organisation exists. That is the internal environment and external environment.
5. organisations can't exist alone and is a part of large system containing numerous elements like society, family, government and other organisations.. Internal environment refers to organisation culture, its structure and its resources, whereas the external environment includes various political, social, economical, cultural and technological factors , all these factors have different influence on the working of the organisation and need to be studied properly.
6. **Challenges and opportunities for OB:** As we go into the future, the OB specialist will confront more and more employees sandwiched between here and there cases. It is big challenge for him or her to manage such employees. In addition, the OB specialists faces certain other challenges, some of which are explained in further slides. The challenges include.

Diversity: the range of difference among employees in workplace



Diversity is dealing with a collective mixture of differences and similarities in a given group. It includes age, background, education, function and personality. It also includes life styles, geographic origin, tenure with an organization, values, beliefs and opinions. Diversity has both primary and secondary dimensions.

1. Managing diversity is a philosophy about how differences among individuals are accepted and respected and how they are made to work in cohesion. Recent research shows that organisations like P & G, achieves 30-40 per cent higher productivity due to successful managing of diversity, KFC experienced phenomenal success. Apollo Hospital is more successful due to successful management of diversity in organization.

Barriers to accepting Diversity:

1. **Prejudice:** Unjustified negative attitude towards a person based on his (or) her membership of a particular group.
2. **Ethnocentrism:** a tendency to regard one's own group, culture (or) nation as superior to others. People who are ethnocentric see their group – related customs or beliefs as right and evaluate other beliefs or practices against this yardstick.

3. Stereotyping: set of beliefs about a group that is applied universally to all members of that group such as “ all poor people are uneducated” (or) all Asians are good at maths
4. Discrimination: barring an individual from membership of an organisation or from a job because of his or her membership of a particular group.
5. Harassment: consciously shunning or verbally or physically abusing an individual because of membership of a particular group.
6. Sexual harassment: approaching a person in an unwanted, uninvited, intimate way, interfering with that person’s productivity or advancement.

How to manage Diversity Effectively:

- ⦿ Creating Awareness on diversity
- ⦿ Increasing diversity skills
- ⦿ Celebrating Cultural diversity (Gender and Cultural)
- ⦿ Providing organisation members with accurate information on diversity
- ⦿ Assessing personal beliefs, attitudes and values and learning about other points of view
- ⦿ Develop an atmosphere in which people feel free to share their differing perspectives and points of view
- ⦿ Improving understanding of others who are different from oneself.

Effective diversity management offers strategic advantage to an organisation.

1. Generation of more and better ideas. Because group members come from a host of different cultures, they are often able to create unique and creative solutions and recommendations
2. A major benefit is that culturally diverse groups can prevent groupthink;
3. Organisations will be able to tap gender and racially diverse markets better with amore diverse workforce
4. Firms having good records in managing diversity may be able to attract talent.
5. Organisations that can manage diversity better tend to be more flexible and vibrant, because they have broadened their policies are more open minded, have less standardised operating methods and have developed skills to manage resistance to change.

2. Changing Demographics of workforce: The major challenge from changing demographics of workforce relates to **dual career couples** where both partners are actively pursuing professional career. Another change in the workforce demographics relates to the growing number of employees **who are young (preferring young men and women)**.

3. Changing employee Expectation: with the changes in the workforce demographics, employee expectations and attitudes have also changed. Traditional allurements such as job security, attractive remuneration, housing and the like do not attract, retain or motivate today's workforce. Employees today demand empowerment and expect quality of status with the management. Previous notions on managerial authority re giving way to employee influence and involvement along with mechanisms for upward communication.

4. Globalisation: Growing internationalization of business has its impact on the people management. The management is required to cope with the problems of unfamiliar laws, (workmen compensation act 1923, Maternity benefit act 1961, factories act 1948, payment of wages act 1936, minimum wages act 1948, payment of bonus act 1965, equal remuneration act 1976, Industrial Dispute act 1948, payment of Gratuity act 1972, employee state insurance act 1948, employee provident fund act 1948,....there are more than 100 act like this.) languages, practices, competitors, attitudes and management styles work ethics and more.

Due to this present business facing 4 challenges.

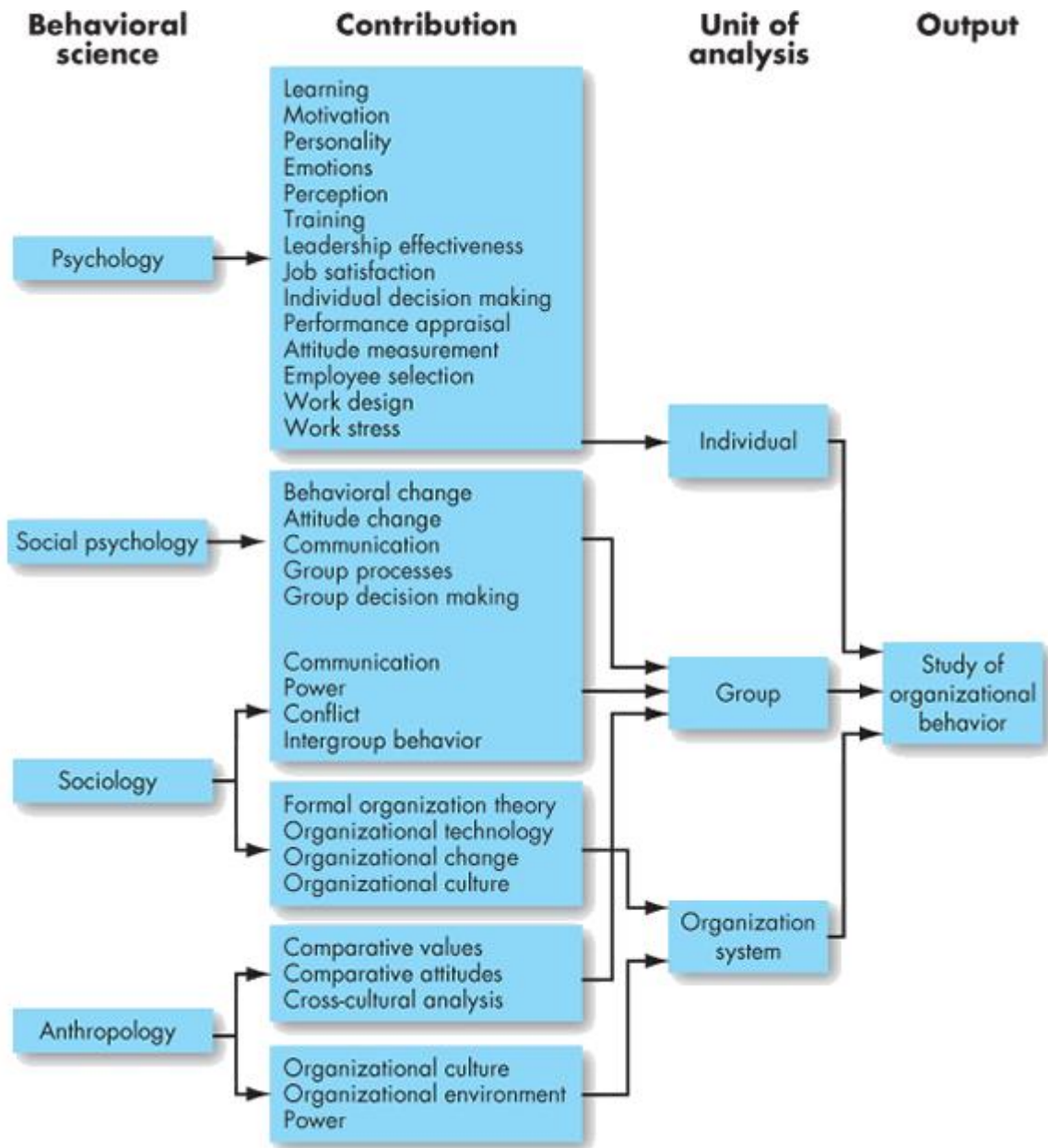
- 1) Globalization affects an increasing number of managers and professionals
- 2) Globalization demands certain competencies
- 3) Need of teamwork
- 4) Globalization brings about for peculiar difficulties many companies
- 5) Globalization also demands effective and efficient management
- 6) **Ethical Behaviour:** Every decision and behaviour in organisations will have underlying foundations of ethics, principles and rules. It is important on the part of managers to ensure that ethical concepts are understood, principles are respected, and rules are observed. Ethics refers to a system of moral principles-a sense of right and wrong, the goodness and badness of actions, and the motives and consequences of these actions.
- 7) **Technology Transformation:** Technology may be understood as anything that workers of an organisation use to transform its inputs into outputs. Technology can refer to something as abstract as a recipe or formula, or something as concrete as a new piece of a stainless steel machinery. Technology, it is widely believed, offers competitive edge to a firm. In reality, technology may not be an edge at all. The competitive edge comes when

managers achieve a harmonious integration of their human and technological resources. Technology has two dimensions 1. automation, 2.information technology

Opportunities of organisational behaviour

1. Improving people's skills
2. Improving Quality & Productivity (quality culture – where excellence is everyone's responsibility) father of healthcare quality. donabedian
3. Total Quality Management (TQM) (FMEA; P-C-D-A Cycle; JIT (Just in Time); Kaizan; 'O' defect programme; Statistical Tools in TQM; Flow diagram; Pareto Analysis; Cause and effect diagram; Control Charts; Bench Marking; Business Process Reengineering; Six Sigma)
4. Managing Workforce Diversity
5. Empowering People
6. Stimulating Innovation and change
7. Responding to Globalization
8. Improving Ethical Behaviour
9. Improving Customer Service
10. Possible for the all round development of organization

Major Disciplines and their Contributions to Organisational Behaviour



OB is an applied Behavioural science. It has drawn heavily from a number of applied behavioural sciences. Such as a Psychology, Sociology, anthropology. It has also drawn from such subjects as economics, history, political sciences etc.

1. **Psychology**: It is the study of behaviour, includes animal as well as human behaviour. It refers to the study of understanding the behaviour of an individual. The word psychology is derived from the Greek word 'psyche' which means soul or spirit.

Psychology is concerned with individual behaviour and has contributed greatly to the intra – individual dynamics of human behaviour. The theories includes learning, personality, perception, motivation, attitude, stress management, conflict management, individual decision making, leadership effectiveness, job satisfaction etc. study of these concepts is very useful in improving interpersonal skills, attitude formation and change adopting, appropriate leadership style and developing positive approach towards organizational system. Some of the important areas of psychology as follows.

- ❖ Educational psychology
- ❖ Experimental psychology
- ❖ Consumer psychology
- ❖ Industrial psychology
- ❖ Counselling psychology

2. **Sociology**: if psychology is the study of individual behaviour sociology address as itself to the study of group behaviour. It studies the behaviour of people in relation to the their fellow human beings. Sociologists have enriched OB through their contribution to the study of interpersonal dynamics like leadership, group dynamics, communication, formation of groups, group roles and conflict management.

3. **Social psychology**: social psychology is the study of combination of psychology and sociology. This study explains the influence of the people on one another. The most important areas of social psychology contributing in the OB discipline is change management, how to reduce the change? Why do people resist the change? How to overcome resistance such questions are successfully addressed by the change management theory of social psychology. It also helpful in developing effective communication patterns. Group processes and effectiveness of group decision making.

4. **Anthropology**: it is the study of the human race in particular, its culture. Culture has significant influence on human behaviour. It dictates what people learn and how they behave. It has significant influence on human behaviour, culture guides human beings about how to behave and what to learn. Every organisation will have its own distinct culture some organisation follow

open culture such as they prefer participative style of management where some organisation follow closed culture.

5. **Political Science:** Political science is the study of behaviour which is use to study the behaviour of individual or group in a political environment.

political scientists study the behaviour of individuals and groups with in a political environment specific topics of concern to political scientists include conflict resolution. Group coalition, allocation of power and how people manipulate power in their self interest.

OB Model: An OB (Organizational Behavior) model is a framework that explains how individuals, groups, and the overall organization interact and behave in a workplace. It typically uses three levels of analysis—individual, group, and organizational—and a framework of inputs, processes, and outcomes to understand and predict behavior. Additionally, there are five common OB models that describe the relationship between employees and management: Autocratic, Custodial, Supportive, Collegial, and System models

The OB model framework

- **Inputs:** These are the foundational elements like personality, skills, culture, and structure that set the stage for what happens in the organization.
- **Processes:** These are the actions that occur because of the inputs, taking place at the individual (e.g., emotions, motivation), group (e.g., communication, leadership), or organizational level (e.g., human resources practices).
- **Outcomes:** These are the results of the processes, such as employee attitudes, job satisfaction, productivity, and overall organizational survival.

The five OB models

- **Autocratic Model:** Based on power and obedience, where managers have authority and employees are expected to comply.
- **Custodial Model:** Focuses on providing economic and material rewards, such as salary and benefits, to keep employees secure and satisfied.

- **Supportive Model:** Based on leadership support, where managers help employees satisfy their needs and wants, and employees are motivated to perform.
- **Collegial Model:** Emphasizes a team-based, collaborative environment where employees and managers work together as colleagues.
- **System Model:** A more holistic model that focuses on building a positive and ethical work environment based on trust and mutual respect between management and employees.

Self Assessment Questions

1. **Define Organisational Behaviour why it is important in Hospitals?**
2. **Define Goals of OB**
3. **Explain Key elements of OB in detail.**

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Lesson - 2

PERCEPTION - IMPORTANCE - PROCESS - FACTORS INFLUENCING PERCEPTUAL SET - STRATEGIES FOR IMPROVING PERCEPTION IN ORGANISATIONS

Learning Objectives:

After studying this lesson, you should be able to understand:

- K understand the concept of perception, its nature and importance;
- K understand perceptual process;
- K know the factors influencing perceptual set;
- K identify the strategies for improving perceptual skills in organisation.

Content Structure :

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2.1 Introduction :

As humans each one of us perceive the world around us in different ways. It is our personal perception of that reality which shapes and directs our behaviour. An example would be the universal assumption made by managers that subordinates always want promotion when, in fact, many subordinates really psychologically forced to accept a promotion. It is clear that human behaviour is a function of the way in which we perceive the world around us, and how we perceive other people and events in that world. We often find ourselves unable to understand other people's behaviour. To understand each other's behaviour, we need to be able to understand each other's perceptions.

The concept of perception is very closely related to the personality of a person. We know that people working in an organisation differ in terms of physical characteristics, background and personality traits. Perception is one of the most important psychological factors affecting the human behaviour.

2.2 Meaning and Definition of Perception:

Perception is the process through which the information from outside environment is selected, received, organised and interpreted to make it meaningful to you. This input of meaningful information results in decisions and actions.

A few definitions of perception as given by different authors are as explained below: "Perception may be defined as a process by which individuals organise and interpret their sensory impressions in order to give meaning to their environment".

According to Joseph Reitz, "Perception includes all those processes by which an individual receives information about his environment - seeing, hearing, feeling, tasting and smelling. The study of these perceptual processes shows that their functioning is affected by three classes of variables - the objects or events being perceived, the environment in which perception occurs and the individual doing the perceiving".

In simple words we can say that perception is the act of seeing what is there to be seen. But what is seen is influenced by the perceiver, the object and its environment. The meaning of perception emphasises all these three points.

2.3 Nature and Importance of Perception:

Perception has been explained by Ajit Singh as follows:

"Perception refers to the interpretation of sensory data. In other words, sensation involves detecting the presence of a stimulus whereas perception involves understanding what the stimulus means. For example, when we see something, the visual stimulus is the light energy reflected from the external world and the eye becomes the sensor. This visual image of the external thing becomes perception when it is interpreted in the visual cortex of the brain. Thus, visual perception refers to interpreting the image of the external world projected on the retina of the eye and constructing a model of the three dimensional world".

From the above explanation it becomes clear that perception is something more than sensation. It correlates, integrates and comprehends diverse sensations and information from many organs of the body by means of which a person identifies things and objects, the sensations refer to.

Perception is determined by both physiological and psychological characteristics of the human being whereas sensation is conceived with only the physiological features. Thus, perception is not just what one sees with the eyes it is a much more complex process by which an individual selectively absorbs or assimilates the stimuli in the environment, cognitively organises the perceived information in a specific fashion and then interprets the information to make an assessment about what is going on in one's environment.

Perception is a subjective process, therefore, different people may perceive the same environment differently based on what particular aspects of the situation they choose to selectively absorb, how they organise this information and the manner in which they interpret it to obtain a grasp of the situation.

Importance:

- (i) Perception is very important in understanding the human behaviour, because every person perceives the world and approaches the life problems differently. Whatever we see or feel is not necessarily the same as it really is. It is because what we hear is not what is really said, but what we perceive as being said. When we buy something, it is not because it is the best, but because we take it to be the best. Thus, it is because of perception, we can find out why one individual finds a job satisfying while another one may not be satisfied with it.
- (ii) If people behave on the basis of their perception, we can predict their behaviour in the changed circumstances by understanding their present perception of the environment. One person may be viewing the facts in one way which may be different from the facts as seen by another viewer.
- (iii) With the help of perception, the needs of various people can be determined, because people's perception is influenced by their needs. Like the mirrors at an amusement park, they distort the world in relation to their tensions.
- (iv) Perception is very important for the manager who wants to avoid making errors when dealing with people and events in the work setting. This problem is made more complicated by the fact that different people perceive the same situation differently. In order to deal with the subordinates effectively, the managers must understand their perceptions properly.

Thus, for understanding the human behaviour, it is very important to understand their perception, that is, how they perceive the different situations. People's behaviour is based on their perceptions of what reality is, not on reality itself. The world as it is perceived is the world that is important for understanding the human behaviour.

From the definitions of perception and nature of it is clear that perception is composed of various sub processes viz., receiving, selecting, organising, interpreting, checking and reacting to stimuli. Through perception people process information input into decisions and actions. In other words, it is screen or filter through which information passes before having an effect on people. The figure given on the next page explains the perception process.

1 Perceptual Inputs:

A number of stimuli are constantly confronting people in the form of information, objects, events, people, etc. in the environment. These serve as the inputs of the perceptual process. A few of the

stimuli affecting the senses are the noise of the air coolers, the sound of other people talking and moving, outside noises from the vehicular traffic or a street repair shop or a loud speaker playing some where plus the impact of the total environmental situation. Some stimuli do not affect the senses of a person consciously, a process called subliminal perception.

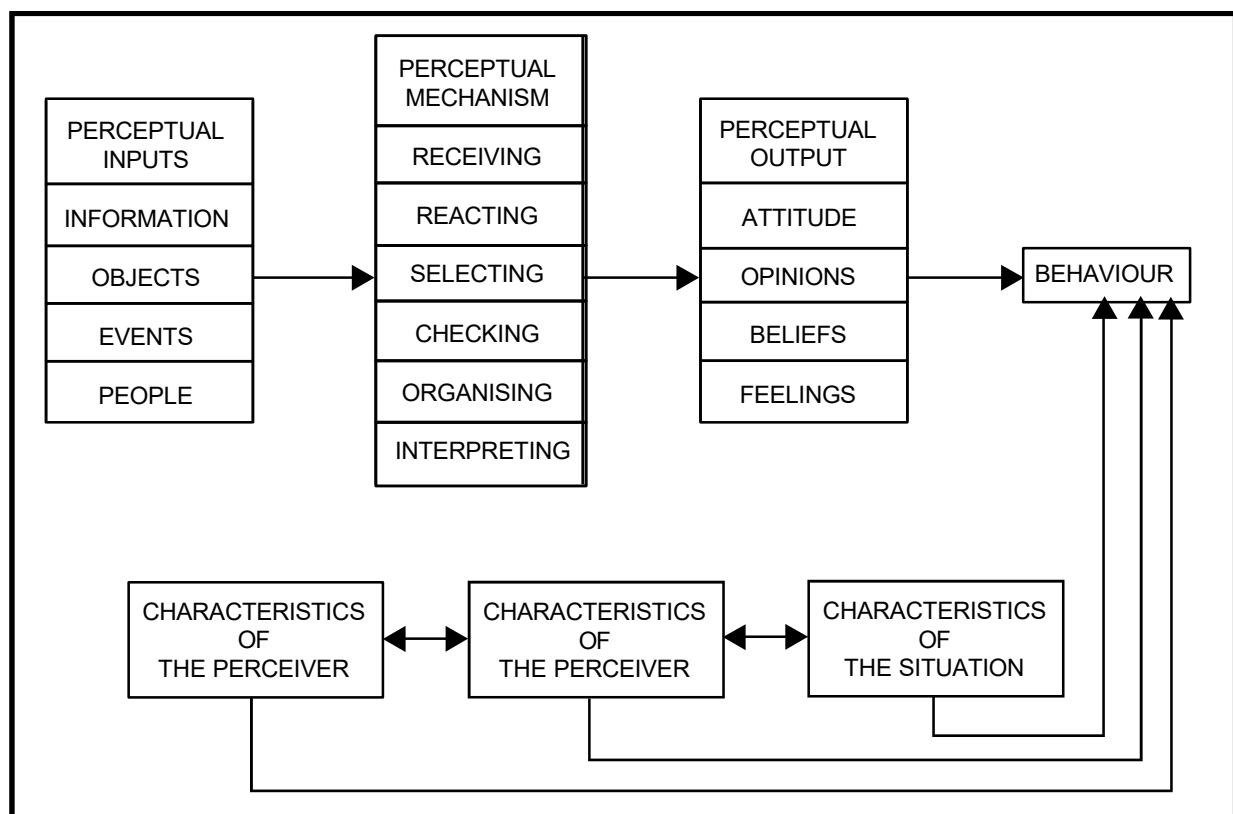
2 Perceptual Mechanism:

When a person receives information, he tries to process it through the following sub-processes of selection, organisation and interpretation.

(a) Perceptual selectivity:

Many things are taking place in the environment simultaneously. However, one cannot pay equal attention to all these things, thus the need of perceptual selectivity. Perceptual selectivity refers to the tendency to select certain objects from the environment for attention. The objects which are selected are those which are relevant and appropriate for an individual or those which are consistent with our existing beliefs, values and needs. For this, we need to screen or filter out most of them so that we may deal with the important or relevant ones. The following factors govern the selection of stimuli:

- (i) External Factors (ii) Internal Factors



Various external and internal factors which affect our selection process are as explained below:

(i) External Factors

(a) **Size.** The bigger the size of the stimulus, the higher is the probability that it is perceived. Size always attracts the attention, because it establishes dominance. The size may be the height or weight of an individual, sign board of a shop, or the space devoted to an advertisement in the newspaper. A very tall person will always stand out in the crowd, on the other hand, a very short person will also attract attention. A full page advertisement will always catch attention as compared to a few lines in the classified section.

(b) **Intensity.** Intensity attracts to increase the selective perception. A few examples of intensity are yelling or whispering, very bright colours, very bright or very dim lights. Intensity will also include behavioural intensity. If the office order says "Report to the boss immediately", it will be more intense and effective as compared to the office order which says "Make it convenient to meet the boss today".

(c) **Repetition.** The repetition principle states that a repeated external stimulus is more attention drawing than a single one. Because of this principle, supervisors make it a point to give the necessary directions again and again to the workers. Similarly, the same advertisement or different advertisement but for the same product shown again and again on the TV will have more attention as compared to an advertisement which is shown once a day.

(d) **Status.** High status people can exert greater influence on the perception of the employees than the low status people. There will always be different reactions to the orders given by the foreman, the supervisor or the production manager.

(e) **Contrast.** An object which contrasts with the surrounding environment is more likely to be noticed than the object which blends in the environment. For example, the Exit signs in the cinema halls which have red lettering on a black background are attention drawing or a warning sign in a factory, such as Danger, written in black against a red or yellow background will be easily noticeable. In a room if there are twenty men and one woman, the woman will be noticed first because of the contrast.

(f) **Movement.** The principle of motion states that a moving object receives more attention than an object which is standing still. A moving car among the parked cars catch our attention faster. A flashing neon-sign is more easily noticed.

(g) **Novelty and Familiarity.** This principle states that either a novel or a familiar external situation can serve as an attention getter. New objects in the familiar settings or familiar objects in new settings will draw the attention of the perceiver. A familiar face on a crowded railway platform will immediately catch attention. Because of this principle, the managers change the workers jobs from time to time, because it will increase the attention they give to their jobs.

(h) **Nature.** By nature we mean, whether the object is visual or auditory and whether it involves pictures, people or animals. It is well known that pictures attract more attention than words. Video attracts more attention than still pictures. A picture with human beings attract more attention than a picture with animals. Poetry attracts more attention than prose.

(i) Internal Factors:

The internal factors relate to the perceiver. Perceiver people is very important for a manager, because behaviour occurs as a result of behaviour. Following are the internal factors which affect perception:

1. **Learning.** Although interrelated with other internal factors learning may play the single biggest role in developing perceptual set. A perceptual set is basically what a person expects from the stimuli on the basis of his learning and experience relative to same or similar stimuli.

2. **Motivation.** Besides the learning aspects of the perceptual set, motivation also has a vital impact on perceptual selectivity. For example, a person who has a relatively high need for power, affiliation or achievement will be more attentive to the relevant situational variables. For example, when such a person walks into the lunch room, he may go to the table where several of his co-workers are sitting, rather than a table which is empty or on which just one person is sitting. Another example is that a hungry person will be more sensitive to the smell or sight of food than a non-hungry person. In one experiment people who were kept hungry for some time were shown some pictures and were asked to describe what they saw in them. Most of the reported more food items in such perceptions.

3. **Personality.** Closely related to learning and motivation is the personality of the perceiving person. For example, the older senior executives often complain about the inability of the new young manager to take tough decisions concerning terminating or reassigning people and paying attention to details and paper work. The young managers, in turn, complain about the 'old guards' resisting change and using paper and rules as ends in themselves. Different perceptions in young and old are due to their age differences: Further, the generation gap witnessed in recent years definitely contribute to different perceptions.

In addition to the above two problems another problem is about the woman in the work place. Women are still not reaching the top levels of organisations. At least part of this problem can be attributed to perceptual barriers such as the established managerial hierarchy is not able to see (perceive) that qualified women should be promoted into top level positions. Of course, there are individual differences in all age categories but the above examples show that how personalities, values and even age may affect the way people perceive the world around them.

B. Perceptual Organisation:

After having selectively absorbed the data from the range of stimuli we are exposed to at any given time, we then try to organise the perceptual inputs in such a manner that would facilitate us to extract meaning out of what we perceive. Or in other words, person's perceptual process organises the incoming information into a meaningful whole. While selection is a subjective process, organising is a cognitive process. How we organise the stimuli is primarily based on the following principles.

(i) **Figure and Ground.** Figure-Ground principle is generally considered to be the most basic form of perceptual organisation. This principle simply implies that the perceived object or person or event stands out distinct from its background and occupies the cognitive space of the individual. For example, as you read this page, you see white as the background and black as the letters or words to be read. You do not try to understand what the white spaces amidst the black letters could mean. Likewise, in the organisational setting, some people are more noticed or stand out than others. For example, an individual in the organisation might try to focus his entire attention on his immediate supervisor, trying to be in his good books, completely ignoring his colleagues and how they feel about his behaviour. According to this principle, thus, the perceiver tends to organise only the information which stands out in the environment which seems to be significant to the individual.

(ii) **Perceptual Grouping.** Grouping is the tendency to curb individual stimuli into meaningful patterns. For instance, if we perceive objects or people with similar characteristics, we tend to group them together and this organising mechanism helps us to deal with information in an efficient way rather than getting bogged down and confused with so many details. This tendency of grouping is very basic in nature and largely seems to be inborn. Some of the factors underlying his grouping are:

(a) **Similarity.** The principle of similarity states that the greater the similarity of the stimuli, the greater the tendency to perceive them as a common group. The principle of similarity is exemplified when objects of similar shape, size or colour tend to be grouped together. For example, if all visitors to a plant are required to wear white hats while the supervisors wear blue hats, the workers can identify all the white hats as the group of visitors. Another example is our general tendency to perceive minority and women employees as a single group.

(b) **Proximity.** The principle of proximity or nearness states that a group of stimuli that are close together will be perceived as a whole pattern of parts belonging together. For example, several people working on a machine will be considered as a single group so that if the productivity on that particular machine is low, then the entire group will be considered responsible even though, only some people in the group may be inefficient.

(c) **Closure.** The principle of closure relates to the tendencies of the people to perceive objects as a whole, even when some parts of the object are missing. The person's perceptual process will close the gaps that are unfilled from sensory input.

Speaking from the point of view of an organisation, if a manager perceives a worker, on the whole, a hard worker, sincere, honest, then even, if he behaves in a contradictory way sometimes (which is a kind of a gap), the manager will tend to ignore it, because it does not fit in with the overall impression, that he has about the worker.

(d) **Continuity.** Continuity is closely related to closure. But there is a difference. Closure supplies missing stimuli, whereas the continuity principle says that a person will tend to perceive continuous lines of pattern. The continuity may lead to inflexible or non creative thinking on the part of the organisational participants. Only the obvious patterns or relationships will be perceived. Because of this type of perception, the inflexible managers may require that employers follow a set and step by step routine leaving no ground for implementation of out of line innovative ideas.

(iii) **Perceptual Constancy.** Constancy is one of the more sophisticated forms of perceptual organisation. This concept gives a person a sense of stability in this changing world. This principle permits the individuals to have some constancy or stability in a tremendously variable and highly complex world. If constancy were not at work, the world would be very chaotic and dis-organised for the individual. There are several aspects of constancy.

(a) **Shape Constancy.** Whenever an object appears to maintain its shape despite marked changes in the retinal image e.g. the top of a glass bottle is seen as circular whether we view it from the side or from the top.

(b) **Size Constancy.** The size constancy refers to the fact that as an object is moved farther away from us we tend to see it as more or less unvariant in size. For example, the players in cricket field on the opposite side of the field do not look smaller than those closer to you even though their images on the retina of the eye are much smaller.

(c) **Colour Constancy.** Colour constancy implies that familiar objects are perceived to be of the same colour in varied conditions. The owner of a red car sees it as red in the bright sunlight as well as in dim twilight.

Without perceptual constancy the size, shape and colour of objects would change as the worker moved about and it would make the job almost impossible.

(iv) **Perceptual Context.** The highest and most sophisticated forms of organisation is context. It gives meaning and value to simple stimuli, objects, events, situations and other persons in the environment. The organisational structure and culture provide the primary context in which workers and managers do their perceiving. For example, a verbal order, a new policy, a pat on the back, a raised eye brow or a suggestion takes on special meaning when placed in the context of the work organisation.

(v) **Perceptual Defence.** Closely related to perceptual context is the perceptual defence. A person may build a defence against stimuli or situational events in a particular context that are personally or culturally unacceptable or threatening. Accordingly, perceptual defence may play a very important role in understanding union-management and supervisor-subordinate relationship. Most studies verify the existence of a perceptual defence mechanism.

The general conclusions drawn from these studies are that people may learn to avoid certain conflicting, threatening or unacceptable aspects of the context. The various defences may be denial of an aspect, by modification and distortion, by change in the perception, then the last but not the least is recognition but refusal to change.

C. Perceptual Interpretation

Perceptual interpretation is an integral part of the perception process. Without interpretation, selection and organisation of information do not make any sense. After the information has been received and organised, the perceiver interprets or assigns meaning to the information. In fact, perception is said to have taken place only after the data have been interpreted. Several factors contribute towards the interpretation of data. More important among them are perceptual set, attribution, stereotyping, halo effect, perceptual context, perceptual defence, implicit personality theory and projection. It may also be noted that in the process of interpretation, people tend to become judgemental. They may tend to distort what they see and even ignore things that they feel are unpleasant.

D. Checking

After data have been received and interpreted, the perceiver tends to check whether his interpretations are right or wrong. One way of checking is for the person himself to indulge in introspection. He will put a series of questions to himself and the answers will confirm whether his perception about an individual or object is correct or otherwise. Another way is to check the validity of the interpretation with others.

E. Reacting

The last stage in perception is the reaction. The perceiver shall indulge in some action in relation to the perception. The action depends on whether the perception is favourable or unfavourable. It is negative when the perception is unfavourable and the action is positive when the perception is favourable.

2.5 Factors influencing the perceptual set:

The perception, organisation and interpretation of information depend very much on the characteristics of the stimuli, characteristics of situation and some of our own personality characteristics which influence the perceptual set are as explained below:

A. Characteristics of the Perceiver:

When a person looks at a target and attempts to interpret what he sees, his interpretation is greatly influenced by his personal characteristics which are discussed as follows:

1. Needs and Motives. Our need pattern plays an important part in how we perceive things. A need is a feeling of discomfort or tension when one thing he is missing something or requires something. Therefore, unsatisfied needs or motives stimulate individuals and may exert a strong influence on their perception. When people are not able to satisfy their needs they are engaged in wishful thinking which is a way to satisfy their needs not in the real world but in an imaginary world. In such cases, people will perceive only those items which suit their wishful thinking. Motives also influence the perception of people. People who are devious are prone to see others as also devious.

2. Self Concept. Self concept indicates how we perceive ourselves which then influences how we perceive others and the situation we are in. The more we understand ourselves, the more we are able to perceive others accurately. For example, secure people tend to see others as warm and friendly. Less secure people often find fault with others. Perceiving ourselves accurately and enhancing our self concept are factors that enhance accurate perception.

3. Past Experience. Our perceptions are often guided by our past experiences and what we expect to see. A person's past experiences mould the way he perceives the current situation. If a person has been betrayed by a couple of friends in the past, he would tend to distrust any new friendship that he might be in the process of developing.

4. Current Psychological State. The psychological and emotional states of an individual are likely to influence how things are perceived. If a person is depressed, he is likely to perceive the same situation differently than if he is elated. Similarly, if a person is scared out of wits by seeing a snake in the garden, she is likely to perceive a rope under the bed as a snake.

5. Beliefs. A person's beliefs influence his perception to a great extent. Thus, a fact is conceived not on what it is but what a person believes it to be. The individual normally censors stimulus inputs to avoid disturbance of his existing beliefs.

6. Expectations. Expectations affect the perception of a person. Expectations are related with the state of anticipation of particular behaviour from a person. For example, a technical manager will expect that the non-technical people will be ignorant about the technical features of the product.

7. Situation. Elements in the environment surrounding an individual like time, location, light, heat, etc., influence his perception. The context in which a person sees the objects or events is very important.

8. Cultural Upbringing. A person's ethics, values and his cultural upbringing also play an important role in his perception about others. It is difficult to perceive the personality of a person raised in another culture because our judgement is based upon our own values.

B. Characteristics of the Perceived

Characteristics of the person who is being observed can affect what is perceived. Though, it may go against logic and objectivity, but it cannot be denied that our perceptions about others are influenced by their physical characteristics such as appearances, age, gender, manner of communication as well as personality traits and other forms of behaviour. For example, loud people are more likely to be noticed in a group than are quite ones. So too are extremely attractive or extremely ugly individuals.

Persons, objects or events that are similar to each other tend to be grouped together. People dressed in business suits are generally thought to be professionals, while employees dressed in ordinary work clothes are assumed to be lower level employees.

Manner of communication, both verbal and non-verbal, affect our perception about others. For example, the choice of words and precision of language can form impressions about the education and sophistication of the person. The tone of voice indicates the mood of the person. The depth of conversation and choice of topics provide clues of people's intelligence. The body language or expressive behaviour such as how a person sits and the movement of his eyes or a smile can indicate whether he is nervous or self confident.

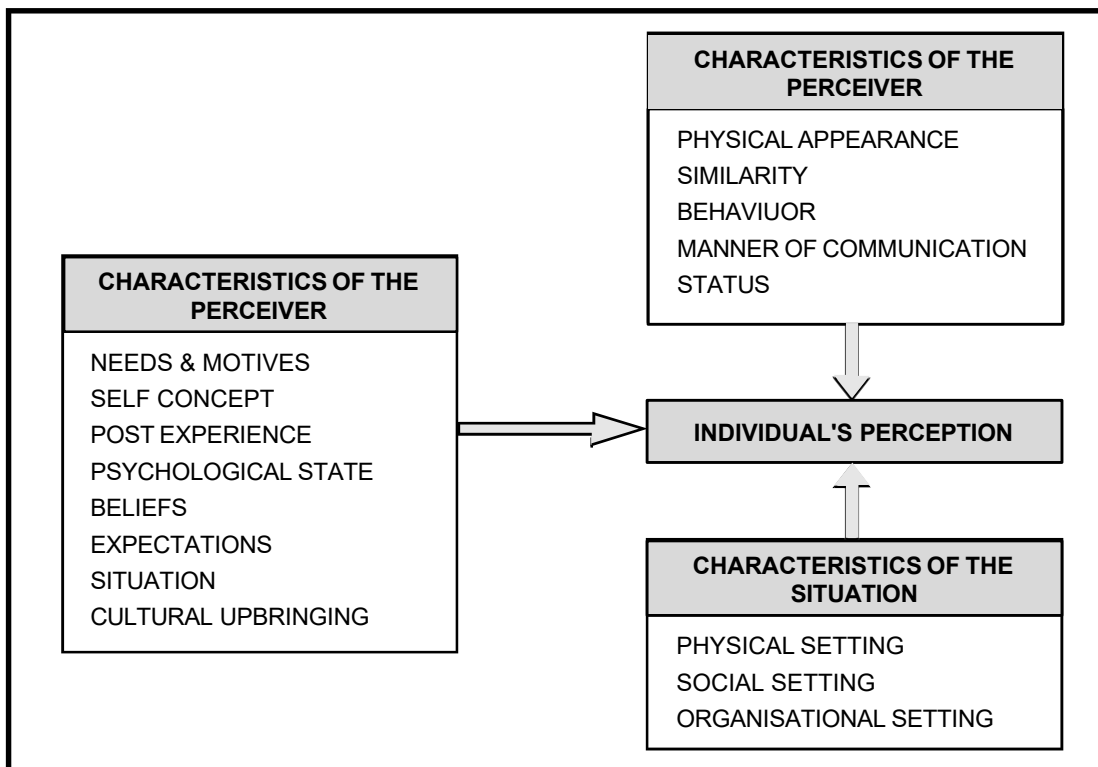
The status or occupation of a person also influences the perception. We tend to behave in a more respectful way when we are introduced to the principal of a school in which our child is studying, judge of the high court or supreme court or a famous cricket player. Sometimes our perception of a person tends to be biased, depending upon the description given to us by other persons. When we meet a person who is described to us as warm and friendly, we treat him differently as compared to meeting a person who is known to be cold & calculating.

C. Characteristics of the Situation

The context in which we see objects or events is very important. The surrounding environment and the elements present in it influence our perception while perceiving a particular situation or event, its physical, social and organisational setting can also influence the perception. For example, if you meet a person for the first time and he is with a person whom you respect and admire, you will create a favourable image about him in your mind as compared to a situation in which you see him with another person whom you intensely dislike. Of course, the initial impressions may change with the passage of time, but the saying that "First impression is the last impression" is very valued.

Location of a given event is also very important factor in determining the behaviour. For example, a conversation with the boss taking place in a casual reception area may be perceived differently than when taking place in the boss's office with the door closed. Organisational setting also affect the behaviour of the people. An organisation setting where people are given an opportunity to interact in a friendly and sociable work situation, they become more trustworthy and less defensive.

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The above figure shows the summary of the factors influencing perception.

2.6 Halo Effect and Stereotype:

The concept of perceptual set or perceptual expectation applies to the ways in which we see other people, events and objects. To understand the nature of perception is to understand, at least in part, the sources and nature of many organisational problems. There are two related and prominent features of the process of people perception: the halo effect and stereotyping.

The term 'halo effect' was first used by the psychologist Edward Thorndike in 1920. A halo effect is a judgement based on a single striking characteristic such as an aspect of dress, speech, posture or nationality. Haloes can be positive or negative. This phenomenon applies to our perception of people. For example, it is a natural human response on meeting a stranger, to make judgements about the kind of person they are and whether we will like them or not. We do this to others on a first encounter, they do this to us.

It may be noted here that the halo effect is an error at the selective attention stage. Since we cannot pay attention to so much new information about someone, we are forced to be selective with respect to the available information. The halo effect can work in both directions. For example, if our judgement about someone based on a single striking characteristic is favourable, we give the other person a positive halo. If our judgement, on the other hand, is not favourable, we give the other person a negative halo.

A recent comprehensive review of the performance appraisal literature found that the halo effect was the dependent variable in over a one third of the studies and was found to be a major

problem affecting appraisal accuracy. Examples of the halo effect are the extremely attractive woman secretary who is perceived by her male boss as being an intelligent, good performer when, in fact, she is a poor typist and quite dense and the good typist who is also very bright but who is perceived by her male boss as a "secretary", not as a potential manager with the ability to cope with important responsibilities.

One classic research study noted three conditions under which the halo effect is most marked:

- (i) when the traits to be perceived are unclear in behavioural expressions
- (ii) when the traits are not frequently encountered by the perceiver, and
- (iii) when the traits have moral implications

Thus, the halo effect can act as an early screen that filters out later information which is not consistent with our earlier judgement. We also tend to give more favourable judgements to people who have characteristics in common with us. It may be mentioned here that the halo effect can apply to things as well as to people.

2.6.1 Attributions:

Attribution is the process by which we make sense of our environment through our perceptions of causality. An attribution, therefore, is a belief about the cause or causes of an event or an action. Fritz Heider and Harold Kelley developed attribution theory during the 1950s and 1960s. They stated that our understanding of our social world is based on our continual attempts at causal analysis based on how we interpret our experience.

Why is that person so successful? Why did that project fail? If we understand the causes of success, failure and conflict, we may be able to adjust our behaviour and other factors accordingly. Attribution is simply the process of attaching or attributing causes or reasons to the actions and events we see. Causality is usually described in terms of internal causality and external causality. For example, we may explain a particular individual's success or promotion with reference to his / her superior skills and knowledge (internal causality) or with reference to luck, 'friends in high places' and coincidence (external causality).

2.7 Perception: Errors and Remedies:

The main sources of errors in perception include the following:

- (i) Not collecting enough information about other people.
- (ii) Basing our judgements on information that is irrelevant or insignificant.
- (iii) Seeing what we expect to see and what we want to see and not investigating further.
- (iv) Allowing early information about someone to affect our judgement despite later and contradictory information.
- (v) Accepting stereotypes uncritically.
- (vi) Allowing our own characteristics to affect what we see in others and how we judge them.
- (vii) Attempting to decode non-verbal behaviour outside the context in which it appears.
- (viii) Basing attributions on flimsy and potentially irrelevant evidence.

Thus, it is clear that errors in perception can be overcome by:

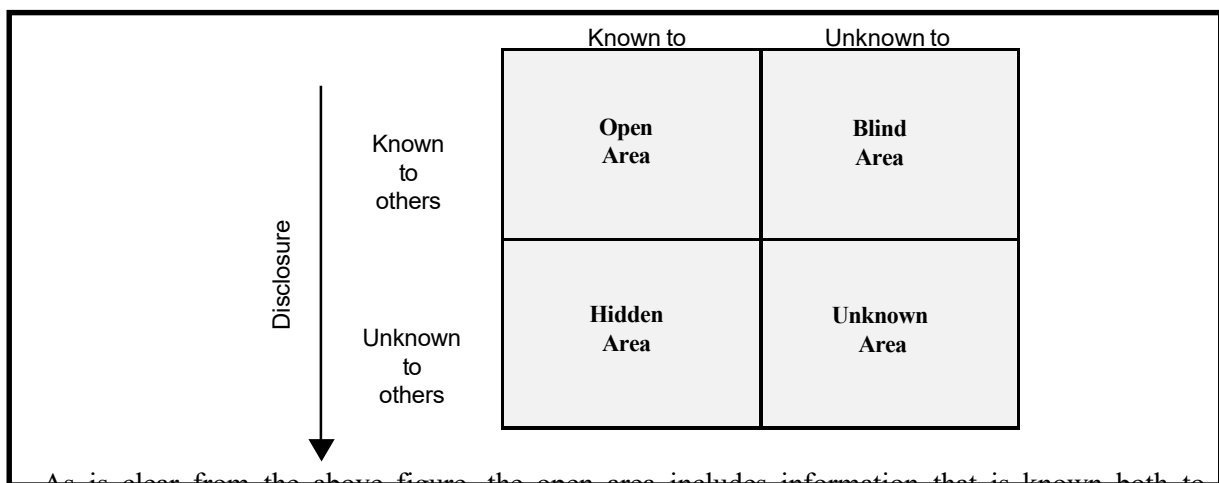
- (i) Taking more time and avoiding instant or 'snap' judgements about others.
- (ii) Collecting and consciously using more information about other people.
- (iii) Developing self-awareness and an understanding of how our personal biases and preferences affect our perceptions and judgements of other people.
- (iv) Checking our attributions - particularly the links we make between aspects of personality and appearance on the one hand and behaviour on the other.

2.8 Strategies for improving Perceptual skills:

As stated earlier, there are certain perceptual errors and distortions because of which a person may not perceive the thing or another person, as it may be. Though these errors cannot be altogether removed, attempt could be made to minimize these distortions. A few strategies for improving perceptual skills are discussed as below:

1. Knowing Oneself Accurately. One of the powerful ways to minimize perceptual distortions is to know yourself. One should be aware of his or her values, beliefs and prejudices. People normally misperceive others because they fail to perceive themselves accurately. The more accurately a person understands himself, the more accurately he can perceive others. The concept of Johari window must be applied by people so as to increase awareness about self and others.

JOHARI WINDOW is a popular model for understanding how co-workers can increase their mutual understanding. This model was developed by Joseph Luft and Harry Ingram. This model divides information about you into four windows - open, blind, hidden and unknown. The windows are based on the individual values, beliefs and experiences. The following figure illustrates the Johari Window:



As is clear from the above figure, the open area includes information that is known both to the individual and others. The blind area includes information that is known to others but not to the individual himself. The hidden area includes information, known to the individual but not to other's. Lastly, unknown area includes information not known to any one neither to the individual nor to the others.

2. Emphasize with others. Empathy refers to a person's ability to understand and be sensitive to the feelings of others. Empathy is a natural phenomenon and develops within an individual by itself. However, empathy skills can also be developed over a passage of time by proper feedback system and by close interaction and working. By empathizing with other person, one can perceive the other individual more aptly.

3. Have a positive attitude. Attitudes have a strong and long lasting effect on perception. If one holds a negative attitude towards someone or something, our perception is undoubtedly going to be distorted. We should make effort to have a positive attitude and should not let our personal biases to crop in and hinder the perceptual powers.

4. Postpone Impression Formation. It is a natural tendency of the human beings to form impression about something or someone very quickly. Just in a meeting or two we draw conclusion about someone. Forming judgements with such limited information is very wrong. A much better strategy is to postpone the impression formation until more information about the individual and the situation is collected.

5. Communicating Openly. Much of misperception in an organisation arises due to inadequate communication or one way communication. Utmost care should be taken, so that the message reaches the right person, at the right time and in the right manner. Proper transmission of information followed by appropriate feedback can help minimize perceptual distortions.

6. Comparing One's Perceptions with that of others. Another useful strategy to reduce perceptual errors is to compare one's own perception with the perception of the other person about the same object. By sharing perceptions we come across different point of views and potentially gain a much better understanding of the situation and the object.

7. Introducing Diversity Management Programs. If we talk of today's organisations, they are very much diverse and heterogeneous. The work force is so diverse with language differences, religious differences and cultural differences that it becomes really hard to make the employees work together in an effective manner. The biggest challenge in front of the management is to minimize perceptual bias and benefit from such diversity. For this purpose, an important strategy is to use training programs which may help in communicating the value of diversity on one hand and help the participants acquaint with one another and provide them room to mix with one another with different backgrounds. These training programs mainly increase the employees' awareness of difference and thus help in minimizing perceptual biases and distortions.

To conclude we can say that successful managers understand the importance of perception on behaviour and they act accordingly. They are aware of perceptual distortions and they know that perceptual differences are likely to exist in any situation. As a result they try to make decisions and take action with a true understanding of the work situation as it is viewed by all persons concerned.

2.9 Summary :

Perception is very important in understanding the human behaviour, because every person perceives the world and approaches the life problems differently. The concept of perception is very closely related to the personality of a person. Perception is one of the most important psychological factors affecting the human behaviour. Perception is composed of various sub processes viz., receiving,

selecting, organising, interpreting, checking and reacting to stimuli. There are two related and prominent features of the process of people perception : the halo effect and stereotyping. Several strategies are adopted for improving perceptual skills.

People in organisations are always assessing others. Managers must appraise their subordinate's performance, evaluate how co-workers are working. These have important effect on the organisation. Perception is an important process in an organisation. It plays a vital role in forming the basis of one's behaviour by which one formulates a view of the world.

2.10 Technical terms:

Perception: The act of seeing what is there to be seen, which is influenced by the perceiver, the object and environment.

Halo effect: Is a judgement based on a single striking characteristic such as an aspect of dress, speech, posture or nationality. Haloes can be positive or negative.

Stereotyping: The way in which we group together people who seem to us to share similar characteristics.

Attribution: Is the process by which we make sense of our environment through our perception of causality.

Johari Window: A popular model for understanding how co-workers can increase their mutual understanding.

2.11 Self-Assessment Questions:

1. What is perception? What are its main features?
2. Explain the main processes and problems in person perception including halo effects, stereotyping and false attributions.
3. What are the common errors in perception? How would you overcome these?
4. Explain the strategies for improving perceptual skills in organisation.

2.12 Reference Books

1. Organisational Behaviour, S.P. Robbins, Pearson Education.
2. Organisational Behaviour, Fred Luthans, New York, McGraw Hill.
3. Organisational Behaviour (Texts & Cases), K. Aswanthappa, Himalaya Publishing House.
4. Pareek, U. Rao, T.V. and Penstonjee, D.M, Behavioural process in Organisations, New Delhi, Oxford & IBH.
5. Sensation and Perception, Goldstein, E., San Fransisco, Brooks Cole.

Lesson – 3

PERSONALITY

Objectives :

After studying this lesson you will understand -

- meaning of Personality
- major determinants of personality
- Personality attributes influencing organisational behavior

Structure of the lesson

- To understand the meaning of Personality
- To understand the definitions of Personality
- To understand the nature of personality
- To understand the major determinants of personality
- To know the Different personality traits
- To understand the Personality attributes influencing organisational behavior

Before the advent of liberalisation of economies the job scenario was entirely different in various countries, job environment was relatively static. So people were not afraid of losing the job rather there was a feeling of job security among employees. But the competition reached to another level after the emergence of privatisation, liberalisation and globalisation, which led to job sharing. Hiring and firing become the routine phenomenon of the companies. However due to industrialisation the number of jobs were increasing but still some companies were adopting the retrenchment strategies. Due to this economic recession the employees were losing their jobs and in the new competitive era they realised that just getting the qualification for the job is not enough, they should make their self employable by adding on more and more traits. Today every organisation demands for a person with versatile personality. So an individual must possess and

develop different personality traits. Now the question arises as to what is personality? To answer this question we must study the concept of personality in detail.

Meaning The term personality has been derived from the Latin word 'persona' which means 'to speak through'. According to Fred Luthans, 'Personality means how people affect others and how they understand and view themselves, as well as their pattern of inner and outer measureable traits and the personsituation intervention". In other words personality refers to that role which a person displays to the public. Personality is used in terms of influencing others through external appearance. It is an internalised system which includes all those aspects of a person that are inherited as well as learned.

Definitions of Personality: According to Gordon Allport, "Personality is the dynamic organisation within the individual and consists of those psychological systems that determine his unique adjustment to his environment". According to Kanuk, "Personality can be defined as those inner psychological characteristics that both determine and reflect how a person respond to his or her environment". According to Ruch, "Personality should include: (1) External appearance and behaviour or social stimulus (2) Inner awareness of self as a permanent organising force (3) particular pattern or organisation of measureable traits, both inner and outer. Thus personality devotes for the methods of affecting others, reacting to other's actions and interacting with others

Nature of Personality: Personality in general sense used to indicate the external outlook of an individual but actually it also includes the internal qualities of a person, so personality refers to the set of traits and behaviours that characterise an individual. An integrated whole which includes external as well as internal traits of an individual makes a personality. Personality is that which represents to the relatively stable pattern of behaviour. Personality has some basic nature which is as follows:

Major Determinants of Personality: Various determinants of personality have been categorised in several ways. It can be classified into groups, physiological, psychological, heredity etc. For the purpose of analysis, these can be divided into six broad categories. The major determinants of personality are as follows;

Heredity: The features and characteristics taken from the parents are termed as heredity. The study of role of heredity in personality development is very important. The study of contribution of heredity to personality can be divided into three major categories. These are: (i) Brain: Brain is a factor which supposed to play a very important role in personality. The structure of brain determines personality. Role of brain in personality formation can't be denied. The level of understanding is determined by the brain. The more quickly a person understands the things and interprets the more dynamic his personality appears to the others

Physical appearance: A person outer look also has to play a vital role in his personality. His dress sense, body gestures, way of sitting, way of standing, level of confidence etc all are the means through which his personality is reflected.

Temperament: Temperament and other non-intellectual personality traits are distributed according to the normal distribution. Temperament is the degree to which one responds emotionally

Reference

1. Organisational Behaviour, S.P. Robbins, Pearson Education.
2. Organisational Behaviour, Fred Luthans, New York, McGraw Hill.
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Lesson - 4

ATTITUDES - VALUES

Learning Objectives:

After studying this lesson, you should be able to understand:

- K attitudes, its functions, formation and measurement;
- K changing attitudes, attitudes and organisation;
- K values and its importance in personality;
- K attitudes, values in organisational behaviour.

Content Structure :

- 4.1 Introduction
- 4.2 Socialisation influence on personality, attitudes and values
- 4.3 Attitudes
 - 4.3.1 Attitude and organisation
 - 4.3.2 Nature of attitudes
 - 4.3.3 Components of attitudes
 - 4.3.4 Formation of attitude
 - 4.3.5 Measurement of attitude
 - 4.3.6 Changing attitude
- 4.4 Values
- 4.5 Attitudes, Values and Organisational behaviour
- 4.6 Summary
- 4.7 Technical terms
- 4.8 Self - Assessment Questions
- 4.9 References

4.1 Introduction :

Organisation influences the personality, values and attitudes of an individual. Attitudes are a way of responding either favourably to objects, persons, concepts, etc. Attitudes are related to behaviour. Attitudes evolve out of perception and learning process. Attitudes are important in organisations because they affect the job behaviour. Managers in organisations not only understand the attitudes of people, but also change them. Persuasive communications are used to change

attitudes. In general, attitudes perform the functions like, adjustment, Defence, value expressive, and knowledge. Attitudes need to be measured so that they lend themselves for a scientific study.

Values are the core of personality and is silent force affecting behaviour. Values are so embedded that it can be inferred from people's behaviour and their perception, personality and motivation. Values differ from attitudes. Values are general beliefs about life, where as attitudes are directed towards specific objects, events, or people. But both are acquired essentially from the same sources.

4.2 Socialisation's influence on Personality Values and Attitudes:

Organisations play a major factor in people's lives and it has a significant impact on people's personality values and attitudes. Socialisation is the process by which an individual adapts himself to the working environment and gains loyalty and commitment to an organisation. Through this process, a person learns the goals of the organisation, the means to achieve those goals, an employee's responsibilities and accepted ways of behaving in the organisation. In addition, the person learns the organisation's attitudes and values. As the person becomes socialised in the organisation, there is also a tendency to adapt to the attitudes and values of the organisation. Thus, the organisation influences the personality, values and attitudes of an individual.

Stages of Socialisation:

- 1) *Pre-arrival stage:* Individuals develop preconceived notions about an organisation based on previous education, work experiences and contacts with organisation.
- 2) *Encounter with the Organisation:* A person's initial orientation, training and experiences with other employees who exhibit the accepted attitudes in the organisation all influence and change the person.
- 3) *Change of the Person and Acquisition of the new attitudes and values:* When a person works in a company, he or she gradually learns what is expected and begins to develop a new personality that is inconsistent with the organisation depending, the person works for sometime in the same organisation.

Socialisation process is not limited to the entry point in an organisation. Rather, it is a continuous process throughout person's career path.

Socialisation occurs every time employee makes a move in an organisation. As people move vertically up the organisation's hierarchy, they encounter different norms, values and attitudes. At the entry stage, employees must assimilate these new factors if they are to be successful, and the potential is there for an alteration of their personality.

Economic conditions, competitions and technological advances can cause an organisation to change its basic orientation. The resulting adaptation will bring new forces to bear on each organisation member - forces which may alter personalities.

4.3 Attitudes:

Attitudes are a way of responding either favourably or unfavourably to objects, persons, concepts, etc. They are evaluative statements. They reflect how one feels about something. Attitudes are related to behaviour. It is an unidimensional variable, i.e., positive or negative. They are hypothetical constructs. It is something inside a person. It may be observed but the attitude itself cannot.

Attitudes in a person could be observed in three ways: 1) Direct experience with the person or situation. 2) Association with other similar persons or situations. 3) Learning from others their association with the person or situation. 'Direct experience' is the concrete experience stage of learning. Association is similar to abstract conceptualisation and generalisation. Learning from others is like reflection and observation. Attitudes evolve out of perception and learning process. One is not born with attitudes but acquires them through life experiences. But certain basic attitude of trust or mistrust occurs during the infancy. If a child's basic needs are met in a loving manner, the child will develop a sense of trust otherwise a sense of mistrust develops. The child also develops a sense of autonomy or shame and doubt. All these affects one's behaviour. And this linkage to behaviour is what managers are concerned with; and they also tend to understand the ways in which behaviour affects attitudes.

4.3.1 Attitudes and Organisation:

In organisations, attitudes are important because they affect the job behaviour. These job related attitudes top positive or negative evaluations that employees hold about aspects of their work environment. There are three primary attitudes: job satisfaction, job involvement, and organisational commitment.

Job satisfaction refers to an individual's general attitude towards his or her job, which is either positive or negative, i.e., satisfied or dissatisfied.

Job involvement measures the degree to which a person identifies with his job, actively participates in it and considers his performance important to his self-worth.

Organisational commitment is an orientation in terms of loyalty, identity and involvement in the organisation. These attitudes are measured so that behaviours like productivity, absenteeism and turnover can be predicted.

Managers need not be interested only in understanding the attitudes of the people, but also in changing them. Since attitudes are learned they can be changed. Persuasive communications are used to change attitudes. But attitudes are slow to change. Because they are based on deep-seated beliefs and values.

4.3.2 Nature of Attitudes:

Attitudes are understood as the beliefs, feelings and action tendencies of an individual or group of individuals towards objects, ideas and people. This simple meaning has important implications for managers.

- (i) Attitudes are learned.
- (ii) Attitudes refer to feelings and beliefs of an individual or groups of people.
- (iii) These feelings and beliefs define one's predispositions towards given aspects of the world.
- (iv) Attitudes endure, unless something happens. For example if X is transferred to day shift his attitude may become positive.
- (v) Attitudes can fall anywhere along a continuum for very favourable to very unfavourable. Such expressions as "This B-School is good", "This leader is corrupt and incompetent" are heard from people.

- (vi) Attitudes are organised and are core to an individual.
- (vii) All people, irrespective of their status or intelligence, hold attitudes. A

few definitions on the concept of attitude are as follows:

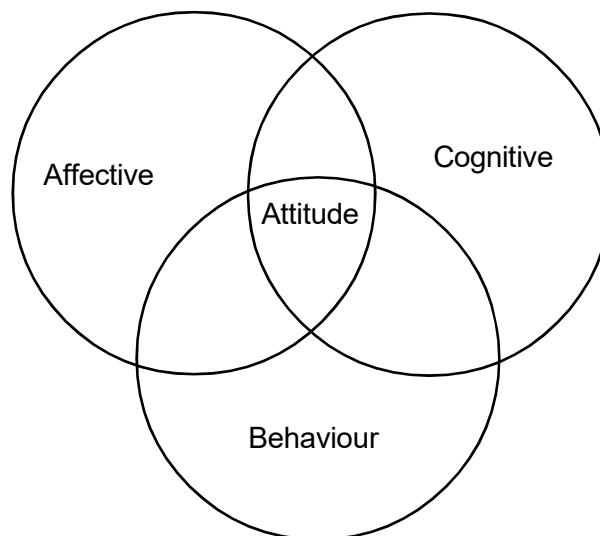
"An attitude is mental state of readiness, learned and organised through experience, exerting, a specific influence on person's response to people, object and situations with which it is related."

"Attitudes are learned predispositions towards aspects of our environment. They may be positively or negatively directed towards certain people, service or institutions".

"By attitudes we mean the beliefs, feelings, and action tendencies of an individual group of individuals towards objects, ideas, and people. Quite often persons and objects or ideas become associated in the minds of individuals and as a result of attitudes become multi-dimensional and complex".

4.3.3 Components of Attitudes

In general, attitudes comprise three elements, as shown in following figure.



- (i) An *affective* component - the feelings, sentiments, moods and emotions about some idea, person, event or object:
- (ii) A *cognitive* element - the beliefs, opinion, knowledge, or information held by the individual: and
- (iii) A *behavioural* component - the predispositions to get on a favourable or unfavourable evaluation of something.

These three components do not exist or function separately. An attitude represents the interplay of affective, cognitive and behavioural tendencies with regard to a person, group, an event or an issue. For example, suppose that an individual holds a strong, negative attitude about the use of nuclear power. During an employment interview with the representative of a large firm, he discovers that the company is a major supplier of nuclear power generation equipment. He might feel a sudden

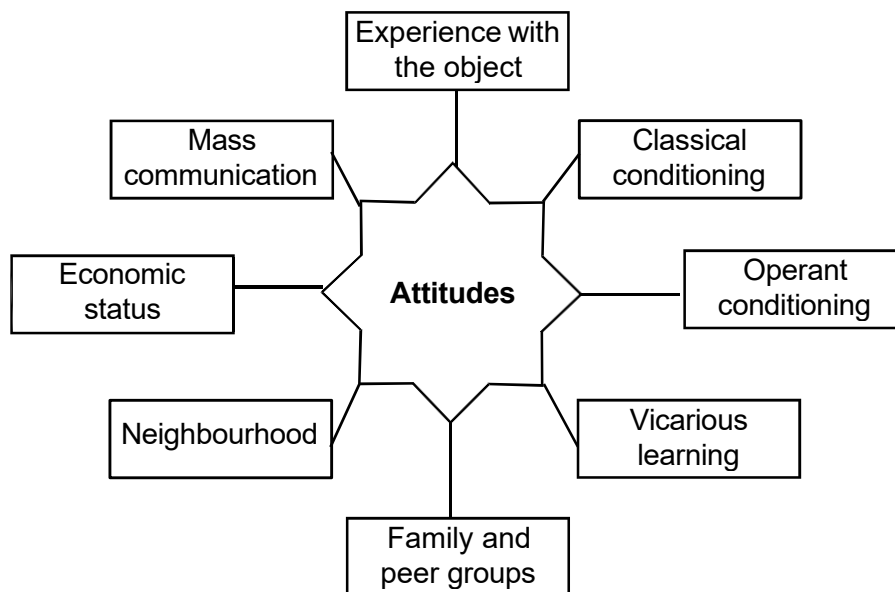
intense dislike for the company's interviewer (the affective component). He might form a negative opinion of the interviewer based on beliefs and opinions about the types of person who would work for such a company (the cognitive component). An important element of cognition is the evaluative beliefs held by a person. He might be tempted to make an unkind remark to the interviewer or suddenly terminate the interview (the behavioural component).

4.3.4 Formation of Attitude:

Individuals acquire attitudes from several sources but the point to be stressed is that the attitudes are acquired but not inherited. The most important sources of acquiring attitudes are direct experience with the object, association, family, neighbourhood, economic and social positions, and mass communication.

Direct Experience with the Object: Attitudes can develop from a personally rewarding or punishing experience with an object. Employees form attitudes about jobs on their previous experiences. For example, if everyone who has held a job has been promoted within six months, current job holders are likely to believe that they will also be promoted within six months. Attitudes formed on experience are difficult to change.

Classical Conditioning and Attitudes: One of the basic processes underlying attitude formation can be explained on the basis of learning principles. The same classical conditioning processes that



made Pavlov's dogs salivate at the sound of a bell can explain how attitudes are acquired. People develop associations between various objects and the emotional reactions that accompany them. For instance, many soldiers who were stationed in the Persian Gulf during the war with Iraq reported that they never wanted to sit on a sandy beach again. Put another way, the soldiers formed negative attitudes towards sand. Similarly, positive associations can develop through classical conditioning. We may come to hold positive attitude towards a particular perfume because a favourite model wears it.

Advertisers make use of the principles of classical conditioning of attitudes by attempting to link a product they want consumers to buy with a positive feeling or event. For example, many ads feature young, attractive, healthy men and women using a product - even if it is one as uninteresting as toothpaste. The idea behind creating such ads is to create a classically conditioned response to the product, so that just glimpsing a tube of toothpaste evokes a positive feeling.

Operant Conditioning and Attitude Acquisition: Another learning process, operant conditioning, also underlies attitude acquisition. Attitudes that are reinforced, either verbally or non-verbally, tend to be maintained. Conversely, a person who states an attitude that elicits ridicule from others may modify or abandon the attitude.

Vicarious Learning: This refers to formation of attitudes by observing behaviour of others and consequences of that behaviour. It is through vicarious learning processes that children pick up the prejudices of their parents. For example, even if they have never met a blind person, children whose parents say that "blind people are incompetent" may adopt such attitudes themselves.

We also learn attitudes vicariously through television, films, and other media. For instance, involves that glorify violence reinforce positive attitudes regarding aggression, and portrayals of women as subservient to men shape and bolster sexist attitudes.

Family and Peer Groups: A person may learn attitudes through imitation of parents. If parents have a positive attitude towards an object and the child admires his parents, he is likely to adopt a similar attitude, even without being told about the object, and even without having direct experience. Attitudes towards the opposite sex, religion, tolerance or prejudice, education, occupations, political parties, and almost all other areas where attitudes are capable of expression are the result of our accepting or rejecting the attitudes held by members of our family. Similarly, attitudes are acquired from peer groups in colleges and organisations.

Neighbourhood: The neighbourhood we live in has a certain structure in terms of its having cultural facilities, religious groupings, and possibly ethnic differences. Further, it has people who are neighbours. The neighbours - adults or children - tolerate, condone, or deny certain attitudes and behaviour and as a result we are either Northerners or Southerners. Further, we accept these moves and conform, or we deny them and possibly rebel. The conformity or rebellion in some respects is the evidence of the attitudes we hold.

Economic Status and Occupations: Our economic and occupational positions also contribute to attitudes formation. They determine, in part, our attitudes towards unions and management and our belief that certain laws are "good" or "bad". Our socio-economic background influences our present and future attitudes.

Mass Communications: All varieties of mass communications - television, radio, newspapers, and magazines-feed their audiences large quantities of information. The presentation of news or information is constructed so as to cater to the attitude of the audience. In turn, the audience selects the specific form of mass communication that best reflects its attitudes on various subjects. The items of interest include sex and teenagers, crime, divorce, politics, religion, pornographic literature, and the like. The material we select helps us either to substantiate our opinions or to establish new ones.

Once formed, attitudes play an important role in one's life. It applies to every sphere of life, including one's personal and professional life. An executive cannot be good executive without a

positive attitude. A student cannot be a good student without a positive attitude. A parent, teacher, salesperson, employer, employee cannot be good without positive attitudes.

4.3.5 Measurement of Attitudes:

Attitudes need to be measured so that they lend themselves for a scientific study. Attitude measurement usually implies measurement of the 'C' component in the ABC model. C stands for the thinking component of an attitude.

The easiest way of measuring attitudes is to slot them as favourable or unfavourable. The complicated procedures involve measuring the degree of favourableness or unfavourableness.

There are a few techniques available to measure attitudes but which is 'best' depends on the purpose of assessment. Simple measures are adequate for things such as predicting the outcome of an election held for Lok Sabha. On the other hand, understanding the impact of television usually requires more complicated measurement techniques.

The usual techniques of attitude measurement include: (i) Self-report, (ii) Likert scale (iii) Osgood's scale and (iv) Sociometry.

Self report technique. Whenever you are required to express your preferences to an interview or to write your evaluations of something on a long questionnaire, you are involved in a self-respect technique of attitude measurement.

Exit polls or public opinion polls before or after voting use self-report technique. The technique is used to predict the outcomes of elections. Self-report technique can also be used to provide information about the percentage of the population that support Women Reservation Bill or similar other issues.

Likert scale. This was developed by Likert in 1932 and is the most widely used technique over today. The individual is asked to state his or her agreement or disagreement towards an issue. The uniqueness of the scale is that it requires the subject to state the degree of agreeableness and disagreeableness against the statements listed on the subject. This is normally done on a 5-point and 7-point scale. The scale appears as follows:

1. Strongly Disagree
2. Disagree
3. Tend to Disagree
4. Neither Agree nor Disagree
5. Tend to Agree
6. Agree
7. Strongly Agree

The subject is required to pick up one of the scales (1 to 7) and mark it against each statement. to make the assessment more objective, a value can be given to each response category in order to produce a numerical score, and the different scores in each category are added together to arrive at total score. A high overall score can be viewed as a positive attitude towards the subject, whereas low score denotes a negative attitude.

Osgood's scale. Osgood and his colleagues developed this technique way back in 1957. It consists of pairs of adjectives opposite in meaning. A 7-point rating scale can also be given as

| | 7 | 6 | 5 | 4 | 3 | 2 | 1 | |
|------------|---|---|---|---|---|---|---|------------|
| Pleasant | - | - | - | - | - | - | - | Unpleasant |
| Friendly | - | - | - | - | - | - | - | Unfriendly |
| Cheerfully | - | - | - | - | - | - | - | Gloomy |
| Warm | - | - | - | - | - | - | - | Cold |

The respondent is asked to give an immediate reaction to each pair of words by picking an appropriate number on 7-point scale. The individual's score is his or her total score. Higher the score, more favourable is the attitude and vice-versa.

Sociometry. This is a simple technique and the procedure runs, more or less, on the following lines. Using a natural group, every member of the group is asked to name their preferred partner for a specified activity. They then rank the remainder of the group in order of preference, with reference no questions such as, "who would you most like to sit next?"

Some knowledge of the "thinking" and "emotional" aspects of an individual's attitude can be obtained by asking "why do you want to sit next to X, the most popular person?" The least popular person - Y - can also be identified by this method. Though this technique can be used to assess popularity of group members, its application has been minimal.

4.3.6 Changing Attitudes:

Employee attitudes need to be changed, particularly when they are unfavourable. It is in the best interest of the organisation to change attitudes. But changing attitudes is a difficult task as attitudes generally endure. Difficulty is reinforced because of the escalation of commitment, cognitive dissonance, and insufficient information.

Escalation of commitment refers to the prior commitment of people to a particular cause and their unwillingness to change. Escalation of commitment will be explained in detail later in the book.

The second obstacle to change attitude is cognitive dissonance. Cognitive dissonance is a term popularised by psychologist Leon Festinger to describe a state of inconsistency between an individual's attitude and behaviour. The discomfort experienced by people feeling cognitive dissonance leads to efforts to reduce the tension by (i) changing the attitudes, (ii) changing the behaviour, and (iii) rationalising the inconsistency. People rather resort to the third course of the action than changing their attitudes or altering their behaviours.

The third barrier results from *insufficient information*. Sometimes people see no reason why they would change their attitudes. The boss may not like a subordinate's negative attitudes, but the latter may be quite pleased with his behaviour. Unless the boss can show the individual why a negative attitude is detrimental to career progress or salary increases or some other personal objective, the subordinate may continue to have negative attitude.

WaysofChanging:

Attitudes need to be changed at two fronts: Changing one's own attitudes and changing the employee's attitudes.

Changing Attitudes of Self: The following hints can help the individual change his her attitude:

- (i) *Be aware of one's attitudes.* People who are optimistic have higher levels of job satisfaction. The individual needs to maintain positive attitudes consciously.
- (ii) *Think for self.* The individual should develop his or her own attitude based on other input.
- (iii) *Realise that there are few, if any, benefits from harbouring negative attitudes.*
- (iv) *Keep an open mind.* The individuals should listen to other people's input and use it to develop positive altitudes.
- (v) *Get into continuous education programme*
- (vi) *Build a positive self-esteem.*
- (vii) *Stay away from negative influences,* such as smoking, drugs, alcohol, pornography, negative movies and television programmes.

4.4 Values:

Values are encompassing concepts. American Management Association indicated that values are at the core of personality, and that they are powerful, though silent force affecting behaviour.

Values are so embedded that it can be inferred from people's behaviour and their expressed attitudes. But values are a strong force in people. What may 'appear' to be strange behaviour in an employee can make sense if managers understand the values underlying that behaviour.

Rokeach (1973) "values represent basic convictions that a specific mode of conduct or end- state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence."

Rokeach divided values into two broad categories: Terminal values" relate to ends to be achieved e.g. comfortable life, family security,; self-respect and sense of accomplishment. 'Instrumental values' relate to means for achieving desired ends, e.g. ambition, courage, honesty and imagination. Terminal values reflect what a person is ultimately striving to achieve, whereas instrumental values reflect how the person get there.

Values are so embedded that it can be inferred from people's behaviour and their perception, personality and motivation. They generally influence behaviour. They are relatively stable and enduring. This is because, the way in which they are originally learned.

Allport (1951) identified six types of values.

- 1) **Theoretical** - Places high importance on the discovery of truth through critical and rational approach.
- 2) **Economic** - Emphasises to be useful and practical.
- 3) **Aesthetic** - Places the highest value on form and harmony.
- 4) **Social** - The highest value is given to the love of people.

- 5) **Political** - Places emphasis on acquisition of power and influence.
- 6) **Religious** - Concerned with the unity of experience and understanding of the cosmos as a whole.

People in different occupations place different importance on the six value types.

The knowledge that people have different types of values has led a few of the more progressively managed organisations to initiate efforts to improve the values - job fit in order to enhance employee performance and satisfaction. Texas Instruments for instance, has developed a programme to diagnose different value types and to match properly these types with appropriate work environments within their company.

Some individuals, for example, are classified as "tribalistic" - people who want strong, directive leadership from their bosses; some are "egocentric" desiring individual responsibilities and wanting to work as lovers in an entrepreneurial style; some are "sociocentric" seeking, primarily the social relationship that job provides, and some are "existential", seeking full expression of growth and self- fulfillment needs through their work, much as an artist does. Charles Hughes, director of personnel and organisation development at Texas Instruments, believes the variety of work that needs to be done, in his organisation is great enough to accommodate these different types work personalities in such a manner that an individual and organisational goals are fused.

Values represent stable, long-lasting beliefs about what is important. They are evaluative standard that help us define what is right or wrong, good or bad, in the world. Some people value money while others consider morals as more important. Some value frugality while others value generosity.

Values differ from attitudes. Values are general beliefs about life, whereas attitudes are directed towards specific objects, events, or people. Of course, values influence our attitudes towards those objects. Further, a value stands in relation to some social or cultural standards or norms. While attitudes are mostly personal experiences.

There are similarities too between values and attitudes. Both are acquired essentially from the same sources. Both values and attitudes endure and are resistant to change.

There are two types of values: terminal and instrumental. *Terminal values* are desired states of existence that we think are worth striving for. A world of beauty, equality, wisdom, and a comfortable life are some of the terminal values that people might hold. *Instrumental values*, on the other hand are desirable modes of behaviour that help us reach the objectives of terminal values. Some instrumental values include being polite, courageous, logical, self-controlled and ambitious.

4.5 Attitudes, Values and OB:

Attitudes influence behaviour. But this is not always absolute. In other words, a simple direct link between attitudes and behaviour does not exist.

Why direct link does not exist between attitudes and behaviour is explained by *behavioural intentions model*. The model suggests that focusing on a person's intention to behave in a certain way makes the relationship between the attitude and behaviour more definite than if intention is not considered. Intentions depend on both norms and attitudes regarding the behaviour. Norms are rules of behaviour, or proper ways of acting, that members of a group or a society have accepted as

appropriate. Norms thus impose social pressure to behave or not to behave in certain ways. If both attitudes and norms are positive with regard to a behaviour, an individual's intention to behave in a certain way will be strong. If attitudes and norms conflict, their relative strength may determine an individual's intentions and actual behaviour.

The behavioural intentions model indicates that an individual's beliefs regarding behaviour affect both attitudes and norms. In the case of attitudes, beliefs concern the relationship between the behaviour and its consequences (outcomes). Beliefs regarding norms reflect an individual's perceptions of how others expect that person to act. This model helps explain why the relationship between attitudes and behaviour sometimes is strong and at other times it is weak.

The behavioural intentions model also explains another possible explanation of behaviour. Real or perceived situational or internal obstacles may prevent a person from behaving in an intended manner. For example, someone might fully intend to perform a task quickly and effectively but lack competency to do so. Moreover, the perception or beliefs that the individual lacks the necessary competencies might prevent him or her from performing the task.

Attitudinal Influence on Perception: Perceptual outcomes are derived from past experiences and perceptions, but they also influence the way we perceive stimuli. Such sayings as "Beauty is altogether in the eye of the beholder" and "One person's trash is another person's treasure" emphasise the importance of attitudes in perceiving the world around us. If our attitudes are positive, things will look brighter to us than if they are negative.

Job satisfaction: One of the tasks of managers is to provide satisfaction to employees from their respective jobs. The term job satisfaction refers to an individual's general attitude towards his job. A person with high job satisfaction holds a positive attitude towards his job, while a person who is dissatisfied with his job holds a negative attitude about his job. When people speak of employee attitudes more often than not they mean job satisfaction. In fact, the two terms are used interchangeably.

Job Involvement: The term job involvement refers to the degree to which a person identifies psychologically with his job and considers his perceived performance level important to his self worth. A person with a high degree of involvement will identify with his job and will care about the kind of work he does on his job. Besides, such involvement in the job results in reduced turnover and minimised absenteeism. Needless to say that attitude is an important variable in developing job involvement.

Organisational Commitment: If job involvement refers to one's identification with a particular job, organisational commitment means one's involvement with his employing organisation. Being another name for organisational loyalty, organisational commitment results in a stable workforce. As with job involvement, attitude is an important variable in determining organisational commitment.

4.6 Summary:

Attitude is an important variable in individual behaviour. Attitudes are formed by direct experience with the object, classical conditioning, operant conditioning, vicarious learning, family and peer groups, neighbourhood and mass communication. Values influence attitudes, motivation and perception. Values represent deep-seated standards by which people evaluate their world. Thus from this lesson, it was learnt that understanding human behaviour is essential for an effective manager.

4.7 Technical terms:

Attitude: Refer to the feelings and beliefs of an individual or groups of people.

Values: Are general beliefs about life and stands in relation to some social or cultural norms.

Ethics: Involves the study of moral issues and choices.

Self concept: The concept the individual has himself.

4.8 Self-Assessment Questions:

1. Define value. Define attitudes. How are they similar? Different?
2. What is the source of attitudes and values?
3. Why should organisations give importance in understanding human behaviour?
4. Explain the measurement of attitude.
5. What is the need for and ways to change the attitude of people in organisations?
6. Explain the rationality of attitudes and values in organisation behaviour.

4.9 Reference Books:

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Lesson - 5

GROUP DYNAMICS- FORMATION AND DEVELOPMENT OF GROUPS- GROUP COHESIVENESS

Learning Objectives:

After studying this lesson, you should be able to understand the : Concept of Group Dynamics;
The formation and development of Groups; Group cohesiveness.

Content Structure :

- 5.1 Introduction to Group Dynamics
 - 5.1.1 Definition of Group
 - 5.1.2 Meaning of Group Dynamics
- 5.2 Formation and Development of Groups
 - 5.2.1 Types of Groups
 - 5.2.2 Theories of Group Formation
 - 5.2.3 Stages of Group Development
- 5.3 Group Cohesiveness
- 5.4 Summary
- 5.5 Technical terms
- 5.6 Self - Assessment Questions
- 5.7 Reference Books

5.1 Introduction to Group Dynamics:

Small groups have functioned since the time of the first human family. The behavioural researchers have studied scientifically the processes by which small groups evolve and work. There are different connotations attached to the term group dynamics. One view is that group dynamics describes how a group should be organized and conducted. Here democratic leadership, member participation and overall cooperation are stressed. Another view of group dynamics suggests that it consists of a set of techniques. Here role-playing, brainstorming, buzz group, leaderless groups, group therapy, sensitivity training, team building, transactional analysis and the Johari Window are equated with group dynamics. However, the universally accepted view of group dynamics is closest to Lewin's original conception. Here group

dynamics are viewed from the perspective of the internal nature of groups how they form their structure and processes, and how they function and affect individual members other groups and the organisation.

5.1.1 DEFINITION OF GROUP

Stephen P. Robbins defines the term group as "two or more individuals, interacting and interdependent, who have come together to achieve particular objectives"

G. C. Homans defines the term group as "any number of people who share goals, often communicate with each other over a period of time, and are few enough so that each individual may communicate with all the others, person-to-person"

In the modern days of information technology, people need not physically come together, but they communicate and interact with each other. Thus, there may be virtual coming together. They strive for a common goal. Thus, the bondage of the group is constructed around the common goal or objective. The members of the group share their skills and other resources and achieve their goals through the integrated effort.

Features of Group

The features of group include:

1. Combination of two or more individuals
2. Individuals are motivated to come closer physically and/or virtually
3. They come closer to achieve their common and shared goals
4. Group members achieve their common goals through integrated efforts
5. Perceive the group as a unified unit
6. Members contribute different inputs (like skills, knowledge and efforts) in different amounts towards the achievement of group goals and
7. Reach agreements and disagreements through various forms of interaction.

5.1.2 MEANING OF GROUP DYNAMICS

Group Dynamics is 'the social process by which people interact face-to-face in small groups'. The word "dynamics" comes from the Greek word meaning "force"; hence group dynamics refers to the study of forces operating within a group. Group Dynamics is concerned with the interactions and forces among group members in a social situation. Two important historical landmarks in the understanding of small groups are the research of Elton Mayo and his associates in the 1920s and 1930s and the experiments in the 1930s of Kurt Lewin, a social psychologist of the University of Iowa, USA., the founder of the group dynamics movement. Mayo showed that workers tend to establish informal groups that affect job satisfaction and effectiveness. Lewin showed that different kinds of leadership produced different responses in groups.

The Groups have properties of their own that are different from the properties of the individuals who make up the group. This is similar to the physical situation in which a molecule of salt (sodium chloride) has different properties from the sodium and chlorine elements that form a "group" to make it. The special properties of groups are illustrated by a simple lesson in mathematics. Suppose we say "one plus one equals three." In the world of mathematics that is a logical error, and a rather elementary one at that. But in the world of group dynamics it is entirely rational to say "one plus one equals three." In a group there is no such thing as only two

people, for no two people can be considered without including their relationship, and that relationship is the third element in the equation.

Group dynamics is a field of study concerned with interactions and forces between members of a group. It is the field of enquiry that deals with the nature, formation and functioning of groups. It also involves the study of the structure, processes and behaviour of groups and their influence on the behaviour and performance of individuals. Group dynamics provides answers to the following questions:

- a) Why groups are formed?
- b) How groups are formed?
- c) How groups grow and decline?
- d) What forces operate in groups?
- e) How groups make decisions and solve problems?
- f) How groups change and adapt themselves?
- g) How groups achieve unity and handle conflicts?
- h) How groups influence the behaviour and task performance of their members?

5.2 FORMATION AND DEVELOPMENT OF GROUPS

5.2.1 Types of Groups:

There are numerous types of groups. There are small and large groups, primary and secondary groups, coalitions, membership and reference groups, in- and out-groups, and formal and informal groups. Each type has different characteristics and different effects on its members.

Groups can be either formal or informal. It's possible to further subclassify groups as command, task, interest, or friendship groups. Command and task groups are dictated by the formal organization, while interest and friendship groups are informal alliances.

I. Formal Groups

Formal groups may be defined by the organization's structure, with designated work assignments establishing tasks. In formal groups, the behaviors that one should engage in are stipulated by and directed toward organizational goals. The six members making up an airline flight crew are an example of a formal group. There are many formally designated work groups, such as committees, in the modern organization. The functional departmental committees (finance, marketing, operations, and human resources) and now cross-functional teams are examples, as are standing committees such as the public affairs committee, grievance committee, or executive committee. Teams, however, have emerged as the most important type of group in today's organizations.

i. Temporary Groups

Another fundamental distinction is between two types of formal groups. Some have a relatively temporary life; they are created to accomplish a short-term task and then disband. An example of a temporary group is a committee or task force. The event at which group members discuss ideas or solve problems is generally called a meeting.

- a) **Committee:** Formal groups are created for many purposes. Group members may be asked to generate ideas, make decisions, debate issues and negotiate resources, or provide status reports and receive constructive feedback. A committee is a specific type of group meeting in which members in their group role have been delegated the authority to handle the

problem at hand. The group's authority usually is expressed in terms of one vote for each member. This means that if a supervisor and a worker serve as members of the same committee, both usually have equal committee roles. The worker may even have greater actual influence on the committee's outcome as a result of differences in expertise, interest, or experience. Committees often create special human problems because people are unable to make adjustments from their normal work roles and relationships.

ii. Permanent Groups

The other type of formal group is a more natural and enduring work group. This type of group is formed when people perform tasks together as part of their job assignments and is called a team.

iii. Command Group

A command group is determined by the organization chart. It is composed of the individuals who report directly to a given manager. An elementary school principal and her 18 teachers form a command group, as do the director of postal audits and his five inspectors.

iv. Task Groups

Task groups, also organizationally determined, represent those working together to complete a job task. However, a task group's boundaries are not limited to its immediate hierarchical superior. It can cross command relationships. For instance, if a college student is accused of a campus crime, it may require communication and coordination among the dean of academic affairs, the dean of students, the registrar, the director of security, and the student's advisor. Such a formation would constitute a task group. It should be noted that all command groups are also task groups, but because task groups can cut across the organization, the reverse need not be true.

II. Informal groups

Informal groups are alliances that are neither formally structured nor organizationally determined. These groups are natural formations in the work environment that appear in response to the need for social contact. Three employees from different departments who regularly eat lunch together are an example of an informal group. Informal groups provide a very important service by satisfying their members' social needs. Because of interactions that result from the close proximity of workstations or task interactions, we find workers often do things together-like play golf, commute to work, take lunch, and chat during coffee breaks. We must recognize that these types of interactions among individuals, even though informal, deeply affect their behavior and performance.

Informal groups form for political, friendship, or common interest reasons. For political purposes, the informal group may form to attempt to get its share of rewards and/or limited resources. Friendship groups may form on the job and carry on outside the workplace. Common interests in sports or ways to get back at management can also bind members into an informal group.

i. Interest group

People who may or may not be aligned into common command or task groups may affiliate to attain a specific objective with which each is concerned. This is an interest group. Employees who band together to have their vacation schedules altered, to support a peer who has been fired, or to seek improved working conditions represent the formation of a united body to further their common interest.

ii. Friendship groups

Groups often develop because the individual members have one or more common characteristics. We call these formations friendship groups. Social alliances, which frequently extend outside the work situation, can be based on similar age or ethnic heritage, the holding of similar political views, to name just a few such characteristics.

iii. Primary Groups. Often the terms small group and primary group are used interchangeably. Technically, there is a difference. A small group has to meet only the criterion of small size. Usually no attempt is made to assign precise numbers, but the accepted criterion is that the group must be small enough for face-to-face interaction and communication to occur. In addition to being small, a primary group must have a feeling of comradeship, loyalty, and a common sense of values among its members. Thus, all primary groups are small groups, but not all small groups are primary groups. Two examples of a primary group are the family and the peer group. Initially, the primary group was limited to a socializing group, but then a broader conception was given impetus by the results of the Hawthorne studies. Work groups definitely have primary group qualities. Research findings point out the tremendous impact that the primary group has on individual behavior, regardless of context or environmental conditions.

iv. Coalitions. Although recent research indicates that the social structure will affect the increasingly popular strategic alliance formation patterns between organizations, at a more micro level, coalitions of individuals and groups within organizations have long been recognized as an important dimension of group dynamics. Although the concept of coalition is used in different ways by different theorists, a recent comprehensive review of the coalition literature suggests that the following characteristics of a coalition be included:

1. Interacting group of individuals
2. Deliberately constructed by the members for a specific purpose
3. Independent of the formal organization's structure
4. Lacking a formal internal structure
5. Mutual perception of membership
6. Issue-oriented to advance the purposes of the members
7. External forms
8. Concerted member action, act as a group'

Although the above have common characteristics with other types of groups, coalitions are separate, usually very powerful, and often effective entities in organizations. For example, a recent study found that employees in a large organization formed into coalitions to overcome petty conflicts and ineffective management in order to get the job done.

Other Types of Groups. Besides primary groups and coalitions, there are also other classifications of groups that are important to the study of organizational behavior. Two important distinctions are between membership and reference groups, and between in-groups and out-groups. These differences can be summarized by noting that membership groups are those to which the individual actually belongs. An example would be membership in a craft union. **Reference groups** are those to which an individual would like to belong - those he or she identifies with. An example would be a prestigious social group. **In-groups** are those who have or share the dominant values, and **out-groups** are those on the outside looking in. All these types of groups have relevance to the study of organizational behavior, but the formal and informal types are most directly applicable.

Comparison of Informal and Formal Organizations

Widespread interest in the informal organization developed as a result of the Western Electric studies in the 1930s, which concluded that it was an important part of the total work situation.

These studies showed that the informal organization is a network of personal and social relations not established or required by the formal organization but arising spontaneously as people associate with one another. The emphasis, within the informal organization is on people and their relationships, whereas the formal organization emphasizes official positions in terms of authority and responsibility. Informal power, therefore, attaches to a person, whereas formal authority attaches to a position and a person has it only when occupying that position. Informal power is personal, but formal authority is institutional. There is no single reason why individuals join groups. Because most people belong to a number of groups, it's obvious that different groups provide different benefits to their members.

5.2.2 Theories of Group Formation:

i. Propinquity theory of Group Formation

The most basic theory explaining affiliation is propinquity. This interesting word means simply that individuals affiliate with one another because of spatial or geographical proximity. The theory would predict that students sitting next to one another in class, for example, are more likely to form into a group than are students sitting at opposite ends of the room. In an organization, employees who work in the same area of the plant or office or managers with offices close to one another would more probably form into groups than would those who are not physically located together. There is some research evidence to support the propinquity theory, and on the surface it has a great deal of merit for explaining group formation. The drawback is that it is not analytical and does not begin to explain some of the complexities of group formation. Some theoretical and practical reasons need to be explored in this propinquity theory of Group Formation.

ii. Group Formation theory based on activities, interactions, and sentiments.

A more comprehensive theory of group formation comes from the theory based on activities, interactions, and sentiments. These three elements are directly related to one another. The more activities persons share, the more numerous will be their interactions and the stronger will be their sentiments (how much the other persons are liked or disliked); the more interactions among persons, the more will be their shared activities and sentiments; and the more sentiments persons have for one another, the more will be their shared activities and interactions. This theory lends a great deal to the understanding of group formation and process. The major element is interaction. Persons in a group interact with one another not just in the physical propinquity sense, but also to accomplish many group goals, such as cooperation and problem solving.

iii. Balance theory of Group Formation

There are many other theories that attempt to explain group formation. Most often they are only partial theories, but they are generally additive in nature. One of the more comprehensive is a balance theory of group formation. The theory states that persons are attracted to one another on the basis of similar attitudes toward commonly relevant objects and goals. Individual X will interact and form a relationship/group with individual Y because of common attitudes and values (Z). Once this relationship is formed, the participants strive to maintain a symmetrical balance between the attraction and the common attitudes. If an imbalance occurs, an attempt is made to restore the balance. If the balance cannot be restored, the relationship dissolves. Both propinquity and interaction play a role in balance theory.

iv. Exchange theory of Group Formation

Still another theoretical approach to group formation receiving considerable attention is exchange theory. Similar to its functioning as a work-motivation theory, exchange theory of groups is based upon reward-cost outcomes of interaction. A minimum positive level (rewards

greater than costs) of an outcome must exist in order for attraction or affiliation to take place. Rewards from interactions gratify needs, while costs incur anxiety, frustration, embarrassment, or fatigue. Proximity, interaction, and common attitudes all have roles in exchange theory.

5.2.3 STAGES OF GROUP DEVELOPMENT

Groups generally pass through a standardized sequence in their evolution. We call this sequence the five-stage model of group development. Recent studies, however, indicate that temporary groups with task-specific deadlines follow a very different pattern. In this section, we describe the five-stage general model and an alternative model for temporary groups with deadlines.

The Five-Stage Model

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

I. Forming.

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

II. Storming

The storming stage is one of intragroup conflict. Members accept the existence of the group, but there is resistance to the constraints that the group imposes on individuality. Furthermore, there is conflict over who will control the group. Members know the hierarchy and chain of command when the leader within the group is determined. When this stage is complete, there will be a relatively clear hierarchy of leadership within the group.

III. Norming

The third stage is one in which close relationships develop and the group demonstrates cohesiveness. There is now a strong sense of group identity and camaraderie. This norming stage is complete when the group structure solidifies and the group has assimilated a common set of expectations of what defines correct member behavior.

IV. Performing

The fourth stage is performing. The structure at this point is fully functional and accepted. Group energy has moved from getting to know and understand each other to performing the task at hand.

V. Adjourning

For permanent work groups, performing is the last stage in their development. However, for temporary committees, teams, task forces, and similar groups that have a limited task to perform, there is an adjourning stage. In this stage, the group prepares for its disbandment. High task performance is no longer the group's top priority. Instead, attention is directed toward wrapping up activities. Responses of group members vary in this stage. Some are upbeat, basking in the group's accomplishments. Others may be depressed over the loss of camaraderie and friendships gained during the work group's life.

Many interpreters of the five-stage model have assumed that a group becomes more effective as it progresses through the first four stages. Although this assumption may be generally true, what makes a group effective is more complex than this model acknowledges. Under some conditions, high levels of conflict are conducive to high group performance. So we

might expect to find situations in which groups in Stage II outperform those in Stage III or IV. Similarly, groups do not always proceed clearly from one stage to the next. Sometimes, in fact, several stages go on simultaneously, as when groups are storming and performing at the same time. Groups even occasionally regress to previous stages. Therefore, even the strongest proponents of this model do not assume that all groups follow its five-stage process precisely or that Stage IV is always the most preferable.

Another problem with the five-stage model, in terms of understanding work-related behavior, is that it ignores organizational context. For instance, a study of a cockpit crew in an airliner found that, within ten minutes, three strangers assigned to fly together for the first time had become a high-performing group. What allowed for this speedy group development was the strong organizational context surrounding the tasks of the cockpit crew. This context provided the rules, task definitions, information, and resources needed for the group to perform. They didn't need to develop plans, assign roles, determine and allocate resources, resolve conflicts, and set norms the way the five-stage model predicts.

An Alternative Model: For Temporary Groups with Deadlines

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

The first meeting sets the group's direction. A framework of behavioral patterns and assumptions through which the group will approach its project emerges in this first meeting. These lasting patterns can appear as early as the first few seconds of the group's life.

Once set, the group's direction becomes "written in stone" and is unlikely to be reexamined throughout the first half of the group's life. This is a period of inertia—that is, the group tends to stand still or become locked into a fixed course of action. Even if it gains new insights that challenge initial patterns and assumptions, the group is incapable of acting on these new insights in Phase 1.

One of the more interesting discoveries made in these studies was that each group experienced its transition at the same point in its calendar—precisely halfway between its first meeting and its official deadline—despite the fact that some groups spent as little as an hour on their project while others spent six months. It was as if the groups universally experienced a midlife crisis at this point. The midpoint appears to work like an alarm clock, heightening members' awareness that their time is limited and that they need to "get moving."

This transition ends Phase 1 and is characterized by a concentrated burst of changes, dropping of old patterns, and adoption of new perspectives. The transition sets a revised direction for Phase 2. Phase 2 is a new equilibrium or period of inertia. In this phase, the group executes plans created during the transition period. The group's last meeting is characterized by a final burst of activity to finish its work.

In summary, the punctuated-equilibrium model characterizes groups as exhibiting long periods of inertia interspersed with brief revolutionary changes triggered primarily by their members' awareness of time and deadlines. Keep in mind, however, that this model doesn't apply to all groups. It's essentially limited to temporary task groups who are working under a time-constrained completion deadline.

.5.3 GROUP COHESIVENESS.

Group Cohesiveness refers to the degree to which group members are attracted to each other and are motivated to stay in the group. Groups differ in their cohesiveness. For example, some work groups are cohesive because the members have spent a great deal of time together or the group's small size facilitates high interaction, or the group has experienced external threats that have brought members close together. Cohesiveness is important because it has been found to be related to the group's productivity.

Research studies show that the relationship of cohesiveness and productivity depends on the performance-related norms established by the group. If performance -related norms are high (for example, high output, quality work, co-operation with individuals outside the group), a cohesive group will be more productive than with a less cohesive group. But if cohesiveness is high and performance norms are low, productivity will be low. If cohesiveness is low and performance norms are high, productivity increases, but less than in the high cohesiveness/high-norms situation. when cohesiveness and performance-related norms are both low, productivity will tend to fall into the low-to-moderate range.

What can you do to encourage group cohesiveness? You might try one or more of the following suggestions:

- (1) Make the group smaller.
- (2) Encourage agreement with group goals.
- (3) Increase the time members spend together.
- (4) Increase the status of the group and the perceived difficulty of attaining membership in the group.
- (5) Stimulate competition with other groups.
- (6) Give rewards to the group rather than to individual members.
- (7) Physically isolate the group.

5.4 SUMMARY

Groups represent an important dynamic in the study and application of organisational behavior. Group formation, types, and processes; the dynamics of informal roles and organization; and formal work groups such as committees and teams are all of particular relevance to the study of organisational behavior. Group dynamics is the process by which people interact face-to-face in small groups. Such groups may be informal or formal, and formal groups may be temporary or permanent. The complex system of social relationships in an organisation consists of many small, informal groups. These groups, which arise naturally from the interaction of people, are referred to collectively as the informal organisation. Informal organisations have major benefits, but they also lead to problems that management cannot easily ignore. Informal organisations are characterized by a status system that produces informal leaders. Formal groups, which are established by the organisation, include committees, task forces, and other decision making groups. Formal group meetings are a widely used form of group activity; they can create quality decisions that are supported by the participants. Group formation can be theoretically explained by propinquity; as a relationship among activities, interactions and sentiments; as a symmetrical balance between attraction and common attitudes; and as a reward-cost exchange.

5.5 TECHNICAL TERMS

Group dynamics

Cohesiveness

Committee

5.6 Self Assessment questions

1. How will you define a group? Why do individuals join groups? Briefly discuss the theoretical explanations for group formation.
2. What are the basic types of groups in organizations? Which type of group do you think is most significant? Why?
3. Differentiate between formal and informal groups in the organizations.
4. What is a small group? Discuss the stages of group development.
5. Discuss the nature of group dynamics which prevail in informal organization and its impact of the effectiveness of the organizations as a whole.
6. What is group dynamics? What impact do groups have on organizational and individual effectiveness.
7. Briefly discuss the major theoretical explanations for group formation. Which explanation do you think is most relevant to the study of organizational behavior? Defend your choice.
8. What are some functions of the informal organization? What are some dysfunctions?
9. How can the disadvantages of committees be overcome?

5.7 REFERENCE BOOKS

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Lesson - 6

ORGANISATION CHANGE

Learning Objectives:

After studying this lesson, you should be able to understand the : Nature of

Organisation change;

Causes of Organisation change; Organisation
change Management.

Content Structure:

- 6.1 Introduction to Organisation change
- 6.2 Nature of Organisation change
- 6.3 Levels of Change
- 6.4 Importance of Change
- 6.5 Causes of Organisational Change
- 6.6 Factors Dictating Change
- 6.7 Approaches to Change
- 6.8 Summary
- 6.9 Technical terms
- 6.10 Self - Assessment Questions
- 6.11 Reference Books

6.1 INTROCDUCTION TO ORGANISATION CHANGE

Change is inevitable in the life of an organization and it affects all types of organisations. Change poses formidable challenges and heralds new opportunities. Organizations that learn and cope with change will thrive and flourish and others which fail to do so will perish. Therefore, managers need to be skilled in ways to respond to change to ensure the survival and success of their organisations. Organisations which fail to respond appropriately to environmental changes go out of existence.

6.2 NATURE OF ORGANISATIONAL CHANGE

Organizational change is the process by which organizations move from their present state to some desired future state to increase their effectiveness.

Organisational change implies planned alteration in the existing organisational system. It is made by an organisation to achieve something desirable, *e.g.*, profitability, employee satisfaction, social well-being, etc. Organisational change means alteration of structural relationships and role of people in organisations. It is largely structural in nature. The main features of organisational change are:

- (i) Organisational change is a planned change because it is a conscious attempt to modify or change certain operations, functions or processes.
- (ii) Planned change can be of two types. A change initiated by the organisation *is* called *proactive* change. On the other hand, changes implemented by an organisation due to pressure by external forces is known as *reactive* change. For example, when management introduces a new labour welfare scheme in order to improve employee motivation, it is a proactive change. If such a scheme is introduced due to pressure from the trade union it is a reactive change.
- (iii) Organisational change disturbs the existing equilibrium of the enterprise and leads to a new equilibrium.
- (iv) Change takes place in all organisations but at varying speeds and degrees.
- (v) An organisation may be changed in several ways. Change may be made in its structure, its technology, its people or in other elements.
- (vi) The main objective of organisational change is to achieve the objectives of the organisation in the best possible manner.

Characteristically change is -

- vital if a company were to avoid stagnation;
- a process and not an event;
- normal and constant;
- fast and is likely to increase further in the present competitive business;
- 'directive', that is, implemented by 'top down' management or 'participative', that is, involving those parties impacted by change;
- is 'natural', that is, evolutionary or 'adaptive', that is, a reaction to external circumstances and pressures;
- is 'incremental', that is continuous small changes or 'step', that is, radical shift from current to new processes; and
- is interdependent on organizational environment or culture.³

Change of whatever form interfaces with three organizational components which effectively constitute the corporate culture. Change management must take into account each of the three components, namely,

- the historical and political evolution of the company;
- the management and organization of the company; and
- the people who work for the company.

History and Politics: The historical and political evolution of a company will have a significant bearing on its acceptance of change. The following questions will be among those to be considered when planning for change:

- Where do the origins of the company lie and what are the associated values? What image does the company like to promote? What perception of the company do customers hold? Are any of these compromised by the proposals for change?
- What are the origins of individuals within the company? Have they had good or bad previous experience of change on which their reactions to new change proposals will be based?
- What are the traditions and norms to which management and employees alike have become accustomed? What long-standing policies and 'rights', both written and unwritten, exist? Are any of these threatened?
- What is the relationship between the 'powers' within the organization and those charged with effecting the change? Will these powers 'own' the change?
- What will be the effect of the change on the 'balance of power' as measured in terms of current owners of resources and expertise? Who will be the 'winners' and 'losers'?
- Who are the 'winners' and 'losers' in terms of personal status (grade, status symbols, and spheres of influence)?

In essence, who are the parties most impacted by the change? Will they resist the change and, if they do, how significant will their influence be on the effective introduction of the change?

Management and Organization: Change will invariably impact the roles of management and the structure and operation of the organization. Some of the most likely impacts of modern-day change are:

- Senior management take a more strategic stance, encouraging opportunities for progress through innovation and recognizing the contribution to achievement of business objectives;
- The role of line management shifts from that of 'autocrat' to that of 'facilitator';
- Boundaries between jobs, divisions, and departments become blurred;

- Jobs broaden both in terms of scope and of accountability with the requirement for specialists decreasing and the demand for the multi-skilling increasing;
- Project and group work both increase;
- Increased harnessing of technology and improving processes reduce the total availability of jobs;
- Employees are required to be 'customer-facing*' in respect of activities and outputs.

Before embarking upon a significant change, it is therefore vital to gauge what proportion of the workforce is able to cope with such shifts and, more importantly, is willing to make the transition required.

People: Although identified against alternative headings, it must be pointed out that every single issue noted above is in fact a 'people' issue. It is impossible to invoke even the most modest of changes without impacting the manner in which someone works. Thus, it is appropriate simply to add a small number of cautionary prompts for those invoking change:

- Even for the smallest of changes, don't underestimate the reactions of those impacted;
- Recognize that typically with change there comes an expectation of a reward for acceptance in terms of pay, promotion, or other form of recognition; and
- Think through carefully the impact of the change on every job it affects.

Each of the above should be considered alongside the key issue of the manner in which the change will be determined and invoked.

Change agent, change intervention, and change targets are the related terms which need clarification. *Change agent* is the person (or persons) who acts as a catalyst, and assumes the responsibility for managing the change process. *Change intervention* is a planned action to make things different. *Change targets* are individuals and groups who are subject to change.

6.3 LEVELS OF CHANGE

Change can be at the individual, group, and organizational levels.

Individual-level Change: At the individual level, change is reflected in such developments as changes in job assignment, physical move to a different location, or the change in maturity of a person which occurs over time. It is said that changes at the individual level will seldom have significant implications for the total organization. This is not true because a significant change at the individual level will have its repercussions on the group which, in turn, might influence the wider organization. A manager who desires to implement a major change at the individual level, transferring an employee for instance, must understand that the change will have repercussions beyond the individual.

Group-level Change: Most organizational changes have their major effects at the group level. This is because most activities in organizations are organized on a group basis. The groups could be departments or informal work groups. Changes at the group level can affect work

flows, job design, social organization, influence and status systems, and communication patterns. Managers must consider group factors when implementing change. Informal groups can pose a major barrier to change because of the inherent strength they possess. Formal groups can resist change, as exemplified by the resistance demonstrated by unions to the changes proposed by the management. Because of the powerful influence that groups can have on individuals, effective implementation of change at the group level can frequently overcome resistance at the individual level.

Organization-level Changes: Changes at this level involve major programmes that affect both individuals and groups. Decisions regarding these changes are generally made by senior management and are seldom implemented by only a single manager. Frequently, they occur over long periods of time and require considerable planning for implementation. Examples of these changes would be reorganization of the organizational structure and responsibilities, revamping of employee remuneration system, or major shifts in an organization's objectives. Change at the organizational level is generally referred to as 'organization development'.

6.4 IMPORTANCE OF CHANGE

As change is inevitable. Life itself is almost synonymous with the concept of change. All organisms must adapt to the demands of their environments and their own stages of growth. Throughout history, animals and plants that have not been able to adapt or change when necessary have become extinct. Similarly, humans 'grow up', leaving behind the characteristics of earlier stages of development and adopting new behaviour to age, environment, and expectations. An organization is not much different.

An organization cannot and should not remain constant over time. Even if the management does not want to change, external pressures force it to change.

Not only is change inevitable, it is pervasive too. The concept runs through all aspects of the study of organisational behavior. A casual reflection on change should indicate that it encompasses almost all concepts in the organisational behavior literature. Think about leadership, motivation, organizational environment, and roles. It is impossible to think about these and other concepts without enquiring about change.

But the word change is not liked by many people. It produces emotional reactions. It is not a neutral word. To many people it is threatening; it conjures up visions of a revolutionary—a dissatisfied person, a trouble maker and a malcontent.

6.5 CAUSES OF ORGANISATIONAL CHANGE

Change has become the norm in most organizations. Business failures, plant closures, mergers and acquisitions, downsizing, re-engineering, productivity improvement, globalization, cycle-time reduction, and other efforts for survival are common among most Indian companies. Organizations are in a state of tremendous turmoil and transition and all members are affected. Pressures for change arise from both within and outside the organisation.

1) **External Forces.** Every organisation exists and operates in an environment. Changes occur frequently in the environment, *e.g.*, economic, social, political changes. An organisation must change in order to adapt itself to the new environment. Some of the external pressures are given here.

(a) *Market situation.* Modern business enterprises operate in a highly competitive market place. Competitors introduce new products, better services, improved advertising, etc. The needs and habits of consumers also change. Organisations must change to survive and grow in such markets.

(b) *Technology.* Rapid technological changes shorten the life of many products and services. Existing plants and machines become obsolete. Computerisation and automation is a major example. Organisations can ignore technological developments at the cost of their survival. Technological innovations bring about profound change because they are not just changes in the way work is performed. Instead the innovation process promotes associated changes in work relationships and organizational structures. Technological innovators result in flatter structures, decentralized decision-making, and more open communication across the employees.

(c) *Population dynamics.* changing age distribution of population may cause shortage of skilled people and may accentuate different life styles. Geographic movement of people may require changes in marketing strategies. The drive for social equality, erosion of the joint family system, rise of working women are other major social changes.

(d) *Political and legal systems.* Relations between business and government are improving. Legal provisions concerning the corporate sector are being changed rapidly. Transnational corporations and other international developments are forcing organisations to modify their structures and plans.

(e) *Globalization.* Globalization has made organizations to rethink the boundaries of their markets and to encourage their employees to think globally. Globalizing an organization means rethinking the most efficient ways to use resources, gather and disseminate information, and develop people to become global citizens.

(f) *Workforce Diversity.* Related to globalization is workforce diversity which is a powerful external force invoking change. Diversity makes an organization reposition itself, reposition its strategy from a brick-and-mortar to an e-commerce environment, launch a new project, create a new idea, develop a new marketing plan, design a new operation, and assess emerging trends from a new perspective. All these involve considerable change.

(g) *Managing Ethical Behaviour.* Recent scandals have brought the issue of ethical behaviour in organizations to the forefront of public consciousness. Ethical issues, however, are not always public and monumental. Employees face ethical dilemmas in their daily work lives. The need to manage ethical behaviour has brought about several changes in organizations. Most centre around the idea that an organization must create a culture that encourages ethical behaviour.

2. Internal Forces. Pressures for change also originate within an organisation. These are as follows:

(i) *Deficiencies in the existing system.* Changes are necessary when the present structure or process is not capable of achieving organisational objectives. Unmanageable span of control, narrow specialisation, too much centralisation of authority, multiplication of committees, line staff conflict etc., are main loopholes in an organisation.

(ii) *Changes in managerial personnel.* New managers replace the earlier ones due to retirement, resignation, transfer and promotion. As a result new values and ideas enter the organisation.

Changes take place in the informal relationships also. A new chief executive may re-examine the entire structure and functioning of the organisation. Increasing proportion of knowledge workers and women managers is another major change in the composition of workforce.

(iii) *Other changes.* Need for improving productivity and quality of working life, scarcity of certain resources, e.g., power, need to avoid inertia, etc. are other internal sources of change. Another internal force is the domino effect which means one change triggers off a sequence of supporting changes. For example, the creation of a new department may lead to introduction of new managerial positions and reallocation of tasks, etc.

Internal forces that trigger change are several. Employers hope that employees will recognise and report problems that must be addressed. In some organizations, however, there is a norm of organizational silence in which employees avoid bringing up certain issues, even when everyone is aware that a problem does exist.

Falling effectiveness is another internal trigger for change. An organization that experiences its third quarterly loss within a fiscal year is motivated to do something about it. Some companies react drastically- resorting to layoffs, cost-cutting programmes, and the like. Some others look at the bigger picture, view the loss as symptomatic of an underlying problem, and seek causes for the problem.

A crisis may also instigate change in an organization. Strikes may compel employees to resort to pay cuts. The resignation of a key executive may cause the company to rethink the composition of its management team and its role in the organization.

Differing employee expectations can also trigger change in organizations. Expectations of young and newly hired employees are different than those of old employees. Youngsters are more career-oriented than their old counterparts and are known for organizational restlessness. Retaining and motivating such employees is a challenge for any firm.

Change in the work climate of an organization can stimulate change. A workforce that seems lethargic, apathetic, and dissatisfied is a symptom that must be addressed. This symptom is common in organizations that have experienced layoffs. Workers who have escaped a layoff may grieve for those who have lost their jobs and may find it hard to continue to be productive. They may feel that they will also be laid off one day, and feel insecure in their jobs.

Task, people, technology and structure are the four main factors involved in organisational change. These factors are interrelated and interdependent so that a change in one produces changes in other factors. Task implies the job which can vary in terms of variety, autonomy, task identity, feedback and significance. People refer to individuals who fill and perform various jobs in the organisation. Individuals differ in their altitudes, motivations and values which influence their perception and evaluation of change. This can make change difficult. Technology includes the methods, techniques and processes used to convert inputs into outputs. Structure is reflected in the number of hierarchical levels, span of control, and the way in which parts are organised and related to one another. Communication, decision and power systems are significantly influenced by these structural arrangements.

Organisational change can be introduced through the alteration of any one of these four variables or combination of these factors.

6.6 Factors dictating change

An organisational structure is not static. It should be dynamic and adapt itself to the changing conditions. Otherwise, it becomes obsolete as a managerial device. Therefore, it is necessary to change the organisational structure in terms of changing needs and circumstances. The factors that dictate organisation change are:

a) Growth in size: When a business grows in size, more persons have to be employed and to enable them to share the work and work together, more specialisation and more management levels and departments have to be provided for.

b) Diversification: When it become necessary to diversify the product lines of an organisation, the organisational structure should undergo major changes, providing for product Departmentation and decentralisation of authority.

c) Territorial expansion: Where there is opportunity for territorial expansion in order to take advantage of new sources of materials or markets, the structure has to be modified, providing for territorial departmentation and decentralisation of authority.

d) Technological change: Thanks to scientific and technological research, new products, new uses for existing products, new machines, new methods of production, and new techniques of management are discovered. All these changes call for corresponding changes in the organisational structure. The use of computer alone has brought about many organisational changes.

e) Social, Cultural and Political changes: A business undertaking is a part of the society and the body politic. The latter are undergoing changes. The people's needs and way of life are changing. Political system and state's policies are changing a business unit has to adapt itself to such changes, which call for corresponding changes in its organisational structure. For example, the changed concept of banking as an instrument of state policy and social welfare has led to drastic changes in the organisational structure of banks in India; multiple levels, formation of several new functional departments like planning and development, systems analysis, decentralisation of authority, etc.

6.7 APPROACHES TO CHANGE

Organisation changes can be made at once or gradually over a longer period of time. The first one is called the earthquake approach and the second method is known as the infiltration approach. Factors like diversification or territorial expansion and technological change call for the earthquake approach, while evolutionary factors like socio, political factors may call for infiltration approach.

Steps in organisation change

Effective organisation change calls for certain planning steps. These steps are:

- 1) Review of objectives
- 2) Determining the new kinds of work to be performed
- 3) Analyzing the existing organisation

- 4) Deciding organisational changes to be made
- 5) Preparing personnel for the change
- 6) Implementation of planned changes.

No undertaking is static. Its purpose and goals may change in response to changes in the environmental factors. So in the light of emerging environment, the purpose and objectives of an undertaking should be modified and predetermined.

Once the objectives are re-determined, the new kinds of work to be done for accomplishing them should be determined. Then the existing organisation should be analysed to identify its strengths, weaknesses and inadequacies, and thus to determine the changes to be made to meet the requirement of the re-determined goals. This analysis would include activities analysis, decision analysis, responsibility analysis and authority analysis.

Then the required changes covering the various aspects of the organisational structure – activities, functions, departmentation, authority – responsibility distribution, co-ordination, etc., are determined.

The chart and the manual should be revised incorporating the changes proposed.

Then the personnel should be oriented to the proposed changes in order to avoid their resistance to change and to secure their understanding and acceptance of the changes. This is done through participation, communication and training.

After this preparation, the planned changes are implemented.

6.8 SUMMARY

Change is inevitable in the life of an organization and it affects all types of organisations. Organizational change is the process by which organizations move from their present state to some desired future state to increase their effectiveness. Change can be at the individual, group, and organizational levels. All organisms must adapt to the demands of their environments and their own stages of growth. Pressures for change arise from both within and outside the organisation. The process of planned change consists of three stages Unfreezing; Changing and Refreezing.

6.9 TECHNICAL TERMS

Organizational Change, change management,

6.10 Self Assessment questions

- 7) What factors dictate organisation change?
- 8) What are the steps involved in organisation change?

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Lesson - 7

RESISTANCE TO ORGANIZATIONAL CHANGE, MEASURES OF RESISTANCE TO ORGANIZATIONAL CHANGE

Learning Objectives:

After studying this lesson, you should be able to understand the : Resistance to

Organisation change;

Managing Resistance to Change

Content Structure :

- 7.1 Resistance to change
 - 7.1.1 Individual Resistance To Change
 - 7.1.2 Organisational Resistance To Change
 - 7.1.3 Employees' Resistance To Change In Organisational Setting
- 7.2 Managing Resistance to Change
- 7.3 Types of Change
- 7.4 Change Management
- 7.5 Summary
- 7.6 Technical terms
- 7.7 Self - Assessment Questions
- 7.8 Reference Books

7.1 RESISTANCE TO CHANGE

One of the most difficult tasks facing management is the job of implementing change effectively to overcome the resistance to change by other groups. Resistance to change comes from both organizational sources and individual sources.

7.1.1 INDIVIDUAL RESISTANCE TO CHANGE

David Nadler has identified six reasons why individuals tend to resist change: (1) habit, (2) security, (3) economic factors, (4) fear of the unknown, (5) lack of awareness, and (6) social factors.

1. Habit

We are creatures of habit who are not pleased when our personal routines are disrupted by others. Habits are hard to break and can be serious constraints to change. Learning a new task or a new way to accomplish a task can be hard and thankless work. So most workers will resist to change due to the work habits that have been developed over the years.

2. Security

Most people enjoy the comfort zone of repetition and familiarity. We tend to go to work along the same route every day. We tend to shop for fresh vegetables in the same place. On the job, it is generally easier and more comfortable to do a job the same way each time. When a worker, who has established the skills to do a job, is asked to change the skills, he or she has no assurance that the new skill can be easily developed and hence denies for the sake of security.

3. Economic Factors

Pay is the single most important job factor for most employees. The ability to earn a certain level of pay is determined. Thus, it is extremely important. When asked to change the way a job is done, the worker may fear that the change could result in the loss of that job or assured pay.

4. Fear of the Unknown

Most people harbour on a relatively unhealthy fear of many unknown things. Changes on the job awaken these fears in employees who are not sure just what the change really has in store for them. Workers tend to prefer the comfortable routine of their daily work and fear the sort of changes that might be exposed to them by any change in the job, no matter how trivial it may seem.

5. Lack of Awareness

People often fail to perceive elements of change that are going on around them. Due to perceptual limitations, a worker may not realise that a work change has been implemented. In such a case, by continuing to conduct business in the usual way, the person is actually obstructing change without being aware of it.

6. Social Factors

People, directed by others, may often be too much concerned about what others might think. Thus, an individual may feel that a change may damage his or her image, group status, role prescription, and so on. Peer pressure and group norms are powerful motivators and are to ease the orderly implementation of change.

7.1.2 Organisational Resistance to Change

In addition to the above individual sources of resistance to change, Daniel Katz and Robert Kahn found that the six most prevalent organizational sources of resistance to change. They are: (1) over determination; (2) narrow focus of change; (3) group inertia; (4) threatened expertise; (5) threatened power; and (6) resource allocation. The organizational sources of resistance to change will vary from organization to organization.

1. Over determination

Over determination, sometimes called structural inertia, is based on the notion that the structure of an organisation produces resistance to change because it was originally designed to maintain stability.

2. Narrow Focus of Change

Often, attempts to implement change within organizations take on too narrow focus.

3. Group Inertia

When an organizational change requires a modification to an individual's behaviour or job design, the group may obstruct that change effort by refusing to make other changes necessary to accommodate the change in the individual's job. In other words, long-standing group norms, or group norms, or group inertia, may resist attempts by the individual to implement the programmed change.

4. Threatened Expertise

Any change in organizational structure or job design could result in the transfer of the responsibility to perform a specialized task to a new individual(s) and/or groups(s). The person/group that is apt to lose this specialized expertise is probably going to resist the proposed changes.

5. Threatened power

Any change that is perceived as a redistribution of the existing decision-making authority of the organisation will be resisted by those who fear the potential loss of power.

6. Resource Allocation

Any change that appears to give certain subunits more resources than in the past will be resisted by those who are comfortable with current allocations and fear that any change may decrease their share of that allocation.

7.1.3 EMPLOYEES' RESISTANCE TO CHANGE IN ORGANISATIONAL SETTING

Employees resist change due to many reasons like economic, social, technical, psychological, administrative, environmental and so forth. A few examples are as follows.

- 1) ***Loss of control.*** Change is exciting when we do it, threatening when others do it to us. The more choices a superior can offer to his/her subordinates, the more they will feel in control of the situation and the less they will resist the change.
- 2) ***Excess uncertainty.*** People are not comfortable with a change when they don't know what will happen next. Resistance to change because of uncertainty can be reduced by sharing information, a vision, a goal, or dividing change into a number of manageable steps.
- 3) ***Surprise.*** People don't like surprises sprung on them with respect to their jobs. Timing the change as well as timing the release of information about the change can be critical to its successful implementation.
- 4) ***Difference.*** When forced to change, workers are required to be aware of and to question habits and familiar routines. One way to reduce this effect is to minimize the amount of change. Maintaining some resemblances to familiar routines and surroundings is important.
- 5) ***Loss of face.*** People will tend to resist change that infers that their prior practice was wrong. Thus, it is important to assure people that past practices were appropriate for the past, but not appropriate for the future. This way, people who change are perceived to be flexible and adaptive.
- 6) ***Concerns about future competence.*** People approach new job requirements with questions such as "Can I do that"? And do I have the skills to do that well"? These concerns can be lessened through training, the chance to perfect new skills, and positive reinforcement.
- 7) ***Ripple effects.*** Changes on the job can have "ripple effects" that change a person's life off the job. Proper attention to such ripple effects can help gain employee commitment to change processes.
- 8) ***More work.*** When things are in the process of change, the amount of work required is increased. It may be necessary to recognize and reward this extra effort through bonuses, promotions, and special celebrations.
- 9) ***Past resentments.*** When undergoing unwanted change, people may call up past complaints and resentments. Thus, for the manager trying to move the group forward, it might be necessary to go back and revise some old problems.
- 10) ***The treat is real.*** Change usually results in both winners and losers. If someone is going to lose, don't try to hide it, be open and forthright.

7.2 MANAGING RESISTANCE TO CHANGE

Whenever there is resistance to change management has to rethink the problem, reevaluate alternatives, confer with involved personnel, and search for better solution. The six methods for managing resistance to change, are: (1) education and communication; (2)

participation and involvement; (3) facilitation and support; (4) negotiation and agreement; (5) manipulation and cooptation; and (6) explicit and implicit coercion.

1. Education and Communication

Education and communication involves communicating to individuals and groups the reasons for and the logic of a proposed change. It is probably most needed when there is an apparent lack of information on the subject or when there has been some inappropriate or inaccurate information involved. Although this technique may consume a lot of time and money, it can also persuade people to, not only accept the change, but to assist in implementing it.

2. Participation and Involvement

Participation and involvement entails asking organizational members to help design the needed change. This method is commonly used when the initiators of the changed idea do not have sufficient information to proceed or when others have the power to resist effectively. Although this practice can be costly and time consuming, it is a way of gaining commitment to the change from the people with the information and/or power to make it work.

3. Facilitation and Support

Facilitation and support involves the provision of training programs, time off, and emotional understanding for those adversely affected by the change. This practice is common when people are resisting the proposed change because of adjustment problems. Again, this process may be costly and time consuming – and may not succeed. However, there is no better way to deal with adjustment problems.

4. Negotiation and Agreement

Negotiation and agreement requires negotiating with potential change resisters and is often used when a person and/or group with considerable power stands to lose from the change. Such a tactic can establish a bad precedent, requiring management to negotiate every change it wishes to make in the future. Nevertheless, this can often be a rather painless way to overcome resistance.

5. Manipulation and Cooptation

Manipulation and cooptation means assigning key individuals desirable roles in designing or implementing a new change. If people feel manipulated by the process, the results can be very detrimental to the changed effort and to the overall worker morale. Still, this can be a relatively fast and inexpensive solution to a resistance problem.

6. Explicit and Implicit Coercion

Explicit and implicit coercion involves threatening employees with job loss, transfer, demotion, and so on. Typically, it is used only when implementation speed is essential and/or when the change initiator has considerable power. This can be a risky endeavour because it can create dedicated enemies. The critical advantage of this method is its potential to overcome any kind of resistance with relative speed.

7.3 TYPES OF CHANGE

Change may be *planned* well in advance or *unplanned* which may come as a quick reaction to an unexpected event. Planned change is designed and implemented in an orderly and logical manner in anticipation of future events. Unplanned change is a fragmented reaction to environmental events as they occur. Because of the hurried and reactive manner in which unplanned change takes place, it has the potential of being both poorly conceived and badly implemented.

THE CHANGE PROCESS

According to Kurt Lewin, the process of planned change consists of three stages which are given below:

1. Unfreezing. The first step in the change process is unfreezing, or preparing the situation for change by creating a felt-need for it. In order to do this, the manager must establish good relationships with all the people who will be involved with the change. It is important to make sure that everyone understands that present behaviours are simply not effective. It implies breaking down the existing ways of doing things so that the people are ready to accept new alternatives. It involves discarding the conventional methods and orthodox behaviour patterns and introducing new methods and behaviour that it is most appropriate to the current situation. Members of the organisation are made to realise that the present beliefs, processes and behaviour are no longer appropriate for the changing demands of the present situation. Unfreezing requires loosening the emotional and intellectual forces. It involves the following steps:

(a) *Recognising the driving forces.* The first step toward organisational change involves reorganising major changes in the environment and problems within the organisation. In order to recognise the pressures for change managers need to develop a keen sensitivity towards the external and internal environment.

(b) *Increasing the driving forces.* Once the need for change is identified it needs to be communicated to the people concerned. If members know why the change is needed, they are more likely to adopt it.

(c) *Managing the resisting forces.* People resist change because they perceive it to be harmful to them. It is, therefore, essential that they are made aware of its benefits.

Unfreezing may be effected by encouraging the driving forces which take the behaviour away from the *status quo*. Alternatively, steps may be taken to overcome the restraining forces which lend to perpetuate the *status quo*. Several techniques are available for unfreezing, *e.g.*, education, communication, participation in decision-making, negotiation through the exchange of rewards, manipulation, coercion or punishment, etc.

2. Changing or Moving. During the changing phase, the actual change is implemented. In the process, it is critical for management to carefully identify the new, more effective behaviours to be followed as well as the associated changes in tasks, people, culture, technology, and structure. The changing process follows good problem diagnoses and careful consideration of appropriate alternatives. Once the people become receptive to change, the proposed change is introduced in a systematic manner. New learning takes place during this phase. Members of the organisation are provided with new alternatives, and learn to behave in new ways. This moving phase consists of the following elements:

- (a) Compliance or force occurs when individuals are forced to change either by rewards or by punishment.
- (b) Internalization takes place when individuals are forced to encounter situation that calls for new behaviour.
- (c) Identification occurs when individuals recognise one among various models in the environment that is most suitable to their personality.

Several unexpected problems may crop up during implementation of change. These problems must be tackled effectively. It is a time of trial and error involving ambiguity and tentativeness. While changing various components of the organisation, careful guidance should be provided to organisational members.

3. Refreezing. Refreezing is the final stage of the change process by which the change is stabilized by rewarding appropriate new behaviours. The change agent's task is to create an acceptance and continuity for the new behaviour. It is also necessary that the change agent to provide the required resource support for the change. Performance-contingent rewards and positive reinforcement can be used to refreeze the new behaviour so that it is not easily forgotten or abandoned. During this phase, change is made a permanent part of organization's life. Members of the organisation internalise the new beliefs, attitudes and behaviour learnt during the changing phase. The manager as the change agent has to see that the new behaviour is effectively blended with the other behavioural patterns. Without internalization, individuals may revert back to the old system after some time. In order to continuously reinforce the acquired behaviour, the organisation has to maintain a fit (dynamic equilibrium) among various components that are supportive of such behaviour. New practices are accepted and change is stabilised only when enough reinforcements are provided through positive results.

7.4 CHANGE MANAGEMENT

The common denominator in all living and non-living things is change. It is an all pervasive and sweeping phenomena of this universe. Change is ubiquitous. Change is inevitable. Change is changing. Increasing is change. Decreasing is change. Change changes change. There is nothing that is not subjected to change, in this world. Everywhere there is change. How much – too much or too small – determines the processes, directions and destinations of individuals, organisations and societies.

The external and internal environments of both animate and inanimate or open and closed systems undergo change. The animate systems are capable of adapting to the changing conditions vis-a-vis their counter parts. However, changes and counter changes are complex processes. The obstacles involved in these processes are both predictable and unpredictable.

Despite the significant obstacles, modifications brought into cultures, can bring sweeping changes over time. The attempts to change cultures can take different forms. Simple guidelines such as developing a sense of history, creating a sense of oneness, promoting a sense of membership, and increasing exchange among members are a few examples. Also, organizations attempting to change their culture must be careful not to abandon their roots and blindly copy the so-called “successful” or “excellent” practices in their over enthusiasm.

AGENTS OF CHANGE

Individuals and organizations are subject to myriad forces that drive them unrelentingly towards change. Though it is difficult to discuss all of the forces that push change, a few key categories of change like people, technology, information processing and communication, competition, and social trends are dealt with hereunder.

1. People

Changes in life style and changes in attitudes are inevitable as more and more people are forced to share the limited space on this planet. The changes in the composition of children, adults (middle age) and old aged, the changes in their life style and purchasing habits, the way goods and services are produced and distributed are common. The problems of managing employees in the present generation have resulted in new employment practices, compensation packages, organization structures, organizational cultures, and management styles. The experience of Japan in its economic front has been dramatic, as evidenced by drastic changes in the role of women, altered patterns of family life, etc.

Another way that people affect the change in business is their role in the supply and demand in the labour market. For instance, in both Japan and the United States, more and more young people are going to colleges. At the same time, more and more young people are dropping out of schools early in life. Thus, employers are faced with a dichotomous labour force, with some people often overstrained and others hopelessly under trained. In India, the population increase has resulted in the increase of the composition of youth and accordingly the unemployment problem in the country.

2. Technology

Technical advancement in the form of new scientific knowledge is causing significant change in the business arena. Because of new technology, workers must work with new processes and new equipment that magnify man's productive efficiency. Computers and user- friendly software are allowing individual workers to achieve results never before possible. Artificial intelligence will allow robots to think and learn in a manner similar to that of man. The sale of robotic equipment is one of the important areas of business of robotics. The Japanese, in particular, are compensating its declining work force with robotics and to increase productivity. The technical manpower of India could find better opportunities in the developed world than in the native land leading to brain drain.

3. Information Processing and Communication

In the past decade, advances in computers and software have changed the way in which the developed world conducts their businesses. The laptop computer, with spreadsheet and data base capabilities is a standard tool for the successful manager. Information systems can now be linked by advanced communication systems using fiber optics and satellite transmissions to allow people around the globe to interact electronically.

4. Competition

Competition has always been a force for change in the business arena, but competition has traditionally been domestic and predictable. However, competition today is an entirely a different matter due to the introduction of e-commerce and other wireless systems. Due to decreasing transportation and communication costs, international competition has been made more compulsive for many companies, especially those in the industrialized nations. There is

also a new wave of competitors that are literally exploding on the scene from the four Asian Tigers – Hong Kong, Singapore, South Korea, and Taiwan and a variety of developing nations, such as Brazil, Mexico.

5. Social Trends

Amid all the other forces of change, the world is also caught up in a whirlwind of social and cultural change. As the economic, legal-political, and technical environment transforms the way people live and work, the social changes are drastic. There are many “mega trends”, all of which could have a major impact on the entire world. A few of them cover the following.

- 1) The conversion and transformation of industrial society into information society.
- 2) Machine technology has been moving towards high tech/high human touch.
- 3) The national economy is rapidly becoming a global economy.
- 4) Long-term goals replace Short-term goals.
- 5) Centralization is being replaced by decentralization and vice versa in the government and society.
- 6) Power sharing had a shift from the top down to the bottom up.
- 7) More self-reliance in all aspects of life -Institutional help is being replaced by individual self- help.
- 8) Representative democracy is giving way to participative democracy.
- 9) Hierarchies of authority are breaking into networks of behaviour- favouring informal networks.
- 10) Growth shifts from one area to another area and one quarter to another quarter- the North to the South.
- 11) Multiple options for living are replacing by simple either/or patterns.

7.5 Summary

Resistance to change has to be recognized primarily as a human problem and not simply as a technical financial or legal problem. Resistance to change is a fact of life. If handled tactfully one may be able to reduce its intensity to some extent but cannot eradicate it completely. Change management is a vital activity for all those who are involved in management of people, things and affairs in various capacities.

7.6 Technical Terms

Resistance to change. Change management

7.7 Self-Assessment Questions

1. Explain why people resist change in organisational setting.

2. How can a manager deal with the resistance to change in his organisation?
3. "Several economic, social and psychological factors contribute to resistance to change whether such change relates to technology, work relationships, working conditions, and other related mailers". In the light of this statement, state the reasons for resistance to change.
4. Examine the role of groups in the management of change.
5. "The management of an organisation may foster resistance to change in several ways."
Comment.

7.8 Reference Books

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Lesson - 8

ORGANIZATIONAL CONFLICT

Learning Objectives:

After studying this lesson, you should be able to understand the : The

concept of Organizational Conflict

The types of Organizational Conflict

Content Structure:

- 8.1 Introduction to Organizational Conflict**
- 8.2 The concept of Organizational Conflict**
- 8.3 The Process of Conflict**
- 8.4 Types of Organizational Conflict**
- 8.5 Misconceptions of Organizational Conflict**
- 8.6 Sources of Organizational Conflict**
- 8.7 Benefits of Organizational Conflict**
- 8.8 Reasons of Organizational Conflict**
- 8.9 Summary**
- 8.10 Technical terms**
- 8.11 Self - Assessment Questions**
- 8.12 Reference Books**

8.1 INTRODUCTION TO ORGANIZATIONAL CONFLICT

In every organisation there exist groups and individuals. Conflicts occur between the groups and between individuals within a group. The term 'conflict' is not synonymous with

quarrel or fight. In management literature, the term conflict implies clash between goals, ideas and actions. Conflict may broadly be considered as a breakdown in the standard mechanism of decision-making. For example, when individuals working in an office are not able to reconcile their views there is breakdown of decision-making mechanism, Conflict implies lack of understanding and agreement among people.

Conflict is defined as a clash between individuals arising out of a difference in thought process, attitudes, understanding, interests, requirements and even sometimes perceptions. A conflict results in heated arguments, physical abuses and definitely loss of peace and harmony.

Whenever two individuals opine in different ways, a conflict arises. In a layman's language conflict is nothing but a fight either between two individuals or among group members. No two individuals can think alike and there is definitely a difference in their thought process as well as their understanding. Disagreements among individuals lead to conflicts and fights. Conflict arises whenever individuals have different values, opinions, needs, interests and are unable to find a middle way.

Conflict is the difference between individuals, groups or in combinations. It is a collision or disagreement. Conflict is a daily reality for everyone. Whether at home or work, an individual's needs and values constantly and invariably come into opposition with other people. Some conflicts are relatively minor, easy to handle, or capable of being overlooked. Others of greater magnitude, however, require management strategies for successful resolution if they are not to create constant tension or lasting enmity in business.

8.2 THE CONCEPT OF ORGANIZATIONAL CONFLICT

Conflict can occur at the individual, interpersonal, group or organizational levels.

A) Intraindividual Conflict: Within every individual there are usually (1) a number of competing needs and roles (2) a variety of ways that drives and roles can be expressed, (3) many types of barriers that can occur between the drive and the goal, and (4) both positive and negative aspects attached to desired goals. These complicate the human adaptation process and often result in conflict. Intraindividual conflict stemming from frustration, goals, and roles.

Frustration occurs when a motivated drive is blocked before a person reaches a desired goal. The barrier may be either over (outward, or physical) or covert (inward, or mental- sociopsychological). Frustration normally triggers defense mechanisms in the person. Frustration may lead to any of the defense mechanisms used by the human organism. Although there are many of such mechanisms, they can be grouped according to four broad categories: aggressioin, withdrawal, fixation, and compromise.

Goal Conflict: Another common source of conflict for an individual is a goal that has both positive and negative features, or two or more competing goals. For ease of analysis, three separate types of goal conflict are generally identified:

1. Approach-approach conflict, where the individual is motivated to approach two or more positive but mutually exclusive goals.
2. Approach-avoidance conflict, where the individual is motivated to approach a goal and at the same time is motivated to avoid it. The single goal contains both positive and negative characteristics for the individual.

3. Avoidance-avoidance conflict, where the individual is motivated to avoid two or more negative but mutually exclusive goals.

Role conflict and ambiguity: closely related to the concept of norms, role is defined as a position that has expectations evolving from established norms. People living in contemporary society assume a succession of roles throughout life. A typical sequence of social roles would be that of child, son or daughter, teenager, college student, boyfriend or girlfriend, spouse, parent, and grandparent. Each of these roles has recognized expectations that are acted out like a role in a play. There are three types of role conflict. One type is the conflict between the person and the role. There may be conflict between the person's personality and the expectations of the role. A second type is intra-role conflict created by contradictory expectations about how a given role should be played. Finally inter-role conflict results from the differing requirements of two or more roles that must be played at the same time.

B) INTERPERSONAL CONFLICT

Besides the intra-individual aspects of conflict, the interpersonal aspects of conflict are also an important dynamic of interactive behavior. Interpersonal conflict is concerned with analyzing the conflict that can result when two or more persons are interacting with one another.

Sources of interpersonal conflict: managers who have conflict with subordinates, bosses, peers, or team members most often attribute the cause to a personality problem or defect in the other party. Whetton and Cameron propose that there are four sources of interpersonal conflict. These can be summarized as follows:

1. **Personal differences.** Everyone has a unique background because of his or her upbringing, cultural and family traditions, and socialization processes. Because no one has the same family background, education, and values, the differences can be a major source of conflict. Disagreements stemming from the differences "often become highly emotional and take on moral overtones. A disagreement about who is factually correct easily turns into a bitter argument over who is morally right."

2. **Information deficiency.** This source of conflict results from communication breakdown in the organization. It may be that the two people in conflict are using different information or that one or both have misinformation.

3. **Role incompatibility.** This type of interpersonal conflict draws from both intra-individual role conflict and intergroup conflict. Specifically, in today's inter-functional organizations, many managers have functions and tasks that are interdependent. However, the individual roles of these managers may be incompatible.

C) INTERGROUP BEHAVIOR AND CONFLICT.

An understanding of the theoretical framework for intergroup behavior is a prerequisite for examining the conflict that often results.

Intergroup behavior in organizations: social psychologists have been concerned about intergroup conflict and hostility for a number of years. Intergroup behavior is even specifically identified as follows: "Intergroup behavior occurs whenever individuals belonging to one group interact, collectively or individually, with another group or its members in terms of their reference group identification."

Interacting and overlapping role sets. All organizational participants have certain expectations of others and of themselves concerning what is involved in their roles. The organization could be thought of as a set of such roles, and when these roles are in interaction with one another, the organization could more realistically be pictured as a system of overlapping role sets; this often results in conflict.

Antecedents to Intergroup Conflict: several antecedent conditions have been identified for explaining intergroup conflict. These can be summarized as follows:

1. **Competition for resources.** Most organizations today have very limited resources. Groups within the organization vie for budget funds, space, supplies, personnel, and support services.
2. **Task interdependence.** If two groups in the organization depend on one another in a mutual way or even a one-way direction, there tends to be more conflict than if groups are independent of one another. The more diverse the objectives, priorities, and personnel of the interdependent groups, the more conflict there tends to be.
3. **Jurisdictional ambiguity.** This may involve "turf" problems or overlapping responsibilities. For example, conflict might occur when one group attempts to assume more control or take credit for desirable activities, or give up its part and any responsibility for undesirable activities.
4. **Status struggles.** This conflict occurs when one group attempts to improve its status and another group views this as a threat to its place in the status hierarchy. One group may also feel it is being inequitably treated in comparison with another group of equal status in terms of rewards, job assignments, working conditions, privileges, or status symbols. Human resources departments typically feel they are treated inequitably in relation to marketing, finance, and operations departments.

D) ORGANIZATIONAL CONFLICT

So far, we have focused on intra-individual, interpersonal, and inter-group conflict. All these types of conflict take place within the organizational setting. Now attention is directed at organisational conflict per se, but it must be remembered that intra-individual, interpersonal, and intergroup conflict are all inherent in organizational conflict.

Structural Conflict

Individuals in the organization have many conflicting organizational cross-pressures operating on them. For example, in the classical organization there are four predominant types of structural conflict:

1. **Hierarchical conflict.** There may be conflict between the various levels of the organization. The board of directors may be in conflict with top management, middle management may be in conflict with supervisor) personnel, or there may be general conflict between management and the workers.
2. **Functional conflict.** There may be conflict between various functional departments of the organization. Conflict between the production and marketing departments is an example.
3. **Line-staff conflict.** There may be conflict between line and staff. It often results from situations in which staff personnel do not formally possess authority over line personnel. While

the production department is desirous that its workers give output as per the norms acceptable to the line manager of production, the industrial engineering department insists that the production quantity should be as per the norms set by the work study man, who works in the industrial engineering department. This gives rise to a line-staff conflict.

4. Formal-informal conflict. There may be conflict between the formal and informal organizations. For example, the informal organization's norms for performance may be incompatible with the formal organization's norms for performance.

Organisational conflict includes conflict between individuals, between groups and with groups. Organizational conflict results as a natural outcome of opposing job responsibilities and roles. An example could be that of a conflicting situation between Production department and Quality control department. While the former has the responsibility to produce quantity of products in a given time-frame, the latter has the responsibility of ensuring high quality even at the expense of reduced quantity. Taking yet another example of organizational conflict when the Purchasing Department is interested in buying in large lots, the stores department insists upon lower Inventory levels because of space constraint.

Thus, organisational conflict may be defined as differences in the ideologies and approaches of groups and individuals working in the same organisation. The nature and intensity of conflict varies from group to group. Conflict between line and staff, between production and sales, between departmental heads on sharing of scarce resources, etc., are typical examples of organisational conflict. Such conflicts affect the efficiency and effectiveness of an organisation. The existence of conflicts among his subordinates complicates the job of a manager. Conflicts may create tension, hostility and lack of team-work and coordination in the organisation. However, conflicts are not necessarily harmful. Conflicts are inevitable and a minimum level of conflict may be necessary for the good health of the organisation. Conflicts accelerate rethinking and creativity. Conflicts may also help in identifying weaknesses, in releasing tension and in providing challenge to the members of the organisation.

The Role of Conflict in Today's Organizations

Traditionally, the approach to organizational conflict was very simple and optimistic. It was based on the following assumptions:

1. Conflict is by definition avoidable.
2. Conflict is caused by troublemakers, boat rockers, etc.
3. Legalistic forms of authority such as "going through channels" or "sticking to the book" are emphasized.
4. Scapegoats are accepted as inevitable.

Management traditionally relied on formal authority and classical organizational restructuring to solve their "conflict problem." Individual managers often became hypocritical in order to avoid conflicts from above or below. They tried to either ignore conflict or rationalize it away with the position that there is nothing that can be done about it.

Starting with the wide acceptance of the Argyris thesis that there is a basic in- congruence between the needs and characteristics of adult, mature employees and the

requirements of the modern formal organization, the behavioral approach to management began to reexamine its assumptions and concerns about conflict. This development has, at least indirectly, been caused by the overall societal concern with conflict on national, organizational, group, and individual bases. The outcome has been a new set of assumptions about organizational conflict, which are almost the exact opposite of the traditional assumptions. Some of the new assumptions about conflict are the following:

1. Conflict is inevitable.
2. Conflict is determined by structural factors such as the physical shape of a building, the design of a career structure, or the nature of a class system.
3. Conflict is integral to the nature of change.
4. A minimal level of conflict is optimal.

Using such assumptions as a starting point, most experts today emphasize the importance of making a cost-benefit analysis of the conflict situation at any level and then selling up dispute systems. Also, experts urge an expanded view of conflict in organizations. For example, it is suggested that conflict be viewed as a cognitive bargaining process that should focus on negotiation as a way to manage and resolve conflict. These negotiation skills have recently emerged as an important area of study and application in the field of organizational behavior.

8.3 THE PROCESS OF CONFLICT

The final aspect of the nature of conflict is its process. The process generally comprises five stages as follows:

Stage 1 - Latent Conflict: when two or more parties need each other to achieve desired objectives, there is potential for conflict. Other antecedents of conflict, are interdependence, different goals, and ambiguity of responsibility. They do not automatically create conflict, when they exist-they make it possible. Latent conflict often arises when a change occurs. Conflict is likely to be caused by a budget cutback, a change in organizational direction, a change in personal goals or the assignment of a new project to an already overloaded team.

Stage 2 - Perceived Conflict: this is the stage at which members become aware of a problem. Incompatibility of needs is perceived and tension begins as the parties begin to worry about what will happen. But no party feels that it is being overtly threatened.

Stage 3 - Felt Conflict: at this stage parties become emotionally involved and begin to focus on differences of opinion and opposing interests-sharpening perceived conflict. Internal tensions and frustrations begin to crystallise around specific, defined issues, and people begin to build an emotional commitment to their position

Stage 4 - Manifest conflict: at this stage parties engage in actions that help achieve own objectives and thwart those of others. Conflict behaviours vary from the subtle, indirect and highly controlled forms of interference to direct, aggressive, violent and uncontrolled struggle. At the organizational level strikes or lock-outs are the result.

Stage 5 - **Conflict Outcome**: the conflict finally results in an outcome which may be functional or dysfunctional. If handled well, the result is functional conflict. If mishandled, the consequences is dysfunctional conflict. As conflict proceeds through the stages, resolution becomes more difficult. The parties become more locked into their positions and more convinced that the conflict is win-lose situation. It is usually easier to achieve win-win outcomes when the conflict is recognized early before frustration and negative feelings set in.

8.4 TYPES OF ORGANIZATIONAL CONFLICT

A) Conflict due to organizational structure

Vertical conflict. This type of conflict is caused due to difference in status imposed by a tall organizational structure. This is due to increased authority and power to some individuals, while the accountability of some individuals increases. This imbalance of power is a source of structural conflict.

Lateral conflict. This is due to difficulty in lateral communication between persons working in different functional areas. This type of conflict is due to communication barrier between managers working at the same level. But in different functional areas. There may be conflict due to ego clashes between managers in such situations.

B) Inter-organisational conflicts: In inter-organisational conflicts, the external environment like social institutions, group dynamism, culture of the group and government policies plays an important role. Conflicts are not evil but the art of the natural order. Conflicts are because of the generational gap. Managers must try to live with the conflict. If the conflict is properly handled, it can be constructive in achieving the results. It can act as a stimulus, it may be a challenge and motivational force to keep the organization moving.

C) Functional versus dysfunctional conflict:

Functional conflict refers to confrontation between two ideas, goals and parties that improve employees and the organization's performance. Well managed conflict helps workers anticipate and solve problems, feel confident, strengthen their relationships, and be committed to the organization. Constructive conflict is crucial for effective functioning of organizations.

The interactionist view does not propose that all conflicts are good. Rather, some conflicts support the goals of the group and improve its performance; these are functional, constructive forms of conflict. In addition, there are conflicts that hinder group performance; these are dysfunctional or destructive forms of conflict. What differentiates functional from dysfunctional conflict? The evidence indicates that you need to look at the type of conflict. Specifically, there are three types: task, relationship, and process.

Task conflict relates to the content and goals of the work. **Relationship conflict** focuses on interpersonal relationships. **Process conflict** relates to how the work gets done. Studies demonstrate that relationship conflicts are almost always dysfunctional. Why? It appears that the friction and interpersonal hostilities inherent in relationship conflicts increases personality clashes and decreases mutual understanding, which hinders the completion of organizational tasks. On the other hand, low levels of process conflict and low to moderate levels of task conflict are functional. For process conflict to be productive, it must be kept low. Intense arguments about who should do what becomes dysfunctional when it creates uncertainty about task roles, increases the time to complete tasks, and leads to members working at cross

purposes. Low to moderate levels of task conflict consistently demonstrate a positive effect on group performance because it stimulates discussion of ideas that help groups perform better.

D) Organizational conflicts can also be classified as formal, substantive and pseudo conflicts from the view-point of breakdown of co-operation.

E) Organizational conflict has been classified in many ways. One such classification categorized organizational conflict into two types: institutionalized conflict and emergent conflict. While the institutionalized conflict is the direct outcome of formal organization, and technological process, emergent conflict stems informally within the formal organizations as a result of an incompatible individual and social goals.

8.5 MISCONCEPTIONS OF CONFLICTS

There are several misconceptions about the concept of conflict in terms of its nature, source, and impact. These misconceptions can be understood by viewing the theoretical and practical dimensions of the concept from both the traditional and modern view.

TRADITIONAL VIEW

1. Conflict is avoidable.
2. Conflict is caused by managerial error in designing Organizations or by trouble makers.
3. Conflicts disrupts the organization and prevents optimal performance.
4. The task of the management is to eliminate conflict.
5. Optimal organisational performance requires the removal of conflict.

CURRENT VIEW

1. Conflict is inevitable.
2. Conflict arises from many causes, including organizational structure, unavoidable differences in goals, differences in perceptions and values of specialized personnel and so on.
3. Conflict contributes and detracts from organizational performance in varying degrees.
4. The task of the management is to manage the level of conflict and its resolution for optimal organizational performance.
5. Optimal organizational performance requires a moderate level of conflict.

8.6 Sources of Organizational conflict

According to Daft and Terry, following several factors may create organization conflict.

Scarce Resources: Resources may include money, supplies, people, or information. Often organizational units are in competition for scarce or declining resources. This creates a situation where conflict is inevitable.

Jurisdictional Ambiguities: Conflicts may also surface when job boundaries and task responsibilities are unclear. Individuals may disagree about who has the responsibility for tasks and resources.

Personality Clashes: A personality conflict emerges when two people simply do not get along or do not view things similarly. Personality tensions are caused by differences in personality, attitudes, values and beliefs.

Power and Status Differences: Power and status conflict may occur when one individual has questionable influence over another. People might engage in conflict to increase their power or status in an organization.

Goal Differences: Conflict may occur because people are pursuing different goals. Goal Conflicts in individual work units are a natural part of any organization.

Communication Breakdown: Communication based barriers may be derived from differences in speaking styles, writing styles, and nonverbal communication styles. These stylistic differences frequently distort the communication process. Faulty communication leads to misperceptions and misunderstandings that can lead to long - standing conflict. Additional barriers to communication may emerge from the cross -gender and cross -cultural differences or participants. Such fundamental differences may affect both the ways in which the parties express themselves and how they are likely to interpret the communication they receive. These distortions, in turn, frequently result in misreading by the parties involved. Moreover, it is common for the parties involved to be oblivious to these false impressions. The resultant misunderstandings subsequently lead the parties involved to believe that a conflict based on misunderstood behavior exists when, in fact, no conflict actually does exist.

8.7 Benefits of Organizational Conflict

Specifically, potential benefits of conflict are the following

1. Conflict increases awareness of what problems exist, who is involved, and how to solve the problem
2. Conflict motivates organizational members to consider problems. They are energized and psychologically focused on the problems and motivated to put plans into action.
3. Conflict promotes change. Persons are more aware of injustices, inefficiencies, and frustrations, and see the need to correct them.
4. Conflict enhances morale and cohesion. Organizational members deal with and clear up their frustrations and resentments. They conclude that their relationships are strong enough to withstand stress and to handle difficulties. They also learn about each other's needs, styles and values through conflict.
5. High quality decisions result when persons express their opposing views and perspectives. They share their information and check each other's reasoning to develop new decisions.
6. Conflict stimulates interest and creativity. Being in conflict often sparks curiosity and stimulates viewing problems from several perspectives and combining the best of these

positions to form a creative solution. Conflict is exciting as peoples learn about what makes them and others angry, frustrated and willing to fight.

7. Conflict adds to the forum of working with others when not taken seriously. Many people find conflict enjoyable to competitive sports, games, movies, plays, books, and even teasing.

8. Conflict provides a forum for all members of the organization to be self-critical, and to the critical of the organization as a whole.

8.8 Reasons for Conflicts

The reasons for conflicts are as follows:

(i) **Difference in goals.** Different persons have different views regarding goals. Division of work and departmentation make outlook narrow and people interpret the organisational goals in different ways. For example, individuals in production department may consider that maximum production at the lowest unit cost is the best way to achieve the profit goal. On the other hand, sales people may feel that maximum profit margin is the better approach. Conflicts also arise when individuals are not able to reconcile their personal goals with the goals of the organisation. Thus, differences in goals and in the means for achieving them can cause conflicts.

(ii) **Difference in perception.** People differ in their views due to differences in their background, culture, education, training, etc. Such differences in habits, cultural backgrounds, life styles and status levels often lead to conflicts. Lack or inadequacy of information may also affect perception. When different people look at the same issue in different ways, conflicts arise among them. Perceptual difference due to different people perceiving the same situation differently.

(iii) **Multiple roles.** When an individual has to work in more than one capacity, he may face role conflict. For example, an individual may be a foreman as well as a trade union leader. He represents both management and labour. The position of a supervisor also creates similar conflict. A supervisor has to look after the interests of both workers and the management. Ambiguities in the roles which people are to play are also causes of conflicts.

(iv) **Task Interdependence.** Conflicts arise when the tasks of two groups are interdependent and one group fails to meet the task demands of another group. Conflicts between production department and sales department is an example of such task interdependence. In addition personal dislikes, prejudices, jealousies and egos create conflicts.

(v) **Scarce resources.** Conflicts often arise in the organisation because every group wants a higher share of the scarce organisational resources. Competition among the various groups or departments may lead to tension and conflict. Competition for rewards may also generate conflicts. Difference in the allocation of resources like materials, manpower, equipment, etc.

(vi) Status difference problem

8.9 Summary

Organisational conflict may be defined as differences in the ideologies and approaches of groups and individuals working in the same organisation. The nature and intensity of conflict varies from group to group. Conflict arises from intra-personal, inter-personal, intra-group and

intergroup sources. Intra-personal conflict arises from frustration, clash in goal attainment, and multiple roles needing equal attention. Inter-personal conflict arises because of differences in perception, temperaments, personalities, value systems, socio-cultural factors, and role ambiguities. Intergroup conflict is the consequence of task dependence, task ambiguity, goal incompatibility and limited resources. In the classical organization there are four predominant types of structural conflict: Hierarchical conflict; Functional conflict; Line-staff conflict; and Formal-informal conflict. The process generally comprises five stages as Latent Conflict; Perceived Conflict; Felt Conflict; Manifest conflict and Conflict Outcome. There are several types of organizational conflict such as Structural Conflict; Hierarchical conflict; Functional conflict; Line-staff conflict; Formal-informal conflict; Vertical conflict; Lateral conflict. Functional and dysfunctional conflict

8.10 Technical terms

Conflict, cognitive conflict, affective conflict, latent conflict, perceived conflict felt conflict, manifest conflict

8.11 Self - Assessment Questions

1. Define conflict. What are the sources of conflict?
2. How do traditional assumptions about conflict differ from modern perceptions about it?
3. What examples of functional and dysfunctional conflict have you encountered?

8.12 Reference Books

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Lesson - 9

CONFLICT MANAGEMENT

Learning Objectives:

After studying this lesson, you should be able to understand the : The
Conflict Management
The strategies for Conflict resolution Conflict
management skills

Content Structure:

- 9.1 Introduction to Conflict Management
- 9.2 Strategies for Conflict resolution
- 9.3 Conflict Management Methodologies
- 9.4 Conflict Management Skills
- 9.5 Conflict Resolution Techniques
- 9.6 Measures to Manage the Group Conflict
- 9.7 Importance of Conflict Management
- 9.8 Avoidance of Conflict at workplace
- 9.9 Summary
- 9.10 Technical terms
- 9.11 Self - Assessment Questions
- 9.12 Reference Books

9.1 INTRODUCTION TO CONFLICT MANAGEMENT

Understanding conflict & how to prevent Conflict?

The dissimilarity in the interests, thought processes, needs, attitudes of individuals result in a conflict. It is defined as a clash among individuals resulting in verbal disagreements, physical abuses and tensions. A conflict never provides any solution to a problem; instead it just worsens the situation. It leads to disrespect among individuals, hampers the productivity and individuals often feel demotivated after a fight.

Conflicts must be prevented at the right time in order to avoid tensions and other adverse effects. In such a scenario, conflict management comes in picture.

Conflict Management involves the steps undertaken to prevent the conflict at the right time and also helps to resolve it in an effective and smooth manner. No conflict can just start on its own. There has to be an event or an incident to trigger the same. Through conflict management, one actually finds out the possible events which can start a conflict and tries his level best to avoid them.

Let us understand conflict management with the help of an example.

Jenny and Joe were a part of the branding team headed by Thomas. Jenny and Joe never got along very well, a fact well known by Thomas. From the very beginning, Thomas had carefully

charted out the key responsibility areas for both Jenny and Joe. He had strictly instructed both of them not to interfere in each other's work and communicate through email marking a carbon copy to him as well. What is Thomas actually trying to do here? He is simply trying to avoid a conflict between Jenny and Joe so that they can deliver their best and do not waste their time and energy in fighting.

It is very essential to understand the factors which might lead to a conflict. An individual must consider all the events which initiate a fight for an effective conflict management. Discussion goes a long way in preventing conflicts. Before implementing any new idea, make sure you discuss with each and everyone related to it. Listen to what other individuals have to say and consider their opinions as well. Ignoring anybody's views might lead to a tussle. No two individuals can think on the same line but it is always wise to find a middle way which takes into account everybody's interests. Don't leave any issue unaddressed; instead discuss it when all the participants are present. Never criticize or make fun of anyone as they lead to a conflict. Be a good and an effective listener. Greet everyone with a warm smile. Individuals must not be too rigid and must learn to compromise sometimes. Do not create an environment which would lead to disagreements. At workplaces, transparency must be maintained at all levels and there must be a single point of contact to address the issues of individuals. The subordinates should have an easy access to their superiors to avoid confusions. An individual must not utter any word which might hurt the sentiments of the other individuals. If you come across any situation which you don't find appropriate, don't start spreading rumors; instead sit with the other people involved and sort out the differences as soon as possible. Avoid backbiting as it is one of the strongest reasons for conflicts.

Always ask yourself whether the fight will benefit you or not? What will you achieve out of fighting? Never provoke others to fight as it would only create a negative environment and add on to one's tensions. Don't always support your friend and oppose the person not known to you. Stand by what is right and always correct the other person if he is wrong, but in a polite manner. Even if a conflict doesn't involve you, don't just ignore, instead intervene immediately to pacify the individuals. Be a good mediator and try to resolve the issues keeping everyone in mind.

Conflict management goes a long way in strengthening the bond among the employees and half of the problems automatically disappear. Individuals must feel motivated at work and find every single day exciting and challenging. Before implementing any idea, it must be discussed with everyone and no one should ever feel ignored or left out. This way, every employee feels indispensable for the office and he strives hard to live up to the expectations of his fellow workers and in a way contributing to the organization in his best possible way. Conflict management avoids conflicts to a great extent and thus also reduces the stress and tensions of the employees. No one likes to carry his tensions back home and if you fight with your colleagues and other people, you are bound to feel uncomfortable and restless even at home. Conflict management helps individuals to understand the causes of a conflict and helps prevent it at the right time.

9.2 STRATEGIES FOR CONFLICT- RESOLUTION

Children develop their own personal strategies for dealing with conflict. Even if these preferred approaches do not resolve conflicts successfully, they continue to be used because of a lack of awareness of alternatives.

Conflict-resolution strategies may be classified into three categories-avoidance, diffusion, and confrontation. The accompanying figure illustrates that avoidance is at one extreme and confrontation is at the other.

1. Avoidance

2. Diffusion
3. Confrontation - power - negotiation
1. **AVOIDANCE** (Survival)

No satisfaction

Doubts of teams remain Afraid
to meet same situation.

Some people attempt to avoid conflict situations altogether or to avoid certain types of conflict. These people tend to repress emotional reactions, look the other way, or leave the situation entirely (for example, quit a job, leave school, and get divorced). Either they cannot face up to such situations effectively, or they do not have the skills to negotiate them effectively.

Although avoidance strategies do have survival value in those instances where escape is possible, they usually do not provide the individual with a high level of satisfaction. They tend to leave doubts and fears about meeting the same type of situation in the future, and about such valued traits as courage or persistence.

2. **DIFFUSION** (A tactic to delay action)

Cools the situation

Postponing the confrontation to an appropriate time.

Feeling of dissatisfaction.

This tactic is essentially a delaying action. Diffusion strategies try to cool off the situation, at least temporarily, or to keep the issues so unclear that attempts at confrontation are improbable. Resolving minor points while avoiding or delaying discussion of the major problem, postponing a confrontation until a more auspicious time, and avoiding clarification of the salient issues underlying the conflict are examples of diffusion. Again, as with avoidance strategies, such tactics work when delay is possible, but they typically result in feelings of dissatisfaction, anxiety about the future, and concerns about oneself.

3. **CONFRONTATION**

The third major strategy involves an actual confrontation of conflicting issues or persons. Confrontation can further be subdivided into power strategies and negotiation strategies. Power strategies include the use of physical force (a punch in the nose, war); bribery (money, favors); and punishment (withholding love, money). Such tactics are often very effective from the point of view of the "successful" party in the conflict: He wins the other person loses. Unfortunately, however, for the loser the real conflict may have only put began hostility, anxiety, and actual physical damage are usual by products of these win-lose power tactics.

With negotiation strategies, unlike power confrontations, both sides can win. The aim of negotiation is to resolve the conflict with a compromise or a solution which is mutually satisfying to all parties involved in the conflict. Negotiation, then, seems to provide the most positive and the least negative by products of all conflict-resolution strategies.

a) Power

Power strategies including physical force Punching in
the nose

Money and favours

Granting or withholding punishments One
person wins and another loses

Hostility, anxiety and physical danger.

b) Negotiations Strategies

i) Diagnosis

Nature of conflict to know ideological (value) or real, tangible value or both

ii) Initiation

Positive or negative

iii) Listening

Reflecting or active listening

iv) Problem solving

Clarifying problem Generating

alternatives Evaluating

alternatives

Choosing together best possible, mutually acceptable (both pattern) Planning the implementation

Evaluating the performance.

NEGOTIATION SKILLS

Successful negotiation, however, requires a set of skills which must be learned and practiced. These skills include (1) the ability to determine the nature of the conflict, (2) effectiveness in initiating confrontations, (3) the ability to hear the other's point of view and (4) the utilization of problem-solving processes to bring about a consensus decision.

Diagnosis

Diagnosing the nature of a conflict is the starting point in any attempt at resolution through negotiation. The most important issue which must be decided is whether the conflict is an ideological (value) conflict or a "real" (tangible) conflict - or a combination of both. Value conflicts are exceedingly difficult to negotiate. If, for example, I believe that women should be treated as equals in every phase of public and private life, and you believe they should be protected or prohibited in certain areas, it would be very difficult for us to come to a position that would satisfy us both.

A difference of values, however, is really significant only when our opposing views affect us in some real or tangible way. If you stand in my position and deny a job that I want and am qualified to perform, then we have a negotiable conflict. Neither of us needs to change his values for us to come to a mutually acceptable resolution of the "real" problem. For example, I may get the job but, in return, agree to accept a lower salary or a different title and not insist on using the all-male executive dining room. If each of us stands on his principles-maintaining our value conflict-we probably will make little headway. But if, instead we concentrate on the tangible effects in the conflict, we may be able to devise a realistic solution.

The Israeli-Arab conflict provides a good example of this point. In order to settle the tangible element in the conflict-who gets how much land-ideological differences do not need to be resolved. It is land usage that is the area of the conflict amenable to a negotiated settlement.

It is important to determine whether a conflict is a real or a value conflict. If it is a conflict in values resulting in non tangible effects on either party, then it is best tolerated. If, however, a tangible effect exists, that element of the conflict should be resolved.

Initiation

A second skill necessary to conflict resolution is effectiveness in initiating a confrontation. It is important not to begin by attacking or demeaning the opposite party. A defensive reaction in one or both parties usually blocks a quick resolution of differences. The most effective way to confront the other party is for the individual to state the tangible effects the conflict has on him or her. For example: "I have a problem. Due to your stand on hiring women as executives, I am unable to apply for the supervisory position that I feel I am qualified to handle." This approach is more effective than saying, "You male chauvinist pig-you're discriminating against me!" In other words, confrontation is not synonymous with verbal attack.

Listening

After the confrontation has been initiated, the confronter must be capable of hearing the other's point of view. If the initial statement made by the other person is not what the confronter was hoping to hear, defensive rebuttals, a "hard-line" approach, or explanations often follow. Argument-provoking replies should be avoided. The confronter should not attempt to defend himself. Explain his position, or make demands or threats. Instead, he must be able to engage in the skill termed reflective or active listening. He should listen and reflect and paraphrase or clarify the other person's stand. When the confronter has interpreted his opposition's position to the satisfaction of the other person, he should again present his own point of view, being careful to avoid value statements and to concentrate on tangible outcomes. Usually, when the confronter listens to the other person, lowers his defenses and is, in turn, more ready to hear another point of view. Of course, if both persons are skilled in active listening, the chances of successful negotiations are much enhanced.

Problem - Solving

The final skill necessary to successful negotiation is the use of the problem-solving process to negotiate a consensus decision. The steps in this process are simply stated and easy to apply. (1) Clarifying the problem. What is the tangible issue? Where does each party stand on the issue? (2) Generating and evaluating a number of possible solutions. Often these two aspects should be done separately. First, all possible solutions should be raised in a brainstorming session. Then each proposed solution should be evaluated. (3) Deciding together (not voting) on the best solution. The one solution most acceptable to all parties should be chosen. (4) Planning the implementation of the solution. How will the solution be carried out? When? (5) Finally, planning for an evaluation of the solution after a specified period of time. This last step is essential. The first solution chosen is not always the best or most workable. If the first solution has flaws, the problem-solving process should be begun again at step 1.

Since negotiation is the most effective of all conflict-resolution strategies, the skills necessary to achieve meaningful negotiations are extremely important in facing inevitable conflicts.

9.3 CONFLICT MANAGEMENT METHODOLOGIES

Management theorists have developed and suggested a range of options for handling organizational conflict. Thomas and Kilmann identified a conflict - handling grid comprised of five conflict management styles based on two dimensions: assertiveness and cooperativeness. Assertiveness is the motivation of an individual to achieve his/her own goals, objectives, and outcomes, while cooperativeness assesses the willingness to allow or help the other party to achieve its goals or outcomes.

Any of the five conflict resolution styles might be appropriate based on the circumstances of the situation and the personalities of the individuals involved. The following are the various components of the Conflict Resolution and it's the result of widely accepted research.

i) **Avoiding Conflict Resolution Style:** The avoiding style is not very cooperative in helping the other individuals to achieve their goals, but neither is he/she aggressively pursuing his/her own preferred outcomes in the situation. The original conflict is never directly addressed or resolved. However, avoiding behavior might be appropriate when the issue is perceived by the manager to be trivial. It might also be an appropriate approach to use when there is no chance of winning or when disrupted would be very costly.

ii) **Competing Conflict Resolution Style:** The competing style or resolving conflict is known as the win - lose approach. A manager using this style, characterized by high assertiveness and low cooperativeness, seeks to reach his/her own preferred outcomes at the expense of other individuals. This approach may be appropriate when quick, decisive action is needed, such as urgent cost cutting.

iii) **Accommodating Conflict Resolution Style:** This style reflects a high degree of cooperativeness. It has also been labeled as obliging. A manager using this style subjugates his/her own goals, objectives, and desired outcomes to allow other individuals to achieve their goals and outcomes. This behavior is appropriate when people realize that they are in the wrong or when an issue is more important for preserving future relations between the parties.

iv) **Compromising Conflict Resolution Style:** This style is characterized by moderate levels of both assertiveness and cooperativeness. Compromise can also be referred to as bargaining or trading. It generally produces suboptimal results. This behavior can be used when the goal of both sides are of equal importance, when both sides have equal power, or when the goals of both sides are of equal importance, when both sides have equal power, or when it is necessary to find a temporary, timely solution. It should not be used when there is a complex problem requiring a problem - solving approach.

v) **Collaborative Conflict Resolution Style:** This approach, high on both assertiveness and cooperativeness, is often described as the win - win scenario. Both sides creatively work towards achieving the goals and desired outcomes of all parties involved. The collaboration style is appropriate when the concerns are complex and a creative or novel synthesis of ideas is required. The downside of this is that the process of collaborating mandates sincere effort by all parties involved and it may require a lot of time to reach a consensus.

Of the above five models, only the strategy employing collaboration as a mode of conflict management breaks free of the win-lose paradigm. It has become almost habitual to fall back on the win-win alternative, but this was not the authors' original intention. They did not reject win-lose configurations out of hand. Instead, strategic considerations for managing conflict according to varied circumstances were identified. For instance in a conflict centered on bids by two alternative suppliers, the best choice might well be a competing strategy with a winner and loser. After all, the objective in such a situation is to win the contract for one's own company. In most cases, winning the contract can be accomplished only at the expense of the competing supplier, who by definition becomes the loser.

In contrast, a competing approach almost never works well in the interpersonal conflict of people working in the same office (or even the same organization). Unlike the case of competing suppliers, coworkers - both the winner and the loser - must go on working together. Indeed, in many conflicts revolving around office politics, an accommodating strategy may actually enable individuals to strengthen their future negotiating position through allowing themselves to lose in conflicts over issues they do not feel particularly strongly about. In such situations, accommodating can be seen as a form of winning through losing. For instance, a manager may choose to concede an issue to an employee who is experiencing considerable stress as a means to motivate him or her. Similarly, an individual might choose an accommodating strategy to add balance to negotiations in which one's counterpart has already had to give up several other points. Indeed, a winner in a win - lose scenario who fails to put

forth some effort to accommodate the other party may even provoke a backlash in the form of lack of commitment or open resistance.

Even the traditional approach of conflict avoidance has its place as an occasionally acceptable strategy. While conflict avoidance has justly been the subject of considerable condemnation, it can be rather useful in allowing both parties to cool off or in buying time until all the facts of a matter have been gathered. A manager might choose to avoid an employee in the throes of an emotional outburst, for example, until the employee has had sufficient time to calm down.

Finally, compromise is often a useful strategy when dealing with relatively small concerns. This differs from an accommodating strategy, in which the conceding party finds an issue unimportant that the opposing party considers comparatively important. A manager might enlist a compromise approach most effectively when both parties consider the issue to be of moderate or little importance. In such cases, compromising saves both parties the time required to employ problem - solving techniques to address the fundamental core of the conflict.

While all of these modes have their place among the strategies available to the manager, the collaborating approach to conflict management represents the most beneficial mode for most types of conflict management. In the collaborating mode, conflict itself acts as a managerial tool. The manager utilizes the conflict to guide the conflicting parties to address what tool. The manager utilizes the conflict to guide the conflicting parties to address what essentially are obstacles faced by the organization. Though collaborative behavior, the conflicting parties pool their creative energies to find innovative answers to old problems.

It is in this key respect that the collaborative mode of conflict management differs from the other four conflict - handling modes. Accommodating, avoiding, competing, and compromising - as permutations of the win-lose scenario - are simply forms of conflict interventions. Collaborating as a conflict - handling mode, on the other hand, represents an attempt to channel conflict in a positive direction, thus enabling the manager to use conflict as a tool to resolve otherwise incompatible objectives within the organization. In other words, this method of conflict handling acts less as a conflict intervention and more as true conflict management.

9.4 Conflict Management Skills

Conflict management plays a very important role in preventing conflicts among individuals. How does a conflict arise? When individuals strongly oppose each other's opinions and ideas, the probability of a conflict arises. A conflict starts when individuals think on different lines and find it very difficult to accept each other's ideas. Conflict must be avoided as it destroys the peace, lowers the productivity as well as demotivates the individuals. All the factors leading to a fight must be explored and efforts must be made to prevent a conflict. A conflict is not very easy to control; an individual needs certain skills for the same.

Let us study the skills in detail.

Effective communication Skills: Effective communication skills are of utmost importance to prevent conflicts. While interacting with others, you have to take special care of your speech and the way you speak. Never ever shout on anyone, even if you do not agree with him. Always speak in a polite but convincing manner. Greet others with a warm smile. It works. Be very specific and precise in your speech. Do not use complicated words and confuse others. Keep a control on your tongue and do not use words which might hurt the sentiments of others. Avoid using abusive languages.

Listening Skills: An individual must not give his expert comments unless and until he is very clear what the other person wants. Always be a good listener. Don't just jump to conclusions and assume things on your own. Always listen to the other side of the story as well.

Discussion: Don't just follow the rumor mills blindly, do discuss with others as well. Differences can crop up anytime but fighting would provide no solution. It is always better to sit and discuss the issues on an open forum. All the participants must give their inputs and efforts must be made to find out an alternative. Invite all the members involved and never ignore anyone as it would never solve the problem. Everyone has a right to express his views and a middle way has to be found.

Patience: One needs to be very patient to avoid conflicts. There would be people at your workplace and even home who would try to provoke you to fight. Never ever get influenced. Always follow your instincts and support what is right. Be very sensible and patient. Learn to keep a control on your emotions. Do not ever lose your temper as it would only make the situation worse.

Impartial: An individual has to be impartial to avoid conflicts. Do not always support your friend. Stand by what is correct and never support what is wrong. Any individual, even if he is your friend must be corrected if you feel he is wrong. Listen to everyone and never ignore anyone just because you don't know him.

Never Criticize: Make the other person understand if he is wrong. Don't criticize him as it would definitely hurt his sentiments. The other person might not be as intelligent as you are, but you have no right to make fun of him. Others will look up to you if you guide the other person well and make him realize his mistakes.

Positive Attitude: Positive attitude is essential to avoid fights and conflicts. In offices, never ever play the Blame game. No one is perfect and if you have done anything wrong, have the courage to accept it. Human Beings are bound to make mistakes but never try to put the blame on anyone else's shoulders. Avoid backbiting as it only spoils the relationships. If you don't agree with anyone's views, discuss with him on his face, he will like it. Don't always find faults in others and be a little more adjusting as life is all about adjustments.

Ignore others: Individuals must try to adopt the middle path approach which considers the interests of one and all. Don't unnecessarily waste your energy for a person who is too adamant and is not willing to compromise at all. Ignore the person who is too demanding as it would solve half of your problems.

9.5 Conflict resolution techniques

Problem solving: face-to-face meeting of the conflicting parties for the purpose of identifying the problem and resolving it through open discussion.

Super ordinate goals: creating a shared goal that cannot be attained without the cooperation of each of the conflicting parties.

Expansion of resources: when a conflict is caused by the scarcity of resource-say money, promotion opportunities, office space-expansion of the resource can create a win-win solution

Avoidance: withdrawal from, or suppression of the conflict.

Smoothing: playing down differences while emphasizing common interests between the conflicting parties.

Compromise: each party to the conflict gives up something of value.

Authoritative command: management uses its formal authority to resolve the conflict and then communicates its desires to the parties involved.

Altering the human variable: using behavioral change techniques such as human relations training to alter attitudes and behaviors that cause conflict.

Altering the structural variables: changing the formal organization structure and the interaction patterns of conflicting parties through job redesign, transfers, creation of coordinating positions, and the like.

Conflict Stimulation techniques

Communication: using ambiguous or threatening messages to increase conflict levels.

Bringing in outsiders: adding employees to a group whose backgrounds, values, attitudes, or managerial styles differ from those of present members.

Restructuring the organization: realigning work groups, altering rules and regulations, increasing interdependence, and making similar structural changes to disrupt the status quo.

Appointing a devil's advocate: designating a critic to purposely argue against the majority positions held by the group

9.6 Measures to Manage the Group Conflicts

Management should ensure that the conflicts are put to constructive use and their harmful effects are minimized. The following measures may be taken for managing the group conflicts

1. **Periodic meetings.** Top management should constitute committees of such line and staff executives whose activities are interrelated and where possibilities of conflict exist. For example, a committee of production manager, finance manager and quality control manager may be constituted. Such committees should meet regularly to discuss and resolve all differences amicably.

2. **Position rotation.** Wherever possible line executives should be placed in the position of staff specialists and staff specialists should be placed in the position of line managers. Such rotation will enable them to appreciate and understand each other's viewpoint and thereby develop mutual understanding and co-operation.

3. **Project and matrix structures.** In project and matrix organisation structures representatives from various disciplines relevant to the project are drawn. By working together on a project they gradually overcome their narrow functional loyalties and viewpoints. They interact freely and shed their narrow perceptions. When they go back to their original departments they bring with them a fresh outlook and co-operative attitude. As a result conflicts in future can be minimized.

4. **Linking pin model.** Rensis Likert developed the linking pin model to resolve group conflicts. In such a model, overlapping groups are formed with some individuals being members of two or more separate groups. These individuals serve as linking pins between two or more groups. They help to maintain interaction and mutual co-operation among various groups working in the organisation.

The ability to manage conflicts successfully is probably one of the most important social skills that a person can possess. Yet there are few formal opportunities in our society to learn it. Like any other human skill, conflict resolution can be taught; like other skills, it consists of a number of important sub-skills, each separate and yet interdependent. These skills need to be assimilated at both the cognitive and the behavioral levels. It has considerable influence on performance and satisfaction. It affects organizational effectiveness. Conflict resolution is a social skill.

9.7 Importance of Conflict Management

A conflict arises when individuals have varied interests, opinions and thought processes and are just not willing to compromise with each other. It is always wise to adjust to some extent and try to find a solution to the problem rather than cribbing and fighting. Conflicts and disagreements only lead to negativity and things never reach a conclusion. It only adds on to the tensions and makes life hell. It actually leaves you drained and spoils your reputation. Every individual should try his level best to avoid conflict at the first place rather than resolving it later. Precautions must be taken at the right time to avoid a conflict.

Imagine yourself constantly fighting with your fellow worker. Would you ever feel going to office? The issues resulting in a conflict must be controlled at the right time to prevent the eruption of a big fight. Conflict management plays an important role everywhere, at work places and even in our personal lives. Fighting never makes anyone happy and actually makes one's life miserable.

No organization runs for charity, it has to make money to survive well. Employees must give their hundred percent at work to ensure the maximum productivity. Nothing productive will ever come out if the employees are constantly engaged in fighting and criticizing others. Conflict management plays a very important role at workplaces to prevent conflicts and for the employees to concentrate on their work. The team leaders must ensure that the roles and responsibilities of each and every employee are clearly passed on to them. Employees should be demotivated to interfere in each other's work. Employees waste half of their time and energy in fighting with others and find it very difficult to work which they are actually supposed to do. An individual must enjoy his work; otherwise he would never be able to give his best.

Conflict management also plays an important role in our personal lives. Tussles and fights spoil relationships and only increase our list of enemies. Everyone needs friends who will stand by us when we need them. Conflict must be avoided at homes as it spoils the ambience and spreads negativity. Individuals tend to disrespect others as a result of conflicts. Conflict management prevents fall out between family members, friends, relatives and makes life peaceful and stressfree. Blamegame never helps anyone, instead it makes life miserable. No idea can ever be implemented if the individuals fight among themselves.

Conflict management helps to find a middle way, an alternative to any problem and successful implementation of the idea. Problems must be addressed at the right time to prevent conflict and its adverse effects at a later stage. Through conflict management skills, an individual explores all the possible reasons to worry which might later lead to a big problem and tries to resolve it as soon as possible.

Conflict Management is very important because it is always wise to prevent a fight at the first place rather than facing its negative consequences. Stress disappears, people feel motivated, happy and the world definitely becomes a much better place to stay as a result of conflict management.

9.8 Avoidance of Conflict at workplace

Conflict at Workplace - Why Conflict Should be Avoided ?

Differences in interest, thought process, perception as well as need lead to a conflict. When individuals do not agree to each other's opinions, a conflict arises. Conflict can occur at any place be it organizations, groups and even at our homes. Conflicts must be avoided at any cost and specially at workplaces.

Our offices are our first homes as we spend the maximum time at workplaces only. One has to respect his organization to get respect in return. Learn to keep a control on your emotions at workplace. Never fight at the workplace as it spoils the decorum of the office. You might not agree to the other person but that doesn't mean you will start fighting with him. Sit with

him and try to find out a solution, Conflicts spoil the ambience of offices and also lead to negativity all around. Always respect other individual's opinion.

No body wins in a conflict and nothing productive comes out of it. When two individuals fight with each other, they are actually wasting their precious time and as they say "Time and Tide wait for none". Avoid fighting at workplace as it leads to wastage of precious time which could have been otherwise invested in other productive work. Remember your office pays you for your work and not for fighting with each other.

Employees tend to loose their concentration and focus in work if they are engaged in conflicts. Individuals lose interest in their jobs leading to zero output. They invest all their energies in fighting with each other and as a result the goals of the organization are never met. No organization can survive if the targets are not achieved. Never shout at your workplace, always lower your voice and try to adopt a middle path approach rather than arguing.

Conflicts also lead to disrespect and unnecessary tensions in organizations. Individuals talk ill about others and spoil the environment; you might be an excellent performer, a diligent worker, but if you keep on fighting with your fellow workers, you would definitely earn a bad name. You will be in the limelight but for all the wrong reasons. It is always wise to do your work sincerely, pack your bags, go home and come fresh the next day. Nobody loves to carry unnecessary tensions, thus it is always advised not to fight at workplaces. It is not always that you will agree to what the other person has to say, but fighting will not provide you any solution, instead it would add on to your tensions. Learn to compromise and discuss with your team. Listen carefully what the other person has to say and do correct him in a polite way, if he is wrong. Avoid finding faults unnecessarily and criticizing your colleague. Remember everyone at the office is a part of one big family working together towards a common goal.

Conflicts at workplace must be avoided and employees must concentrate on achieving their goals. Give your best in each and every thing you do. Enter your office with a calm and composed mind and never be hyper or react to anyone's statements. Always think before you speak. Adopt a professional approach at workplace and try to sort out your differences with your fellow workers. Respect everyone at office and remember fighting is not the only solution.

A difference in the opinions, values, understandings and thought processes of individuals lead to a conflict. When individuals strongly oppose each other's ideas and concepts, a conflict starts. It has been observed that when people think in dissimilar ways and are not willing to compromise at all, conflict arises.

Conflict can start anytime and at any place when individuals are not ready to accept the middle path approach. A conflict results in verbal arguments, abuses, tensions and also spoils relationships.

Before starting any conflict one should take some time out to think, "How will this fight benefit me?" "Is it going to provide me any solution?"

Nothing beneficial and productive comes out of a conflict. It is simply wastage of time and energy for and thus every individual should try his level best to prevent conflict.

9.9 Summary

Conflict management goes a long way in strengthening the bond among the employees and half of the problems automatically disappear. Conflict management helps individuals to understand the causes of a conflict and helps prevent it at the right time. Conflict-resolution strategies may be classified into three categories-avoidance, diffusion, and confrontation. Successful negotiation requires a set of skills include (1) the ability to determine the nature of the conflict, (2) effectiveness in initiating confrontations, (3) the ability to hear the other's point of view and (4) the utilization of problem-solving processes to bring about a consensus decision.

conflict - handling grid comprised of five conflict management styles based on two dimensions: assertiveness and cooperativeness. Conflict Management Skills include Effective communication Skills; Listening Skills; Discussion; Patience; Impartial; Never Criticize; Positive Attitude; Ignore others. Measures to Manage the Group Conflicts include Periodic meetings, Position rotation; Project and matrix structures and Linking pin model. Conflict Management is very important because it is always wise to prevent a fight at the first place rather than facing its negative consequences. Stress disappears, people feel motivated, happy and the world definitely becomes a much better place to stay as a result of conflict management.

9.10 Technical terms

Negotiation, conflict resolution, initiation, diagnosis, listening, problem solving

9.11 Self - Assessment Questions

1. What is conflict management?
2. How to resolve the conflicts at work place?
3. Explain the conflict management methodologies.
4. What are the conflict management skills?
5. What are the conflict resolution techniques?
6. What are the measures to manage the Group Conflict?
7. Explain the importance of conflict management.
8. Explain the strategies for conflict resolution

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Lesson - 10

ORGANIZATIONAL DEVELOPMENT, INTERVENTIONS, ASSESSMENT

Learning Objectives:

After studying this lesson, you should be able to understand the: Concept
of Organisation Development Organisation
Development interventions

Content Structure:

- 10.1 Introduction to Organization Development
 - 10.1.1 Definitions of Organization Development
 - 10.1.2 Characteristics of Organization Development
 - 10.1.3 Objectives of Organization Development
 - 10.1.4 Process of Organisation Development
- 10.2 Organization Development Interventions
- 10.3 Summary
- 10.4 Technical terms
- 10.5 Self - Assessment Questions
- 10.6 Reference Books

10.1 INTRODUCTION TO ORGANIZATION DEVELOPMENT

Organization Development (OD) comprises a special set of organizational change methods. It is a planned, systematic process of organizational change based on behaviour science research and theory. The goal of OD is to create adaptive organizations capable of transforming and reinvesting themselves, so as to remain effective. As a field of behavioural science, OD draws heavily from psychology, sociology, and anthropology. OD relies on information from personality theory, learning theory, and motivation theory, and on inputs from group dynamics, power, leadership, and organization design. It is based on many

well-established principles regarding the behaviour of individuals and groups in organizations.

10.1.1 DEFINITIONS OF ORGANIZATION DEVELOPMENT

According to Wendell L. French and Cecil H. Bell, Jr., “Organization development is a long-term effort, led and supported by top management, to improve an organization's visioning, empowerment, learning, and problem-solving processes, through an ongoing, collaborative management of organization culture—with special emphasis on the culture of intact work teams and other team configurations— using the consultant-facilitator role and the theory and technology of applied behavioral science, including action research.”

According to Beckhard, “Organization development is an effort (1) *planned*, (2) *organization-wide*, and (3) *managed* from the *top*, to (4) *increase organization effectiveness* and health through (5) *planned interventions* in the organization's "processes," using *behavioral-science* knowledge.”

According to Dennis, “*Organization development* (OD) is a response to change, a complex educational strategy intended to change the beliefs, attitudes, values, and structure of organizations so that they can better adapt to new technologies, markets, and challenges, and the dizzying rate of change itself.”

Schmuck and Miles defined “OD as a planned and sustained effort to apply behavioral science for system improvement, using reflexive, self-analytic methods.”

According to Burke and Hornstein, “Organization Development is a process of planned change—change of an organization's culture from one which avoids an examination of social processes (especially decision making, planning and communication) to one which institutionalizes and legitimizes this examination.”

According to Beer, The aims of OD are (1) enhancing congruence between organizational structure, processes, strategy, people, and culture; (2) developing new and creative organizational solutions; and (3) developing the organization's self-renewing capacity.

According to Vaill, Organization development is an organizational process for understanding and improving any and all substantive processes an organization may develop for performing any task and pursuing any objectives A "process for improving processes"—that is what OD has basically sought to be for approximately 25 years.

According to Porras and Robertson, “Organizational Development is a set of behavioral science-based theories, values, strategies, and techniques aimed at the planned change of the organizational work setting for the purpose of enhancing individual development and improving organizational performance through the alteration of organizational members’ on-the-job behaviors.”

According to Cummings and Worley, “OD is a systematic application of behavioral science knowledge to the planned development and reinforcement of organizational strategies, structures, and processes for improving an organization's effectiveness.”

According to Burke, “Organization development is a planned process of change in an organization's culture through the utilization of behavioral science technologies, research, and theory.”

10.1.2 CHARACTERISTICS OF ORGANIZATIONAL DEVELOPMENT

OD is not a single approach but a collection of techniques that have a certain philosophy and body of knowledge in common. The basic characteristics of OD are the following:

- 1. Planned Change.** Also called change intervention, it makes OD different from other approaches for change in organization,
- 2. Comprehensive and broad-based Change.** OD is a comprehensive strategy for organisational improvement. It is a planned attempt to bring about organisation wide change. It involves not only changes in the organisation structure but also change in organisational philosophy, skills of individuals and their ways of working. It is an organisation wide strategy. OD efforts generally involve a total system. The change covers the entire organization.
- 3. Emphasis upon Work Groups.** Although some OD efforts are aimed at individual and organizational change, most are oriented towards groups. There is a sociological flavor to much of OD.
- 4. Long-range Change and effort.** OD is basically a long-term approach meant to elevate the organisation to a higher level of functioning by improving the performance and satisfaction of its members. An OD programme generally covers a period of three to five years though some programmes may last for more than five years. The OD process is not intended to be stopgap measure.
- 5. Participation of a Change Agent.** The services of an outside expert are generally retained to implement the OD process. „Do it yourself“ programmes are discouraged.
- 6. Emphasis on Intervention.** The OD approach results in an active intervention of the change agent in the ongoing activities of the organization.
- 7. Collaborative Management.** In contrast to the traditional management structure in which orders are issued at upper levels and simply carried out by lower levels, OD stresses collaboration among levels. Organizations are viewed in a system perspective.
- 8. Organizational Culture.** Culture includes the following: accepted patterns of behaviour, norms, organizational objectives, value systems, and the like. OD recognizes that each organization is different from all others and that problem-solving process varies across organizations. The assumption that a particular solution can be applied to numerous organizations is thus generally not made; instead, the culture of each organization must be understood and relations consistent with that culture must be developed.
- 9. Action Research.** The process of identifying the organization's specific problems, gathering and analysing organizational data, and taking action to resolve problems, constitutes 'action research'. It is in sharp contrast to 'hypothesis testing research', which deals with problems or situations that are of interest to organizations generally but which may not be relevant to a specific organization.
- 10. Systems View.** OD is based on systems thinking. It utilises the open adaptive system concept. It recognises that organisation structure and human beings working in it are mutually interdependent. No part of the organisation can be changed without affecting other parts. Therefore, an attempt is made to create a better fit between the organisation and the human beings.
- 11. Dynamic Process.** OD is not a one shot deal but an ongoing inter active and cyclical process. It recognises that organisational objectives change and, therefore, the methods of attaining them should also change.

10.1.3 OBJECTIVES OF ORGANIZATION DEVELOPMENT

Main objectives of OD are as follows:

1. To increase the level of trust and mutual emotional support among all members of the organisation.
2. To develop new organisational learning and new ways of coping with problems.
3. To create an environment in which authority of assigned role is augmented by authority based on knowledge and skill.
4. To increase the level of self and group responsibility in planning and implementation.
5. To increase the openness of communication in all directions.
6. To find synergistic solutions to problems with greater frequency.
7. To increase the level of enthusiasm and personal satisfaction in the organisation.

Thus, OD is not aimed at simply making organisations more productive and efficient. It also strives to make work place satisfying and pleasant.

OD should not, however, be taken as panacea. It has been criticized on the following grounds:

(i) There is discrepancy between ideal and real situations. OD tries to achieve ideal without taking into account the real.

(ii) OD can be no more powerful than the behavioural science concepts on which it is based. Behavioural science has many limitations which are applicable to OD also.

(iii) OD makes people unfit for the real organisational world because in practice it is difficult to adopt open concept.

(iv) Resistance to change is a natural phenomenon and OD puts tremendous pressure for change. Local circumstances may pose a problem in adapting to change.

(v) OD fails to motivate people with low level of achievement needs. Complacent people cannot implement OD.

(vi) OD programmers are often quite costly without any guarantee of positive results.

Some of these limitations are not inherent in OD but arise due to faulty implementation of OD programmes. In order to make effective use of OD, the following efforts may be made:

1. Top management must genuinely support the OD programme.
2. The objectives of the OD programme should be spelled out clearly and specifically,
3. Enough time should be allowed so that the effects of OD programme are realised.
4. There should be proper use of OD interventions. The OD programme should be tailored to the actual needs of the organisation.

5. A fully competent OD consultant should be appointed for the OD programme. He should develop understanding with the internal change agents.

10.1.4 PROCESS OF ORGANISATION DEVELOPMENT

An OD programme generally involves the following steps:

8. Problem Identification. An OD programme begins with the identification of the problem in the organisation. The problem may be identified in terms of the reasons due to which the organisation is not able to achieve its objectives, *e.g.*, low productivity, high employee turnover, declining market share, etc.

9. Diagnosis of the Problem. Diagnosis involves understanding the causes and magnitude of the problem. Collection and analysis of data are necessary. Observation, questionnaire and interviews may be used to collect the necessary data. Experience and judgment are equally important. Diagnosis will reveal not only the source of the problem but also the changes required in the organisation.

10. Thinning Change Strategy. At this stage an action plan is prepared. The plan involves the overall goals for OD, determining the approach for implementing the change. Appropriate OD interventions or techniques are selected.

11. Implementation or intervention. Intervention constitutes the action phase in OD process because it makes things happen. Changing the organisation and its people is a long-term and gradual process. Intervention should gradually be done at all the three levels — individual, group and the organisation.

12. Evaluation and Feedback. Continuous monitoring is necessary to evaluate the results of the OD programme, so that suitable actions may be taken to encounter any problem or to modify future programmes. Careful and evaluation of OD programmes provide feedback on the progress of OD programmes. When any discrepancy appears between the desired and actual state of affairs, suitable actions are taken. Critical questions systematic appraisal of change efforts, comparison of the pre and post training behaviour patterns are the main techniques for getting feedback.

10.2 ORGANIZATION DEVELOPMENT INTERVENTIONS

Several OD interventions, also called techniques, have evolved over time. The most successful of them possess three key characteristics: (i) they are based on valid information about the functioning of the organization, usually collected by the employees; (ii) the intervention (under the guidance of the change agent) provides employees with opportunities to make their own choices regarding the nature of the problems and their preferred solutions; and (iii) interventions are aimed at gaining the employees' personal commitment to their choices.

OD interventions are the sets of structured activities in which selected organisational units engage in a task or a sequence of tasks to relate the task goals to organisational improvement. They make things happen and the change agent intervenes in the system through these techniques. Common techniques of OD are as follows:

1. Sensitivity Training

T-Group (the T is for training) was one of the earliest OD techniques and is still in use. Sensitivity training is a method of changing behaviour through unstructured small group interaction. The primary focus is on reducing interpersonal friction through developing better

interaction among individuals. Sensitivity training is also known as T-Group training or laboratory training. The process of sensitivity training consists of the following steps:

- (i) A small group consisting of ten to twelve persons is constituted.
- (ii) A professional behavioural scientist acts as a catalyst and trainer for the group.
- (iii) The group meets without any formal agenda.
- (iv) The trainer merely creates the opportunity for group members to express their ideas and feelings freely.
- (v) Members are encouraged to focus on behaviour but can discuss anything they like.
- (vi) The trainer provides feedback about the behaviour of each individual.

The objectives of sensitivity training are to provide the employees with increased awareness of their own behaviour and how others perceive them, greater sensitivity to the behaviour of others, and increased understanding of group processes.

Ten to fifteen employees are brought together in a free and open environment, away from work places, in which participants discuss themselves freely, aided by a facilitator. No formal agenda is provided. Instead, individual personalities and group interaction, processes, and relationships become the focus of discussion. The facilitator is no teacher. Rather his or her role is to create an opportunity for participants to express their ideas, beliefs and attitudes.

Specific results sought from sensitivity training include increased ability to empathize with others, improved listening skills, greater openness, increased tolerance of individual differences, and improved conflict resolution skills.

The main *advantages* of sensitivity training are:

- (a) It intends to develop introspection and self-examination. As a result the trainees are likely to become self-understanding and open.
- (b) Participants gain insight into their own and others' feelings. They become less prejudiced and develop tolerance for others' views.
- (c) The trainees develop understanding of group process and listening skills.
- (d) Sensitivity training improves the leadership and communication skills and helps the people to work as a team.

Thus sensitivity training offers several advantages in the field of human relations. However, it suffers from the following *limitations*:

- (i) In the initial stage, it may be quite frustrating to the participants. Frustration arises due to lack of formal agenda, criticism of ideas, absence of active guidance, etc., Due to frustration, many participants may leave the training session in between with bad feeling
- (ii) Sensitivity training may result in psychological damage to employees who do not like criticism. T-group experience can be a continuing source of humiliation and anxiety. Such emotional problems may have an adverse effect on the mental and physical health. Sometimes, the damage may be beyond repair.

(iii) Sometimes, T-group exercise is an unjustified invasion of privacy of individuals because it tries to bring out the hidden and private feelings of an individual.

(iv) T-group training focuses on individuals alone. Its utility to the total organisation is limited. It is a controversial method.

(v) Sensitivity training is based on false assumptions of human relationships at work. Therefore, time spent on it might go waste.

(vi) Group members disband after the training. In the absence of a systematic follow-up of the participants, casualties are unlikely to come to the surface.

Most of the limitations of sensitivity training emerge due to inefficient handling of training sessions or incompetent trainers. In order to make effective use of sensitivity training, the following steps may be taken:

1. Careful selection of participants. The participants should have emotional stability and tolerance without any psychiatric case history.
2. Performance requirements should be analysed carefully.
3. T-group leader must be competent.
4. Continued research to identify the characteristics of participants and conditions required for T-group exercise.
5. Provision of reserve precautionary measures to be instituted in the event of failure. These precautions may include alternative methods for coping with the desired changes, provision for safety and well-being of the participants, etc

Sensitivity training is particularly suitable in the following cases:

1. Inorganic organisations where trust, openness and team work are essential.
2. A climate of psychological safety prevails in the organisation.
3. Where the feedback is articulate and meaningful.

2. Process Consultation

Process consultation is concerned with processes that exist within a group or between groups. In this technique the consultant works with individuals and groups to help them to learn about human and social processes and learn to solve problems that stem from process events. It is "the set of activities on the part of the consultant which help the client to perceive, understand and act upon the process events which occur in the client's environment" Process consultation concentrates on certain specific areas such as communication, functional roles of group members, group problem-solving and decision-making, group norms and growth, leadership and authority, intergroup co-operation and competition, etc.

Process consultation consists of the following steps:

- (i) Initial contact with the client.
- (ii) Defining relationship between the client and consultant in terms of their expectations.
- (iii) Selecting a method of work.
- (iv) Collection of data to make a diagnostic study.
- (v) Suitable intervention.
- (vi) Termination of formal relationship between the client and the consultant

The primary goal of process consultation is to help an organisation solve its problems by making it aware of organisational process, their consequences and the mechanics by which they can be changed. The main advantage of process consultation is that it helps the organisation to remove problems and thereby improve interpersonal and intergroup relations. But it suffers from a drawback. The participants are not actively involved in the process. Sometimes it takes two to three years to forge involvement which results in heavy cost to the organisation. The success of process consultation depends on the diagnostic skills of consultants. It is relatively a traditional approach to OD.

3. Transactional Analysis

Transactional analysis is a practical and enjoyable way of learning about self and others. It involves analysis of interpersonal behaviour to develop understanding of self. It requires explanation of concepts through instructions, individual self-analysis and group discussion exercises. Ego states involved in communication and interaction are analysed to develop positive values and mature personality towards others.

4. Grid Training

Grid training is based on Blake and Mouton's Managerial Grid. The grid is used to clarify many complex roles and styles in the organisation. The aim is to achieve 'ideal' style of management that integrates task completion and maintenance of good interpersonal relations. A number of instruments are utilised to enable individuals and groups to assess their own strengths and weaknesses and to improve the functioning of individuals, groups and the organisation as a whole.

Grid organizational development, is usually carried out on an organization-wide basis. Grid training seeks to promote organizational excellence by fostering concern for production and concern for people. Working on the premise that most organizational problems stem from poor communication and inadequate planning, Blake and Mouton proposed a multistep process for improving organizations by attempting to cultivate these skills.

Grid OD programme consists of six phases:

1. *Grid seminar.* It is typically a one-week seminar aimed at studying the theory of managerial effectiveness underlying the Grid programme.
2. *Team development.* The superior and his group utilise the climate of process to develop and analyse their managerial styles and group processes like problem-solving and communication.
3. *Inter-group Development.* The experience of phase two is extended to include the interrelationship of organisational units.
4. *Ideal Strategic model.* Top management works with other groups to develop an ideal corporate model for future management of the organisation.
5. *Implementing the ideal strategy.* Procedures of phase one are used to develop operational tactics for moving the organisation to the ideal model.
6. *Systematic critique.* The achievements are evaluated to identify and remove weaknesses, if any.

The first step consists of a *grid seminar*-a session in which an organization's line managers (who have been previously trained in the appropriate theory and skills) help employees analyse their own management styles. This is done using a specially designed questionnaire that allows managers to determine how they stand with respect to two important dimensions of effective management-concern for production and concern for people. Each participant's approach on each aspect is scored in a range of 1 (low) to 9 (high). Managers who score low on both concepts

are scored 1,1 evidence of *impoverished management*. A manager who is highly concerned about production but has little interest for people, scores 9,1, which is *task management style*. In contrast, one who scores the opposite pattern-high concern for people but little concern for production-is described as having the *country club* style of management. Managers scoring moderately on both the dimensions, the 5.5 pattern, are said to follow the *middle-of-the-road management style*. Finally there are individuals who exhibit high concern for both production as well as people, those scoring 9,9. This is the most desirable pattern and is described as the *team management style*.

After a manager's position in the grid is determined, training begins to improve concern over production (planning skills) and over people (communication skills) to reach the ideal 9,9 state. This training consists of organization-wide team training aimed at helping people interact more effectively with each other. Then, training is expanded to reducing conflict between groups that work with each other. Additional phases of training include efforts to identify the extent to which the organization is meeting its strategic goals and then comparing this performance to the ideal. Next, plans are formulated to meet these goals, which are then implemented in the organization. Finally, progress towards the goals is continuously assessed, and problem areas identified. Evaluating where the organization has been, how far it has come, and where it currently is, represents a 'new beginning' from which to continue striving towards corporate excellence.

Other human process interventions aim to bring about intergroup or organization-wide change. Organization *confrontation meetings* can help clarify and bring into the open intergroup misperceptions and problems so that these problems can be solved. The basic approach here is one of action research, where the participants themselves provide the basic data for the meeting and then confront and thrash out any misperceptions in an effort to reduce tensions.

Grid OD is a comprehensive and systematic programme. It is a structured approach to OD but it lets the client system take all the decisions. It has been reported to improve productivity and organisational effectiveness. The Grid-trained managers can change entire organisational culture. However, Grid OD is contrary to the contingency theory of management.

5. Survey Feedback

Survey feedback involves the use of a questionnaire to collect perceptual and attitudinal data. The data are used for diagnosing the problem and for developing the action plan to solve the problem. This OD technique involve the following steps:

1. *Collection of data.* First of all, data about various aspects of organisational climate such as decision-making, coordination, employee satisfaction, quantity and style, leadership, etc., are gathered through a comprehensive questionnaire. The questionnaire consists of multi-choice questions.

2. *Feedback.* The information and the key findings are reported to the participants. Usually data are fed back in group discussion and problem-solving sessions.

3. *Develop action plan.* Once diagnosis is available, a suitable action plan is developed to deal with the problem. Participants are actually involved in action planning.

4. *Follow-up.* Action plan is implemented and its programme is continuously monitored. After a reasonable time, a second survey may be conducted to measure improvement in the situation.

Survey feedback is one of the oldest intervention techniques. It is a systematic approach based on sound traditions of attitude measurement and survey research. It does not involve

psychological or emotional damage to the participants. It assists the group members in improving the relationships through discussion of common problems. Survey feedback is a flexible and cost effective technique having wide applications. It can be an effective approach towards meeting organisational goals and individual needs. However, its effectiveness depends largely on the reliability of the questionnaire and the information provided by the participants.

6. Third Party Peace-making

This is an intergroup intervention. Under it a third party, *i.e.*, the consultant after making in-depth study of the problem acts as a mediator to resolve conflict between groups. The facilitator obtains information from both parties and transmits it to the other party in a suitable manner. The groups or their representatives come together in the end phase to finally resolve the inter-group problems. The consultant plays an effective role in bringing the conflicting parties to the negotiation table and in channelising their discussion towards fruitful conclusion.

The concept of third party peace-making was developed by Richard Walton. According to Walton, third party peace-making implies diagnosing and resolving conflict between two persons with the help of the third party— the management consultant. The conflict may relate to disagreement over substantive issues such as policies, procedures, etc. In such a conflict, there is need for bargaining and problem-solving with the help of a third party.

Four operational strategies may be adopted for handling the conflict:

(i) Parties may avoid conflict by reducing the frequency of meeting and discussion on issues on which they hold conflicting views. This provides a period for them to cool down their tempers.

(ii) In the meeting, the parties may be advised to exercise restraint on expressing their views.

(iii) Coping measures like sympathy or alternative ways of performing work in the organisation may be adopted to escape from the conflict with the adversary.

(iv) A detailed analysis of the factors underlying work and feelings of the parties involved is made. Then an attempt is made to resolve the conflict with the help of the consultant through an open confrontation between the parties.

The actual form that the peace-keeping process takes will depend upon the nature and source of the conflict.

7. Team Building

Team building is essentially an intervention used at group level. It is an attempt to assist the work group in becoming adept by learning how to identify, diagnose and solve its own problems. It is an effective technique by which members of a formal group diagnose how they work together and plan changes to improve their effectiveness as a group. The primary aim of team building is to help the group members to work more effectively as a team. The essence of team building is to develop cooperative and supportive feelings among members of a work group. People work better as a team when there is mutual trust and understanding among them.

In a typical team building programme, employees belonging to same work group discuss the problems relating to their task performance. The current problem, *e.g.*, ineffective policies, inefficient procedures, role ambiguities, etc., is identified. Members provide information about their individual perceptions of the problem. Having diagnosed the problem, action plans are formulated and implemented to overcome the difficulties. In the final or concluding sessions

impact of the plans is assessed.

Team building is a process of diagnosing and improving the effectiveness of a work group with particular attention to work procedures and interpersonal relationships within it, especially the role of the leader in relation to other group members. Both the group's task procedures and its human interaction are the subjects of study in team building. The basic assumption of team building is that increasing the effectiveness of teams will improve the organization's overall effectiveness.

Team building can be directed at two different types of teams of working groups: first, an existing or permanent team made up of a manager and his subordinates, often called *amity group*; and second, a new group which may have been created through a merger or other structural change in the organization, or formed to solve a specific problem, which may be called the *special group*. For both kinds of groups, team building activities aim at diagnosing barriers to effective team performance, improving task accomplishments, improving relationships among team members, and improving processes operative in the team such as communication and task assignment.

Team building is one of the powerful and well-accepted techniques of OD. It helps to improve the organisation's problem-solving and decision-making skills. It also improves interpersonal relationships and communication system. However, team building fails to consider important organisational variables such as technology and structure. It becomes a complicated exercise especially when new groups are formed.

8. Management by Objectives

MBO may be defined as a system of participative management on the basis of position-wise result-oriented measurable and time-bound objectives integrated with the organizational objectives, and with the environment. MBO is a comprehensive overall managerial philosophy with emphasis on joint goal setting. It is a process of integrating individual and organisational goals. The superior and subordinates jointly define the major goals, specify major areas of responsibility, indicate the specific results expected in each area, and use these targets as a guide for assessment and appraisal of results. As an OD intervention, MBO provides a framework for resolving interpersonal and intergroup problems. The main objectives of MBO approach are an improved level of performance, increased participation in decision-making and meaningful communication.

The concept of 'Management By Objectives' (MBO) has become popular during 1954. Even though this concept is based on the simple truth that people can achieve their goals, only when they clearly know that their goals are, its development as a system is due to the contributions made by management experts like Peter F Drucker, Edward Schleh, G. S. Odiorne, J.W.Humble, W.J. Reddin, and others through their publications and consultancy work.

9. Quality of Work Life Programmes.

Quality of work life programmes have been designed by OD practitioners to create work situations that enhance employees' motivation, satisfaction, and commitment-factors that may contribute to high levels of organizational performance. Collectively called quality of work life (QWL) programmes, these are designed to remove drudgery associated with any work situation; the attempt is to humanize the work place. There are two popular approaches to humanize the work place.

One such approach to improve the QWL involves *work re structuring-the* process of changing the way jobs are done to make them more interesting to workers. The most popular techniques of work restructuring include *job enlargement and job enrichment*. These techniques also help

improve the QWL of employees.

Another approach to improving QWL is *quality circles* (QCs). These are small groups of employees who meet regularly (usually weekly) on voluntary basis to identify and solve problems related to the quality of the work they perform, and the conditions under which people work on their jobs. An organization may have several QCs operating at once, each dealing with a particular work area about which it has the most expertise. To help them work effectively, the members of the circle usually receive some form of training in problem solving.

QWL programmes benefit organizations in at least three ways. The most direct benefit is increased job satisfaction, organizational commitment, and reduced turnover among the workers. A second benefit is increased productivity. Finally, organizations stand to gain in the form of profitability and goal attainment.

These benefits do not, however, accrue automatically. Two hurdles need to be crossed to realize the benefits. First, both management and labour must cooperate in designing the programme. Second, the plans agreed to by all concerned parties must be fully implemented. It is easy to forget QWL activities amidst the hectic pace of daily activities. This should not happen.

10.3 Summary

Organizational development (OD) comprises a special set of organizational change methods. OD experts have designed several OD techniques to make change systematic and meaningful. OD techniques are Sensitivity Training, Grid Training, MBO, etc

10.4 Technical terms

Organizational Development. OD Interventions

10.5 Self - Assessment Questions

1. Define Organisation Development.
2. Explain the objectives of OD.
3. Discuss steps in the processor OD.
4. Briefly explain the OD interventions
5. What do you understand by OD? Briefly explain the objectives of OD.

10.6 Reference Books

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Lesson - 11

ORGANIZATIONAL CULTURE, CREATING AND SUSTAINING ORGANIZATIONAL CULTURE

Learning Objectives:

After studying this lesson, you should be able to understand the: Concept of

Organisational Culture

Creating and sustaining organizational culture

Content Structure:

- 11.1 Introduction to Organizational Culture
 - 11.1.1 Definitions of Organization Culture
 - 11.1.2 Characteristics of Organization Culture
- 11.2 Creating Organizational Culture
- 11.3 Sustaining Organizational Culture
- 11.4 Summary
- 11.5 Technical terms
- 11.6 Self - Assessment Questions
- 11.7 Reference Books

11.1 INTRODUCTION TO ORGANIZATIONAL CULTURE

Organisational culture has assumed considerable importance nowadays because of its impact on employee performance and satisfaction.

11.1.1 DEFINITIONS OF ORGANIZATIONAL CULTURE

According to Harold Koontz and Heinz Weihrich "Organizational Culture is the general pattern of behavior, shared beliefs, and values that members have in common. Culture can be inferred from what people say, do, and think within an organizational setting. It involves the learning, and transmitting of knowledge, beliefs, and patterns of behavior over a period of time, which means that an organization culture is fairly stable and does not change fast. It often sets the tone for the company and establishes implied rules for the way people should behave."

J.C.Spender defines organisational culture as "a belief system shared by an organisation's members."

According to Kouzes, Caldwell and Posner define organisational culture as "a set of shared, enduring beliefs communicated through a variety of symbolic media creating meaning in people's work lives."

Edgar Schein, who is the most closely associated with the study of organisational culture, defines it as "A pattern of basic assumptions invented, discovered, or developed by a given group as it learns to cope with its problems of external adoption and internal integration that has worked well enough to be considered valuable and, therefore, to be taught to new members as the correct way to perceive, think, and feel, in relation to those problems."

Turnstall defined organisational culture as "A general constellation of beliefs, morals, value systems, behavioural norms, and ways of doing business that are unique to each corporation".

Joanne Martin while emphasizing differing perspectives of cultures in organisations, defined it as:

"As individuals come into contact with organisations, they come into contact with dress norms, stories people tell about what goes on, the organisation's formal rules and procedures, its formal codes of behaviour, rituals, tasks, pay systems, jargon, and jokes only understood by insiders, and so on. These elements are some of the manifestations of organisational culture".

One central theme flowing from above definitions is a system of **shared meaning**. This system of shared meaning is a set of key characteristics that the organisation values.

Thus, organisational culture can be defined as a pervasive underlying set of beliefs, assumptions, values, shared feelings and perceptions, which influence the actions and decisions taken by the organisations. The same distinguishes one organisation from another.

Organisational culture is the set of values that helps the organisation's employees understand which actions are considered acceptable and which unacceptable.

Organisational culture is a system of shared meaning held by members that distinguishes an organisation from other organisations.

Culture is that complex whole which includes knowledge, belief, art, morals, law, custom, and other capabilities and habits acquired by man in a society. Two terms are key to the concept

culture: history and shared phenomenon. With regard to the first, it may be stated that cultural mores of a society are passed on from generation to generation. The second key term which is basic to culture implies that the cultural ethos are shared among the members of a society.

Organizational culture has been defined as the philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes and norms that knit an organization together and are shared by its employees.

11.1.2 CHARACTERISTICS OF ORGANIZATIONAL CULTURE

The following are the characteristics of organizational culture.

- a. **Individual Initiative:** The degree of responsibility, freedom, and independence that individuals have.
- b. **Innovation and Risk taking:** 'Innovation is the way of life in Microsoft.' 'Innovation is the key characteristic of Gillette Company.' Companies encourage the employees to be innovative and risk takers at different degrees. The degree to which employees are encouraged to be aggressive, innovative, and risk-seeking.
- c. **Direction:** The degree to which the organization creates clear objectives and performance expectations.
- d. **Integration:** The degree to which units within the organization are encouraged to operate in a coordinated manner.
- e. **Management Support:** The degree to which managers provide clear communication, assistance and support to their subordinates.
- f. **Control:** The number of rules and regulations, and the amount of direct supervision that is used to oversee and control employee behaviour.
- g. **Identity:** The degree to which members' identify with the organization as a whole rather than with their particular work group or field of professional expertise.
- h. **Reward System;** The degree to which reward allocations are based on employee, performance criteria in contrast to seniority, favoritism, and so on.
- i. **Communication Patterns:** The degree to which organizational communications are restricted to the formal hierarchy of authority.
- j. **Attention to Detail:** 'Employees in the Boston Consultancy Group are expected to be precise, analytical and pay attention to even the minor details Thus, organisations require their employees to be precise, analytical and pay attention to the minute details at different degrees.
- k. **Outcome Orientation:** 'Coromandel Cements expects its employees to improve their performance at least by 5% every year irrespective of the approaches they follow.' Thus, the organisations require their employees to pay attention on the results.
- l. **People Orientation:** 'Hewlett and Packard announced one day unpaid holiday for every nine

working days and avoided lay-off. Thus, the organisations take the effect of its decisions on the employees.

- m. Team Orientation:** "Global Solutions repeats: "We Work." It does mean that the activities are designed around teams but not individuals. Thus, we today find team jobs rather than individual jobs.
- n. Aggressiveness:** The employees of IDBI Bank are expected to be aggressive and competitive. Thus, aggressiveness is the level to which the employees are expected to be competitive rather than easygoing.
- o. Stability:** Most of the Indian Universities still have the status quo strategy of maintaining the traditional values and beliefs of 'Guru and Shisya' relationship of Gurukulas.
- p. Radical Change:** In contrast to the stability strategy, most of the organisations after 1991 have the growth, diversification and conglomerate diversification strategies. It is the degree at which the organisational activities emphasise growth and diversification.
- q. Customer Orientation:** Pizza Huts build up relationship with the customers and then adapt aggressive marketing strategies. It is the degree to which the management decisions take into consideration the effect of outcomes on customers of the organisation.
- r. Observed Behavioural Regularities:** When people in the organisations interact with one another, they generally use common language, terminology, and other rituals that relate to deference and demeanor.
- s. Norms:** Standards of behaviour are set to guide the organisational members how much work to do. This, in many organisations, is expressed as "Do not do too much, do not do too little,"
- t. Dominant Values:** Organisations advocate some major values and expect the same to be imbibed by its organisational participants. A few examples of such popular values are high product quality, regularity, and efficiency.
- u. Philosophy:** Organisations set forth certain beliefs about how employees and/ or customers are to be treated.
- v. Rules:** There are guidelines prescribed how the new participants of the organisations have to adopt so as to be accepted the full-fledged members of their group in the organisation.
- w. Organisational Climate:** This is an overall "feeling" that is conveyed by the physical layout, the way organisational participants interact with one another, and the mode organisational members conduct themselves with outside persons.

Organizational members tend to internalize cultural practices and like to indoctrinate newcomers into such mores. Some of these practices are so thoroughly internalized that no one questions them - they are taken for granted that is, they get institutionalized. Besides institutionalization, glorification is another process that tends to occur in strongly developed organizational cultures. Heroes emerge, especially among the founding fathers of the organization, whose sacrifices, valorous deeds, and ingenuity in the difficult initial years of the organization or during later crises periods are embellished into stories and sagas. The organization itself may come to be regarded as precious in itself, as a source of pride, and in some sense unique. Organizational members begin to feel a strong bond with it that transcends material returns given by the organization, and they begin to identify with it. The organization turns into a sort of clan.

11.2 CREATING ORGANIZATIONAL CULTURE

The culture is linked to the strategic values. Culture creation is based on the strategy as 'culture follows strategy.' Culture creation is linking the strategic values to culture values

Establish Strategic Values: Management determines organisation's strengths, weaknesses, opportunities and threats based on environmental analysis. Subsequently the management formulates strategies to achieve goals. Management decides the values to achieve the strategies. These values are called *strategic values*. Strategic values are the basic beliefs about an organisation's environment those shape its strategy. For example, adopting the participative management style to grow at a faster rate. The strategic values can be acquired only when the employees acquire necessary cultural values. For example, the employees should acquire the involvement characteristic to make participative style of management successful. Thus this characteristic is cultural value for the strategic value of participative management style. Cultural values are the values that employees need to have and act on for the organization to act on the strategic values.

Combining Strategic and Cultural Values: The next logical step, after acquiring strategic values and cultural values is appropriately combining these two values. Management should encourage the employees to involve in the decision-making process, appreciate their ideas and considering them when the strategic values are participative styles on the part of the management. This combination makes the employees to be creative, risk taking and aggressive in order to exploit the business opportunities.

Strategy Implementation: The next logical step is implementing the strategies After the appropriate culture is created and implemented, it contributes for the proper implementation of strategy. The participative style of management and involvement character of the employees makes the employees creative. Employee; with creative ideas invent new products, add new functions to the existing products find new markets and new customers. These in turn, enable the company to achieve its growth strategy.

Culture is essentially learnt. What applies to the learning process applies to culture too. Basically, an organizational culture forms in response to two major challenges that confront every organization; (1) *external adaptation and survival*, and (2) *internal integration*.

External adaptation and survival have to do with how the organization will find a niche in and cope with its constantly changing external environment. External adaptation and survival involve addressing the following issues:-

- *Mission and strategy:* Identifying the primary purpose of the organization; selecting strategies to pursue this mission.

- *Goals*: Setting specific targets to achieve.
- *Means*: Determining how to pursue the goals, including selecting an organization structure, and reward system.
- *Measurement*: Establishing criteria to determine how well individuals and teams are accomplishing their goals.

Internal integration has to do with the establishment and maintenance of effective working relationships among the members of an organization. Internal integration involves addressing the following issues:

- *Language and concepts*: Identifying methods of communication and developing a shared meaning for important concepts.
- *Group and team boundaries*: Establishing criteria for membership in groups and teams.
- *Power and statuses*: Determining rules for acquiring, maintaining, and losing power and status.
- *Reward and punishment*: Developing systems for encouraging desirable behaviours and discouraging undesirable behaviours.

An organizational culture emerges when members share knowledge and assumptions as they discover or develop ways of coping with issues of external adaptation and internal integration.

Organizational culture generally comes from critical incidents, leaders, property rights, organizational structure, organizational ethics and characteristics of employees.

Culture Formation Around Critical Incidents: Norms and beliefs arise around the way members respond to critical incidents. Something emotionally charged or anxiety producing may happen, such as an attack by a member on the leader. Because everyone witnesses it and because tension is high when the attack occurs, the immediate next set of behaviours tends to create a norm. Suppose, for example, that the leader counter-attacks, that the group members "concur" with silence or approval and that the offending member indicates with an apology that he or she accepts his or her "mistake". In those few moments a bit of culture has begun to be created-the norms that "we do not attack the leader in this group; authority is sacred." The norm may eventually become a belief and then an assumption if the same pattern occurs. If the leader and the group consistently respond differently to attacks, a different norm will arise. By reconstruction the history of critical incidents in the group and how members deal with them, one gets a good indication of the important cultural elements in that group.

Identification with Leaders: A second mechanism of culture creation is the modeling by leader figures that permits group members to identify with them and internalize their values and assumptions. When groups or organizations first form, there are usually dominant figures or "founders" who help establish the early culture. They have a vision or mission of what the organization should be. They are unconstrained by previous customs or ideologies. The small size that typically characterizes any new organization further facilitates the founders imposing their vision on all organizational members. Because the founders have the original idea, they also typically have biases on how to get the idea fulfilled. The organization's culture results from the interaction between (1) the founder's biases and assumptions, and (2) what the original members who the founders initially employ learn subsequently from their own experiences.

Property Rights: Corporate culture, particularly its values, stems from how the organization distributes its property rights - the right the organization gives to its members to receive and use organizational resources. Property rights define the rights and responsibilities of each inside stakeholder group and cause the development of different norms, values and attitudes towards the organization.

Shareholders have the strongest property rights of all stakeholder groups because they own the resources of the organization and share in its profits. Next come the managers who are entitled for attractive stock options and compensation. Managers are vested with strong property rights because it is they who make or mar organizations. Employees too have property rights in the form of secured jobs, adequate compensation, pension and benefits and in some cases stock options. The distribution of property rights has a direct effect on the employee behaviour and performance. It also determines the culture that emerges in the organizations. Where property distribution is fair, stakeholders cultivate bondage to the organization and develop strong culture.

Organizational Structure: organization structure is the formal system of tasks and authority relationships that an organization establishes to control its activities. The structure goes beyond this. It influences organizational culture. Mechanistic structures have many levels of authority. Highly centralized and standardized and organic structures have few levels of authority and decentralized structures rely on mutual adjustment. In mechanistic structures, people have relatively little personal autonomy and desirable behaviour includes being cautious, "boss is always right" attitude, and respecting traditions. Obviously, a mechanistic structure is likely to give rise to a culture in which predictability and stability are desired end results. In organic structures, people have more freedom to choose and control their own activities, and desirable behaviours include being creative or courageous and risk taking. Thus an organic structures is likely to give rise to a culture in which innovation and flexibility are desired end states.

Organizational Ethics: Organizational ethics are the moral values, beliefs and rules that establish the appropriate way for organizational stakeholders to deal with one another and within the organization's environment. Organizational ethics outline the right and wrong ways to behave in a situation. Bribery and corruption are the major issues when one is talking about ethics. Bribery is a deliberate attempt to pursue someone (usually in position of power and authority) to act improperly in favour of the briber by offering money or gifts or any other material gain. Bribery has been at the root of corruption. Corruption then is the abuse of public office for private gain. Bribery and corruption are discouraged by an ethically strong organization, such as Tatas.

Characteristics of People within the Organization: The ultimate source of organizational culture is the people who make up the organization. Organizations are composed of people and it is they who contribute to cultures. People differ in their personalities, values, and ethics. Naturally, organizations which hire and retain people tend to develop distinctly different cultures. People may be attracted to an organization whose values match theirs; similarly, an organization selects people who share its values. Overtime, people who do not fit in quit. The consequence is that people inside the organization become more and more similar, the values of the organization become more and more parochial, and the culture becomes more and more distinct from that of similar organizations. This "People make the place" view of organizational culture has dysfunctional consequences.

11.3 SUSTAINING THE CULTURE

Having created culture, it needs to be kept alive in the organization. There are strategies which organizations employ to sustain their cultures. Such approaches include *selecting and socializing employees, actions of founders and leaders, culturally consistent rewards, managing the cultural network and maintaining stable workforce.*

Selecting and Socializing Employees: The main purpose of *hiring process* is to hire right people for right jobs. When, for a given job, two or more candidates, with identical skills and abilities are available, final selection is influenced by how well a candidate fits into the organization. By identifying candidates who can jell with the organizational culture, selection helps sustain culture considerably. Job applicants too look at an organization from its culture perspective before seeking entry in to it. In fact, more than pay and perquisites an organization offers its cultural artifacts which often attract or detract job seekers.

Along with selecting people with compatible values, companies maintain strong culture through the effective *socialization* of new employees. Organizational socialization refers to the process by which individuals learn the values, expected behaviours, and social knowledge necessary to assume their roles in the organization. Socialization can be conceptualized as a process made up of three stages: *Pre-arrival*, *encounter* and *metamorphosis*. The first stage encompasses all the learning that occurs before a new member joins the organization. In the second stage, the new employee sees what the organization is really like and confronts the likelihood that expectation and reality diverge. In the third stage, the relatively long lasting changes take place. The new employee masters the skills required for his or her new roles, and makes the adjustment to his or her work group's values and norms.

Actions of Leaders and Founders: There is a role of leaders in creating organizational culture. The founders and leaders play a significant role in sustaining organizational culture. Founders are visionaries whose energetic style provides a powerful role model for others to follow. The founder's cultural imprint often remains with the organization for decades. Inspite of the founder's effect, subsequent leaders can break the organization away from the founder's values if they apply the transformational leadership concept. Transformation leaders strengthen organizational culture by communicating and enacting their vision of the future. Cultural values are pertinently reinforced when leaders behave in ways that are consistent with the vision.

Culturally Consistent Rewards: Reward systems strengthen corporate culture when they are consistent with cultural values. Aggressive cultures might offer more performance-based individual incentives, whereas paternalistic cultures would more likely offer employee assistance programs, medical insurance, and other benefits that support employee well-being.

Managing the Cultural Network: Organizational culture is learned, so an effective network of cultural transmission is necessary to strengthen the firm in underlying values and beliefs. The cultural network exists through the organizational grapevine. It is also supported through frequent opportunities for interaction so that employees can share stories and re-enact rituals. Senior executives must tap into the cultural network, sharing their own stories and creating new ceremonies and other opportunities to demonstrate shared meaning. Company magazines and other media can also strengthen organizational culture by communicating cultural values and beliefs more effectively,

Maintaining a Stable Workforce: An organization's culture is embedded in the minds of its employees. The director of a B-school in Bangalore was aghast when a retired employee appeared one morning at his (Director's) office and told him that he came to the school because he dreamt about it the previous night. Organizational stories are rarely written down; rituals and celebrations do not usually exist in manuals; organizational metaphors are not found in corporate directories. Thus, organizations depend on a stable workforce to communicate and reinforce the dominant beliefs and values. The organization's culture can literally disintegrate during periods of high turnover and downsizing because the corporate memory leaves with these employees. Organizational culture also weakens during periods of rapid expansion or mergers because it takes time for incoming employees to learn about and accept the dominant corporate values and beliefs. For this reason, some organizations keep their culture intact by moderating employment growth and checking turnover problems.

11.4 Summary

Organizational culture refers to the beliefs, norms, and attitudes that knit an organization together and are shared by its employees. Cultures can be sustained by selecting and socializing employees, actions by founders and leaders, instituting culturally consistent rewards and managing a cultural network. There are strategies which organizations employ to sustain their cultures. Such approaches include selecting and socializing employees, actions of founders and leaders, culturally consistent rewards, managing the cultural network and maintaining stable workforce.

11.5 Technical terms

Organizational Culture.

11.6 Self - Assessment Questions

1. Take an organization you know and discuss its culture. Is the culture helping or hindering the organization in achieving its goals?
2. What is organizational culture?
3. How to create organisational culture?
4. What are the ways to sustain organisational culture?

11.7 Reference Books

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