PONDICHERRY UNIVERSITY

(A Central University)

DIRECTORATE OF DISTANCE EDUCATION

ORGANISATIONAL BEHAVIOUR

(Paper Code: BBA2003*)*

Bachelor of Business Administration - B.B.A

II Year

DDE – WHERE INNOVATION IS A WAY OF LIFE

PAPER VIII - ORGANISATIONAL BEHAVIOUR

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PAPER VIII - ORGANISATIONAL BEHAVIOUR

Syllabus

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UNIT II: Organisational Structure – Importance of Structure – Learning – Learning styles and process

UNIT III: Perception – Process of perception – Personality- Attitude – Development of Attitude and Values – Stress Management

UNIT IV: Motivation and Leadership – Need – Theories of Motivation – Importance of Motivation – Motivation, Morale and Productivity. Leadership – Styles of Leader – Effective leadership.

UNIT V: Group Dynamics – Groups in an organization – Influences – informal Leaders – Group Behaviour – Cohesiveness

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UNIT VIII: Organizational culture, conflict and effectiveness: organizational culture – concept distinction between organizational culture and organizational climate – factors influencing organizational culture – morale - concept and types - managing conflict - organizational effectiveness - indicators of organizational effectiveness - Achieving organizational effectiveness.

REFERENCES:

Udai Pareek, Understanding OB,

Fred Luthans, Organizational Behaviour ,

Stephen Robinson, Organisational Behaviour,
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UNIT –I
INTRODUCTION

INTRODUCTION

"A primary goal of management education is to develop students into managers who can think ahead, exercise good judgment, make ethical decisions, and take into consideration the implications of their proposed actions"- Jane Schmidt-Wilk

ORGANIZATIONAL BEHAVIOUR [OB]

"No one really knows why humans do what they do." - David K. Reynolds

Organizational behaviour [OB] is the study of how people behave both individually and within informal and formal groups. Every organization's performance is ultimately dependent on the motivational levels of its human resources and the willingness and ability of people to work harmoniously and effectively towards the accomplishment of shared goals. It is the duty of every leader to respect individual values, job satisfaction, and ensure collective involvement. Having challenging selection, training, and rewards for employees ushers in and helps shape team players.

NATURE OF ORGANIZATIONAL BEHAVIOUR

Organizational behaviour has emerged as a separate field of study. The nature it has acquired is identified as follows:

- A Humanistic and Optimistic Approach
- A Normative Science
- A Separate Field of Study and not a Discipline Only
- A Total System Approach
- An Applied Science
- An Interdisciplinary Approach

GOALS OF ORGANIZATIONAL BEHAVIOUR

Organizational Behaviour is "*the study of human behaviour in organizational settings, the interface between human behaviour and the organization, and the organization itself.*" A field of study that investigates the impact that individuals, groups, and structure have on behaviour within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness.

	Goals of organisational Behaviour
	• To describe systematically how people behave under variety of conditions • To understand why people behave as they do • To predict future employee behaviour • To control and develop human activity at work

OBJECTIVES OF ORGANISATIONAL BEHAVIOUR

An organization is a collection of people working together in a division of labour to achieve a common purpose. The core purpose of an organization is the creation of goods and services. An organization is a consciously coordinated social unit, composed of a group of people that functions on a relatively continuous basis to achieve a common goal or set of goals. Manufacturing and service firms are organization and so are schools, hospitals, churches, military unit, retail stores, police department, volunteer organizations, start-ups, and local, state and government agencies.
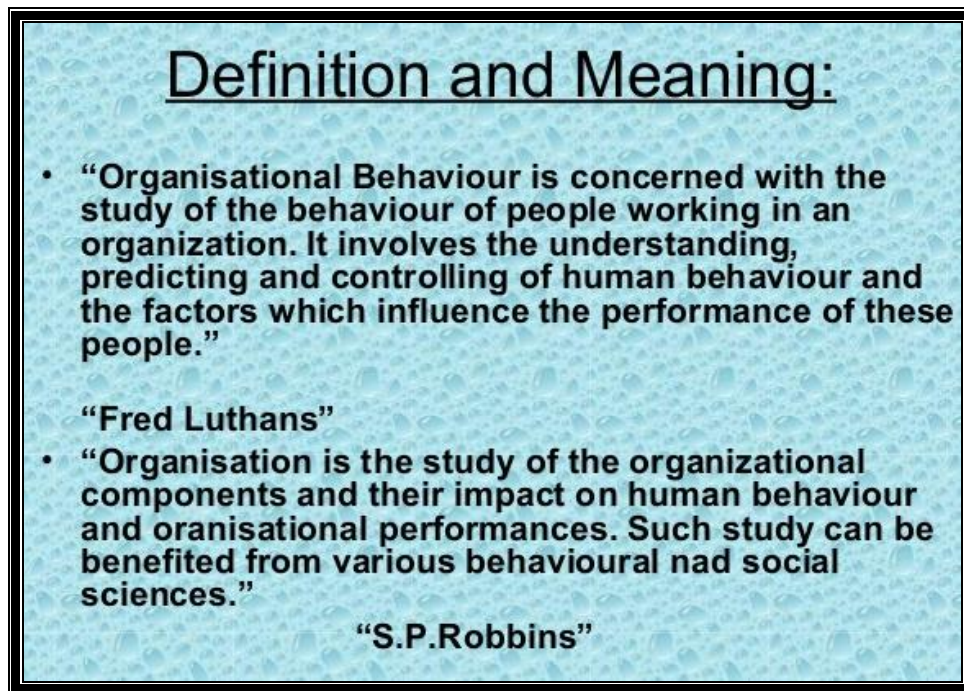
The objectives of OB are:

- To establish a social system in the organization.
- To determine the motivation level of employees.
- To encourage the people to work enthusiastically in the organization.
- To create an environment for the development of effective leadership.
- To develop effective group behaviour among the employees.
- To identify the reasons for conflict and to resolve the conflict.
- To find out the reasons for frustration and reduce or eliminate the reasons.
- To increase the moral of employees of the organization.
- To maintain the organizational environment favourable for the work.
- To find out the ways for effective organizational development.

WHY STUDY OF ORGANIZATIONAL BEHAVIOUR?

The study of human behaviour, attitudes, and performance in organizations is very important for effective management; it creates values and helps people attain the competencies needed to become effective employees, team leaders/members, or managers. The nature of managerial work involves:

- Effective and competitive organizations
- Helps you to retain the people who came up with the good ideas.
- Useful in any job, organization, industry, anywhere.
- OB theories have widespread applications.
- Evaluate "solutions" proposed by consultants and managers.
- Solve new problems and adapt to new situations.
- Evidence-based management is crucial.

Definition and Meaning:

- "Organisational Behaviour is concerned with the study of the behaviour of people working in an organization. It involves the understanding, predicting and controlling of human behaviour and the factors which influence the performance of these people."

  "Fred Luthans"
- "Organisation is the study of the organizational components and their impact on human behaviour and oranisational performances. Such study can be benefited from various behavioural nad social sciences."

  "S.P.Robbins"

The study of Organisational Behaviour involves:

- Consideration of the interaction among the formal structure (organisational context in which the process of management takes place)
- The tasks to be undertaken
- The technology employed and the methods of carrying out work
- The behaviour of people
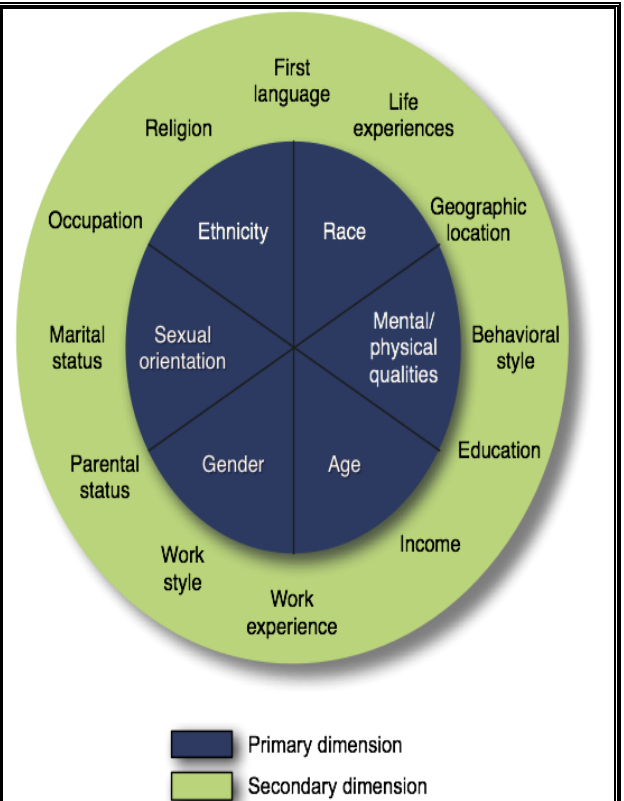- The process of management
- The external environment

Interrelated dimensions influencing behaviour:

● The Individual - working environment should satisfy individual needs as well as attainment of organisational goals.

● The Group - formal and informal. Understanding of groups complements knowledge of individual behaviour.

● The Organisation - impact of organisation structure and design, and patterns of management, on behaviour.

● The Environment - technological and scientific development, economic activity, governmental actions.

EMERGING TRENDS OF CHANGING WORKFORCE

Workforce has increasing diversity along several dimensions:

- Primary categories (e.g. gender, age, ethnicity, etc.
- Secondary categories like some control over (e.g. education, marital status)
- Commitment to ethical behaviour.
- Importance of human capital.
- Formal authority replaced by group decisions and consensus.
- Emphasis on teamwork.
- Pervasive influence of information technology.
- Respect for new workforce expectations.
- Changing concept of careers.

CHALLENGES BEFORE MANAGERS TODAY

"Good management consists in showing average people how to do the work of superior people". The nature of work is changing in ways that require innovation in how leaders engage and manage their workforces. Technology has created virtual workplaces, resulting in co-workers being widely dispersed and working at different times of the day. In response to these challenges, the best workplaces focus not just on workers' basic economic and

security needs, but on creating meaningful work and supportive social networks for employees. The main focal points are:

1. Changing Social/ Cultural Environment	▪ National culture ▪ Organizational ethics and well-being ▪ Diverse work force
2. Evolving Global Environment	▪ Understanding Global Differences ▪ Improve Organization's Behaviors' and Procedures in Response to Those Differences
3. Advancing Information Technology	▪ Information ▪ Information Technology ▪ Intranets ▪ Knowledge ▪ Organizational Learning ▪ Creativity ▪ Innovation
4. Shifting Work/ Employment Relationships	▪ Downsizing ▪ Empowerment and Self-Managed Teams ▪ Contingent Workers ▪ Outsourcing

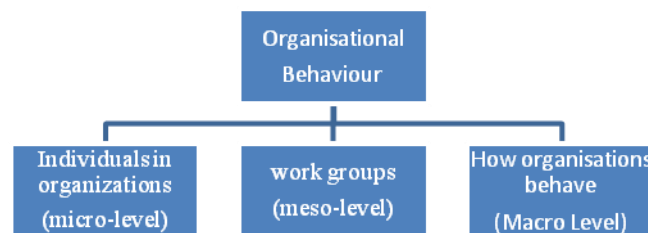**SCOPE AND IMPORTANCE OF ORGANIZATIONAL BEHAVIOUR**

The three internal organizational elements viz., people, technology and structure and the fourth element, i.e., external social systems may be taken as the scope of O.B.

o **People:** The people constitute the internal social system of the organization. They consist of individuals and groups. Groups may be large or small, formal or informal, official or unofficial. They are dynamic. They form, change and disband. People are living, thinking and feeling being who created the organization and try to achieve the objectives and goals. **Thus, organizations exist to serve the people and not the people exist to serve the organization.**

o **Structure:** Structure defines the sole relationship of people in an organization. Different people in an organization are given different roles and they have certain relationship with others. All are so related to each other to accomplish the goal in a co-

ordinated manner. **Thus, structure relates to power and duties. One has the authority and others have a duty to obey him.**

o **Technology:** Technology imparts the physical and economic conditions within which people work. With their bare hands people can do nothing so they are given assistance of buildings, machines, tools, processes and resources. Thus, technology brings effectiveness and at the same restricts people in various ways.

o **Social System:** Social system provides external environment which the organization operates. A single organization cannot exist also. It is a part of the whole. All organizations influence each other. It influences the attitudes of people, their working conditions and above all provides competition for resources and power.

Chester Barnard recognized that individuals behave differently when acting in their organizational role than when acting separately from the organization. OB can be divided into three levels. The study of:

‘Organizational Behaviour’ can be defined as the study of what people think, feel, and do in and around organizations. The study of Organizational Behavior facilitates the process of explaining, understanding, predicting, maintaining, and changing employee behaviour in an organizational setup. The value of organizational behaviour is that it isolates important aspects of the manager's job and offers specific perspective on the human side of management:

- **People as organizations**
- **People as resources**
- **People as people**.

NATURE AND SCOPE OF ORGANISATIONAL BEHAVIOUR

Organizational Behaviour is concerned with the understanding, prediction and control of human behaviour in organizations. It focuses on the individuals, the groups and the organization and also on their interactional relationships. It is the study and application of knowledge about how people act with organizations. It is a human tool for human benefit. It applies broadly to the behaviour of people in all types of organizations. Wherever organizations are, there is a need to understand organizational behaviour.

It is not surprising to find that it emphasizes behaviour as related to concerns such as jobs, work, absenteeism, employment turnover, productivity, human performance and management. It has become more significant today than in previous years because organizations must master to adapt to the rapidly changing business cultures that have stemmed from a competitive market.

WHAT IS AN ORGANISATION?

An *organization is a collection of people* working together in a division of labour to achieve a common purpose. When there are activities of two or more persons, the organisation starts evolving. Organization may be simple or complex, micro or macro aspects. The basic elements of organisation have remained the same over the years. They have a purpose. They attract people. They acquire resources which they use. They aspire to achieve the set of objectives. They use some structure to decide the works and to co-ordinate the activities. We will consider a few definitions of some authors.

According to L. Urwick," Organisation is to determine the activities to accomplish a job and arrange the distribution of activities among the people"

According to Gary Johns, "Organizations are social inventions for accomplishing goals through group efforts". This definition covers wide variety-of groups such as businesses, schools, hospitals, fraternal groups, religious bodies, government agencies and so on.

According to Money and Reiley: "Organization is the form of every human association for the attainment of a common purpose".

According to Puffier and Sherwood: "Organization is the pattern of ways in which large numbers of people have intimate face to face contact with all others, are engaged in a variety of tasks, relate themselves to each other in conscious, systematic establishment and accomplishment of mutually agreed purposes".

There are three significant aspects in the above definition, which require further analysis. They are as follows: a). *Accomplishing Goals:* All organisations have reasons for their existence. These reasons are the goals towards which all organisational efforts are directed. While the primary goal of any commercial organisation is to make money for its owners, this goal is inter-related with many other goals. Accordingly, any organisational goal must integrate in itself the personal goals of all individuals associated with the organisation be overcome by group efforts b). *Group Effort:* People, both as members of the society at large and as a part of an organization interact with each other and are inter-dependent. C). *Social Inventions:* The word "social" as a derivative of society basically means gathering of people. It is the people that primarily make up an organisation.

ROLE OF ORGANISATIONAL BEHAVIOUR IN MANAGEMENT OF BUSINESS

Organisational behaviour provides solution as well as insight towards solution to many challenges which are faced by the organisations. Some of the important roles performed by organisational behaviour in management of business are as follows:-

Globalisation	*Due to globalisation, organisations are no longer confined to one particular country. The Manager's job is changing with the expansion of the organisations across the national borders. Example, Volkswagen builds its cars in Mexico, Mercedes and BMW in South Africa. Due to globalisation, the management has to deal with the problems of unfamiliar languages, laws, work ethics, management styles etc.*
Managing work Force Diversity	*Organisations are a heterogeneous mix of people in terms of age, gender, race etc. Managers have to deal with individuals and groups belonging to different ethnic cultures with work force diversity by*

	promoting its awareness, increasing diversity skills, encouraging culture and gender diversity.
Improving Quality and Productivity	*Every Manager is confronting the same problem of improving the productivity, quality of the goods and services their organisation is providing. Organisational Behaviour helps the Managers to empower their employees, as they are the major forces for implementing this change.*
Improving customer service	*Most of the employees work in service sector. The jobs in the service sector, is very demanding. It requires continuous interaction with the organisations clients i.e. the customers. Organisational Behaviour helps the managers to improve customer service and organisational performance.*
Improving People skills	*Organisational Behaviour helps in better management of business as it helps in improving the skills of the people. It provides insight into the skills that the employees can use on the job such as designing jobs and creating effective teams.*
Innovation and Change	*Organisational Behaviour helps in stimulating innovation and change. Employees can either be a hurdle or an instrument of change. It is organisational behaviour which fosters ideas and techniques to promote innovation and change by improving employees creativity*
Work life balance	*Organisations that do not help employees to achieve work life balance will not be able to retain their most talented employees. Organisational behaviour helps in designing flexible jobs which can help employees deal with work life balance issues.*
Promoting ethical Behaviour	*Sometimes the organisations are in a situation of ethical dilemma where they have to define right and wrong. It is Organisational Behaviour which helps an important role by helping the management to create such a work environment which is ethically healthy and increases work productivity, job satisfaction and organisational citizenship behaviour.*
Creating a positive Work Environment	*Organisational behaviour helps in creating a positive work environment in today's where competitive pressures are stronger than before. OB helps to develop resilience, human strength, and it fosters vitality.*

ORGANIZATIONAL BEHAVIOUR VS HRM

Organizational Behaviour (OB) is a field of study devoted to understanding, explaining, and ultimately improving the attitudes and B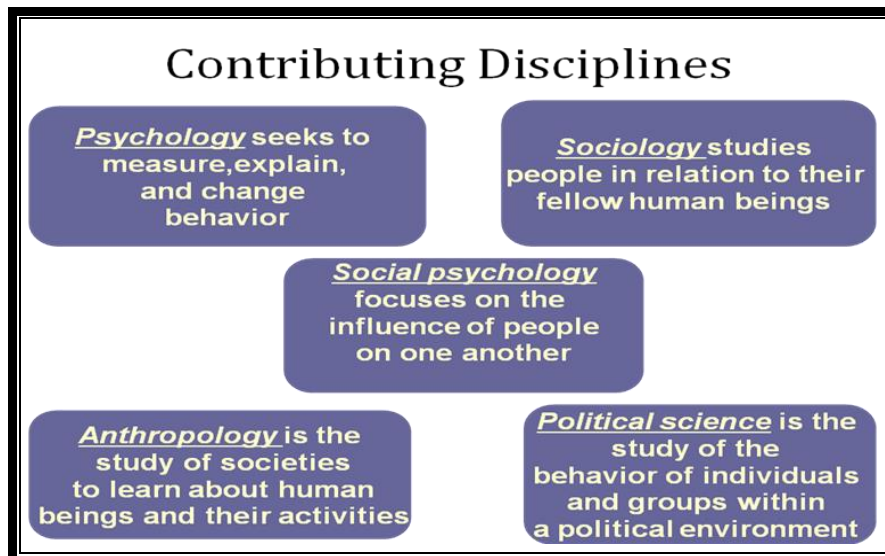ehaviour of individuals and groups in organizations. Human resource management takes the theories and principles studied in OB and explore the "nuts-and-bolts" applications of those principles in organizations. An OB study might explore the relationship between learning and job performance, whereas a human resource Management study might examine the best ways to structure training programs to promote employee learning.

Organizational Behaviour Vs HRM

HRM is an organizational function responsible for staffing issues	OB is not a function, it is a set of organization-wide processes

CONTRIBUTING FIELDS TO ORGANIZATIONAL BEHAVIOUR

Organizational behaviour is applied behavioural science. Psychology is the science that seeks to measure, explain, and sometimes change the behaviour of humans and other animals. Sociology studies people in relation to their fellow human beings. Greatest contribution was through their study of group behaviour in organizations, particularly formal and complex organizations. Social Psychology is an area within psychology, blending concepts from psychology and sociology. It focuses on the influence of people on one another. Anthropology is the study of societies to learn about human beings and their activities. This has helped us understand differences in fundamental values, attitudes, and behaviour between people in different countries and within organizations. Political science, the study of the behaviour of individuals and groups within a political environment, is frequently overlooked.

Contributing Disciplines

Psychology seeks to measure, explain, and change behavior

Sociology studies people in relation to their fellow human beings

Social psychology focuses on the influence of people on one another

Anthropology is the study of societies to learn about human beings and their activities

Political science is the study of the behavior of individuals and groups within a political environment

SIGNIFICANCE OF STUDYING OF OB

OB is concerned with understanding, applying and controlling of behavioural and structural knowledge of an organisation for organisation's effectiveness. Management function includes Planning, organising, leading and controlling where people are involved in different roles (interpersonal roles, informational roles, and decisional roles) and different capacities. Therefore, for an organisation to succeed it is very important for it to understand its organisation's culture, people by way of understanding their perception, attitudes, motivation, personality, key personality characteristics relevant to workplace, learning, job satisfaction, etc through theories of motivation, learning, and reinforcement. And mould their dissatisfaction to satisfaction, motivate them to achieve desired results, provide them appropriate work culture, growth opportunities, punish their inappropriate behaviour, and infusing learning environment and leadership.

> *The importance of studying organizational behaviour is rooted in psychology. Noted behaviourist B.F. Skinner was speaking in a larger cultural context when he published his book, "Science and Human Behaviour" in 1953, but his theories on how a culture is created and reinforced have since been adopted by the human resource profession to aid in understanding and adapting corporate culture to fit the needs of the industry.*
>
> *Skinner postulated that, "cultural practices which are advantageous will tend to be characteristic of the groups which survive and which, therefore, perpetuate those practices." If we translate this statement for the modern business world, we learn that companies which adapt to the prevailing culture of their industry thrive, whereas those that do not risk extinction.*

- Better knowledge of human
- Decision-making

13

- Managerial functions
- Motivation
- Prediction
- Problem solving
- Social systems
- Understanding people

IMPORTANCE OF ORGANISATIONAL BEHAVIOUR

OB provides a road map to our lives in organizations.

OB uses scientific research to understand and make organization life, as it helps to predict what people will do under various conditions

It helps to influence organizational events – to understand and predict events

It helps individual understand herself/ himself in better fashion.

It helps manager to manage human resources effectively. Eg. Motivation

It helps organizations for maintaining cordial industrial relations.

It is also useful in the field marketing.

MODERN APPROACH TO ORGANIZATIONAL BEHAVIOUR

The four approaches are – human resources approach, productivity approach, and systems approach.

1. **Human Resources Approach**: The human resources approach is concerned with the growth and development of people towards higher levels of competency, creativity and fulfillment, because people are the central resource in any organization.

2. **Contingency Approach**: A contingency approach to organizational behaviour implies that different situations require different behavioural practices for effectiveness instead of following a traditional approach for all situations.

3. **Productivity Approach:** Productivity is considered to be improved, if more outputs can be produced from the same amount of inputs.

4. **Systems Approach**: Within the organization 'people' employ 'technology' in performing the 'task' that they are responsible for, while the 'structure' of the organization serves as a basis for co-ordinating all their different activities. The

systems view emphasizes the interdependence of each of these elements within the organization, if the organization as a whole is to function effectively.

MODELS OF ORGANISATION BEHAVIOUR

Organizations differ in the quality of organizational behaviour that they develop. These differences are substantially caused by different models of organizational behaviour that dominant management's thought in each organization. The Model used depends on the knowledge and skills of managers, the expectations of employees, the policies and ways of life in the organization and the nature of the work e.g. low skilled, high programmed work, temporary work, or intellectual work.

Good OB builds mutual support with manager and employee jointly influencing each other and jointly benefitting…power *with* people, not *over* them. Modern OB is based on human values of treating people with dignity.

The model that a manager holds usually begins with certain assumptions about people and thereby leads to certain interpretations of organizational events. The following four models of organizational behaviour are as follows:

    A. Autocratic model

    B. Custodial model

    C. Supportive model

    D. Collegial model

    E. Systems model

1. **Autocratic Model:** This model relies on power. For example, managers have the ability, authority to control their employees and the employee's performance in this stage will be much lower than expected. Example: Defence team. This model:

   1. Depends on power

   2. Managerial orientation is authority

   3. Employee orientation is obedience

   4. Employee psychological result depends on boss

   5. Employee needs met is subsistence

   6. Performance result is minimum.

In long run, the employees may develop frustration and may be prone to stress conditions. There physical or mental health may get affected. The organization may also begin to face such behavioural problems as a high rate of absenteeism, low morale, high rate of labour turnover and so on.

2. **Custodial Model:** This model depends on economic resources (money). For instance, managers can simulate their employees by offering them facilities, and benefits, but in this model the employee's won't work as a team (Less sharing with others) because everyone will depend on his self to get more benefits than the others.

1. Depends on economical resource

2. Managerial orientation is money

3. Employee orientation is security and benefit

4. Employee psychological result depends on organization

5. Employee needs met is security

6. Performance result is passive cooperation

Example: Garments factory, because here it is based on economical resource. Here labors execute their job for security and benefit, again here if an organization do well then employee get better benefit.

3. **The supportive model.** This model relies on leadership. For example, managers support their employees by encouraging, and supporting them to perform a better job, get along with each other and as well as developing their skills. The Performance results will be awakened drives. Example: Software firm, because here leaders support there employee to perform their tasks or their project.

1. Depends on leadership

2. Managerial orientation is support

3. Employee orientation is job and performance

4. Employee psychological result is participation

5. Employee needs met is status and recognition

6. Performance result is awakened drives

4. **Collegial Model:** This model means that employees depend on each other cooperatively and work as a team to do the task. Everyone will be having a normal enthusiasm self-discipline, and responsible Behaviour towards their tasks.

1. Depends on partnership

2. Managerial orientation is teamwork

3. Employee orientation is responsible Behaviour

4. Employee psychological result is self discipline

5. Employee needs met is self actualization

6. Performance result is moderate enthusiasm

5.System model: This model is based on trust, self-motivation, and the performance results will be more than expected, because employees will be committed to do their tasks as expected, and as well as organizational goals. Example: Some corporate firm which are based on trust or community where employees are self motivated and committed for organizational goals.

1. Depends on trust, community, understanding

2. Managerial orientation is caring, compassion

3. Employee orientation is psychological ownership

4. Employee psychological result is self motivation

5. Employee needs met is wide range

6. Performance result is passion, commitment, organization goal

It is wrong to assume that a particular model is the best model. The selection of model by a manager is determined by a number of factors such as, the existing philosophy, vision and goals of manager. In addition, environmental conditions help in determining which model will be the most effective model. A comparison between the four OB models may be tabulated as follow:

	Autocratic	Custodial	Supportive	Collegial
Basic difference in approach.	Authoritative nature of the management	Organisation takes care of the needs of employees.	The employee is assisted by the manager.	The employee and the manager work as a team.
Position of the subordinate	Total dependence on the manager.	Safe and secured.	Can get help from the superior.	Can secure the participation of the superior in work.
Needs of employees met.	Subsistence	Security	Recognition	Self-Fulfilment
Performance level of subordinates.	Minimum	Passive Co-operation	Greater scope to perform well	Higher performance level.

ORGANIZATION AND   INDIVIDUALS AND THEIR ROLES

Role of Individual in organizations: People tend to identify themselves with the organization in which they participate. The degree of their identification with the organization depends on the nature and intensity of the motives for participating in them. The individual's identification with the organization is stronger if a number of individual needs are satisfied in it. People cannot work in organization without any motives, purposes or thinking. They do not work in an automatically or mechanically or in impulsive manner. The success of a library depends on its readers etc. An organization is said to have attained equilibrium when it is able to maintain the continued contribution of all its participants - members and others by providing them various kinds of inducements to work for its success. Equilibum may be achieved at various levels. It may change over time. The scope of the organization's activities may remain constant or may grow or diminish at another level.
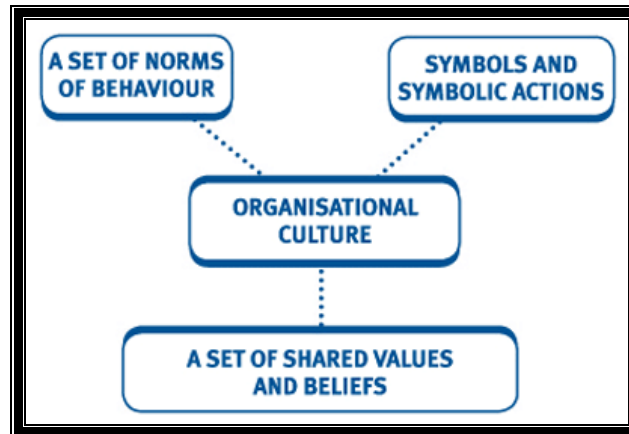
Social Environment

"The organization is above all social. It is people."- Peter Drucker

Social environment of business means all factors which affects business socially. It includes the culture that the individual was educated or lives in, and the people with whom they interact. Social environment of business means all factors which affects   business socially.

Cultural environment

The cultural factors like buying and consumption habit of the people, customs and traditions, tastes and preferences, languages etc. are the factors that affect the strategy of the business. **Culture** is the conventional behaviour of an organization that encompasses beliefs, customs, knowledge, and practices. People depend on culture as it gives them stability, security, understanding, and the ability to respond to a given situation. This is why people fear change. They fear the system will become unstable, their security will be lost, they will not understand the new process, and they will not know how to respond to the new situations.

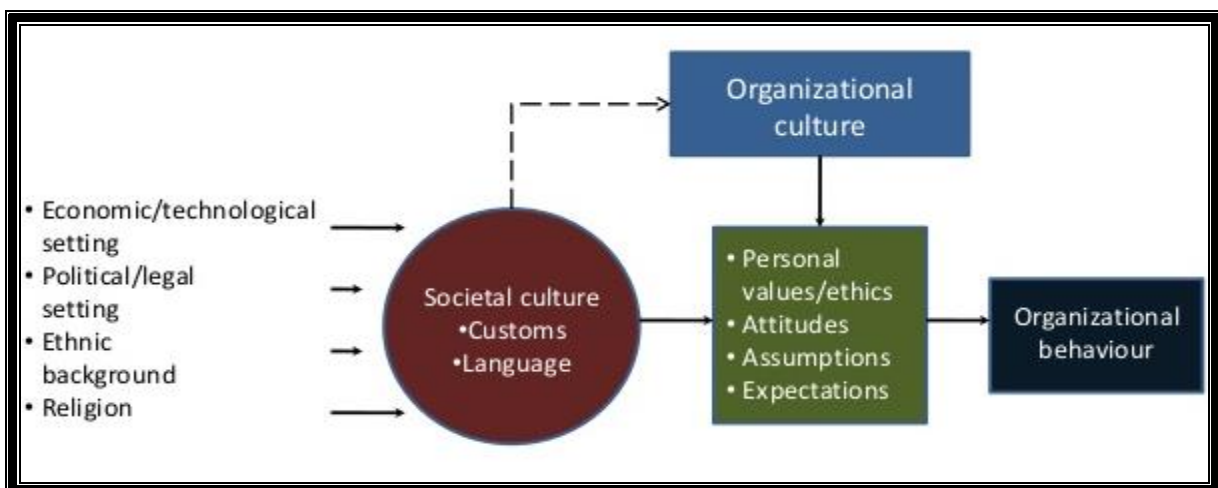## MOST IMPORTANT ELEMENTS IN MANAGING CULTURE

Management Systems defines an organization's culture as consisting of the values, beliefs and norms which influence the behaviour of people. Research has demonstrated that culture is one of the key factors that contribute to organizational success over the long-term.

"If you get the culture right, most of the other stuff will just take care of itself." — Tony Hsieh, CEO of Zappos.com

Functions of Organizational Culture

- Culture provides a sense of identity to members and increases their commitment to the organization
- Culture is a sense-making device for organization members
- Culture reinforces the values of the organization
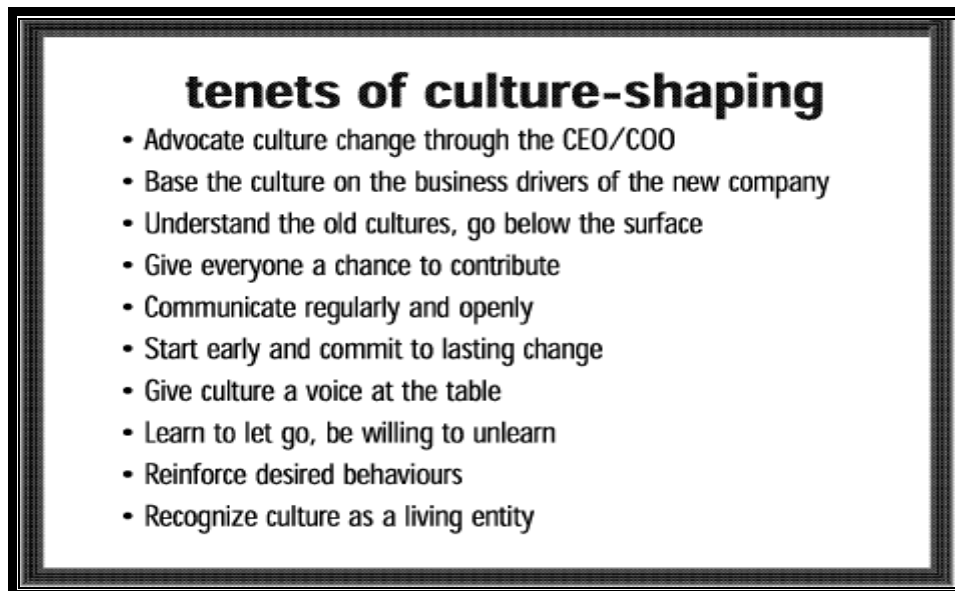- Culture serves as a control mechanism for shaping Behaviour

CULTURAL INFLUENCE ON ORGANISATIONAL BEHAVIOUR

Socio-cultural environment

A set of beliefs, customs, practices and behaviour that exists within a population. International companies often include an examination of the socio-cultural environment prior to entering their target markets. A social system is a complex set of human relationships interacting in many ways. Each small group is a subsystem within larger groups that are subsystem within even larger groups. Two points are important in the complex interactions among people in a social system .
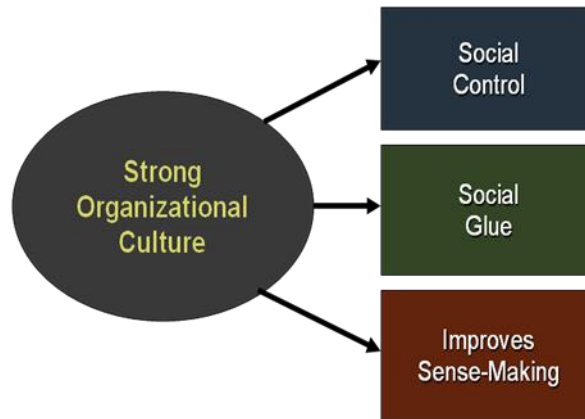
1. The behaviour of any one member can have an impact on the behaviour of any other as all parts of the system are mutually interdependent.

2. Any social system engages in exchanges with its environment, receiving input from it and providing output to it.

tenets of culture-shaping
- Advocate culture change through the CEO/COO
- Base the culture on the business drivers of the new company
- Understand the old cultures, go below the surface
- Give everyone a chance to contribute
- Communicate regularly and openly
- Start early and commit to lasting change
- Give culture a voice at the table
- Learn to let go, be willing to unlearn
- Reinforce desired behaviours
- Recognize culture as a living entity

Employee performance and job satisfaction are determinants of accomplishment of individual and organizational goals. Organizations have been set up to fulfill needs of the people. Employee absenteeism and turnover has a negative impact on productivity. Employee who absents frequently cannot contribute towards productivity and growth of the organization. In the same manner, employee turnover causes increased cost of production.

Job satisfaction is a major factor to analyse performance of an individual towards his work. Satisfied workers are productive workers who contribute towards building an appropriate work culture in an organization. It is a formal structure and all departments have to function in a coordinated manner to achieve the organizational objective. It is also important for managers to develop an appropriate work culture. Use of authority, delegation of certain powers to subordinates, division of labour, efficient communication, benchmarking, re-

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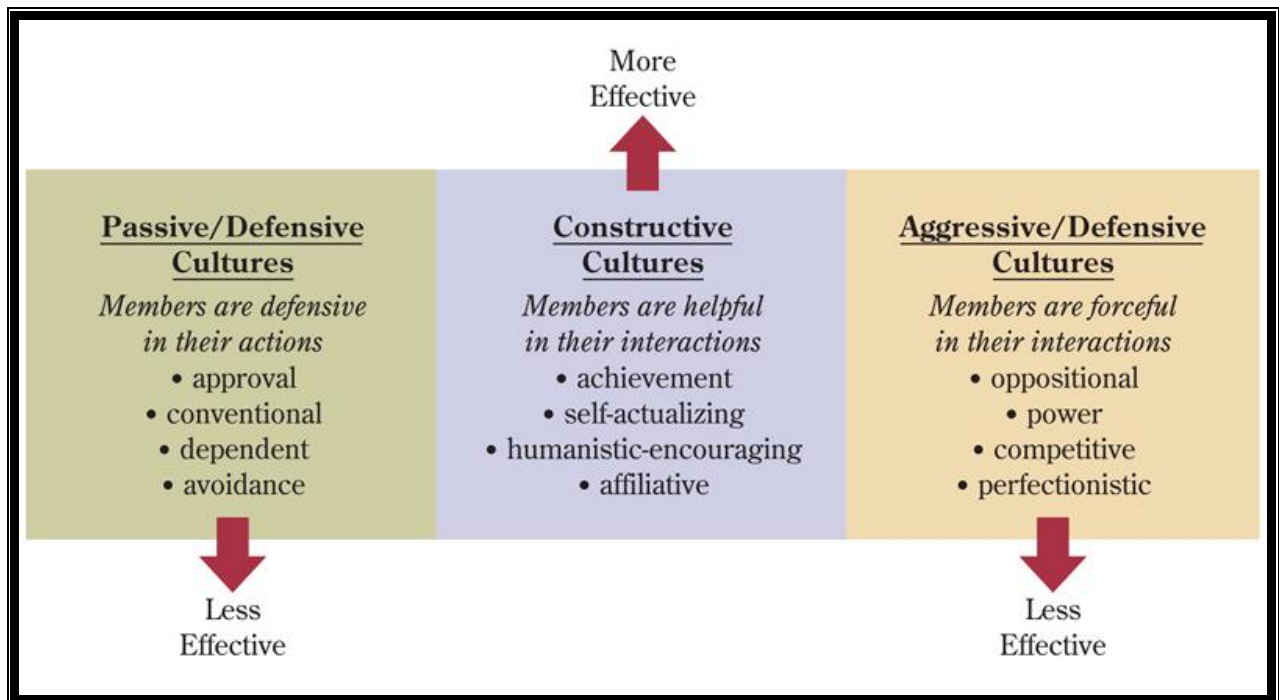

FACTORS WHICH EFFECT SOCIAL AND CULTURAL ENVIRONMENT

The basic pattern of shared values and assumptions governing the way employees within an organization think about and act on problems and opportunities. Every company has its own unique personality, just like people do. The unique personality of an organization is referred to as its culture. In groups of people who work together, organizational culture is an invisible but powerful force that influences the Behaviour of the members of that group.

Elements make up an organization's culture.

- Culture, being the genetic code of an organisation has significance from various perspectives.
- Culture supplements rational management.
- Culture communicates to people through symbols, values, physical settings, language and thereby supplements the rational management tool such as technology and structure.
- Culture facilitates induction and socialization.
- Culture promotes code of conduct and customer focus.
- Culture contributes to organizational diversity.

Characteristic of culture are:

- **Adaptive:** Culture is based on the human capacity to change or adapt, as opposed to the more genetically driven adaptive process of animals.

- **Learned :** Culture is not inherited or biologically based, it is acquired by learning and experience

- **Shared:** People are member of a group, organisation, or society share culture, it is not specific individual.

- **Symbolic:** Culture is based on the human capacity to symbolic or use one thing that represent another.

- **Tran generational:** Culture is passed on from one generation to the next.

Social culture creates the wide ranging context in which organizations operate. It provides the complex social system of laws values and customs in which organizational behaviour occurs. Inside the organization lies another powerful force for determining individual and group behaviour. Organizational culture is the set of assumptions, beliefs, values and norms that are shared by an organization's members. Like the air in a room, it surrounds and affects everything that happens in an organization. Because it is a dynamic systems concept, culture is also affected by almost everything that occurs within an organization.

ORGANIZATIONAL CULTURES ARE IMPORTANT TO A FIRM SUCCESS FOR SEVERAL REASONS:

- They give an organizational identity to employees –a defining vision of what the organization represents.

- An important source of stability and continuity to the organization, which provides a sense of security to its members.

- Organizational culture helps newer employees interpret what goes on inside the organization by providing an important context for events that would otherwise seem confusing.

- Cultures help stimulate employee enthusiasm for their tasks.

- Cultures attract attention, convey a vision and typically honor high producing and creative individuals as heroes.

- By recognizing and rewarding these people organizational cultures are identifying them as role models emulate.

- Organizations like fingerprints and snowflakes are unique. Each has its own history patterns of communication systems and procedures mission statements and visions stories and myths which in their totality constitute its distinctive culture.

- Cultures are relatively stable in nature, usually changing only slowly over time. Expectations to this condition may occur when a major crisis threatens a firm or when two organizations merge with each other.

HOW TO CREATE CULTURE IN AN ORGANISATION?

Organizational Behaviour is so important matter for an organization to operate their business. We know every organization their ultimate target is to maximize profit by satisfying customers need, want and demand successfully. If any organization wants to do business for long time they must have to organize their business organization and create good culture to compete in a high competitive global market.

- **Clarify values** and create connections between leader values and organizational values
- **Reinforce the vision** ensure that everyone in the organization is clear on vision, values and how those elements lead to success
- **Empower behaviors** aligned to values and vision, remove obstacles
- **Align conversations** up and down the organization
- **Target effort** on high impact areas, align your HR systems to your values based culture
- **Emphasize success**, reward change

CHARACTERISTICS OF ORGANIZATIONAL CULTURE

The **seven characteristics of organizational culture** are:

1. **Innovation** (Risk Orientation) - Companies with cultures that place a high value on innovation encourage their employees to take risks and innovate in the performance of their jobs.

2. **Attention to Detail** (Precision Orientation) - A culture that places a high value on attention to detail expects their employees to perform their work with precision. A culture that places a low value on this characteristic does not.

3. **Emphasis on Outcome** (Achievement Orientation) - Companies that focus on results, but not on how the results are achieved, place a high emphasis on this value of organizational culture. A company that instructs its sales force to do whatever it takes to get sales orders has a culture that places a high value on the emphasis on outcome characteristic.

4. **Emphasis on People** (Fairness Orientation) - Companies that place a high value on this characteristic of organizational culture place a great deal of importance on how their decisions will affect the people in their organizations. For these companies, it is important to treat their employees with respect and dignity.

5. **Teamwork** (Collaboration Orientation) - Companies that organize work activities around teams instead of individuals place a high value on this characteristic of organizational culture. People who work for these types of companies tend to have a positive relationship with their co workers and managers.

6. **Aggressiveness** (Competitive Orientation) - This characteristic of organizational culture dictates whether group members are expected to be assertive or easygoing when dealing with companies they compete with in the marketplace. Companies with an aggressive culture place a high value on competitiveness and outperforming the competition at all costs.

7. **Stability** (Rule Orientation) - A company whose culture places a high value on stability are rule-oriented, predictable, and bureaucratic in nature. These types of companies typically provide consistent and predictable levels of output and operate best in non-changing market conditions.

DIMENSIONS OF SOCIETAL CULTURE

1 *Power-distributed/power concentrated*: power is either distributed more equally among the various levels of a culture or is more concentrated.

2 *Group-oriented/self-oriented*: people in self-oriented cultures perceive themselves to be more independent and self-reliant. In group-oriented cultures, ties between people are tight, relationships are firmly structured and individual needs are subservient to the collective needs.

3 *Consideration/aggression*: in aggression cultures, achievement is stressed, competition dominates and conflicts are resolved through the exercise of power and assertiveness. In contrast, consideration societies emphasise relationship, solidarity and resolution of conflicts by compromise and negotiation.

4 *Proactivism/fatalism*: this dimension reflects the proactive or 'we can change things around here' attitude in some cultures, and the willingness to accept things as they are in others – a fatalistic perspective.

5 *Generative/replicative*: some cultures appear more predisposed towards innovation, or the generation of new ideas and methods, whereas other cultures appear more inclined to replicate or to adopt ideas and approaches from elsewhere.

6 *Limited relationship/holistic relationship*: in limited relationship cultures, interactions and relationships tend to be determined by explicit rules which are applied to everyone. In holistic cultures, greater attention is given to relationship obligations, for example kinship, patronage and friendship, than to impartially applied rules.

7 *Male influence/female influences*: in some societies, the male domination of decision-making in political, economic and professional life is perpetuated. In others, women have come to play a significant role.

LIMITATIONS OF ORGANIZATIONAL BEHAVIOUR

"Sometimes people will hear you and be able to change their behaviour, but often their Behaviour has more to do with their own need for approval than with your need for support. No matter what their response, you need to be firm and hold your ground. At the end of the day, your health is your responsibility."

— *Jillian Michaels, Winning by Losing: Drop the Weight, Change Your Life*

1. A significant concern about organizational behaviour is that its knowledge and techniques could be used to manipulate people without regard for human welfare. People who lack ethical values could use people in unethical ways.

2. It is only one of the many systems operating within a large social system.

3. Organizational behaviour cannot abolish conflict and frustration but can only reduce them. It is a way to improve but not an absolute answer to problems.

4. People who lack system understanding may develop a 'Behaviourial basis', which gives them a narrow view point, i.e., a tunnel vision that emphasizes on satisfying employee experiences while overlooking the broader system of an organization in relation to all its public.

5. The law of diminishing returns also operates in the case of organizational behaviour. It states, that at some point increase of a desirable practice produce declining returns and sometimes, negative returns.

Organisational behaviour is concerned with the characteristics and behaviours of employees in isolation; the characteristics and processes that are part of the organisation itself; and the characteristics and behaviours directly resulting from people with their individual needs and motivations working within the structure of the organisation. Thus, the organisation influences and is influenced by individuals. Organizational behaviour integrates the relevant contents of these disciplines to make them applicable for organizational analysis. e.g. it addresses issues, which may be relevant to the case, such as the following:

o How can conflict be resolved or managed?

o How can jobs and organizations be effectively designed?

o How can managers help workers deal effectively with change?

o How can power be secured and used productively?

o How do individual differences in personality, personal development, and career development affect individual's behaviours and attitudes?

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- o How do managers build effective teams?
- o What are the characteristics of effective communication?
- o What are the constituents of effective communication?
- o What contributes to effective decision-making?
- o What facilitates accurate perception and attribution?
- o What factors contribute to effective negotiations?
- o What influences individual, group and organizational learning and the development of individual attitudes toward .work?
- o What motivates people to work, and how. Does the organizational reward system influence worker's behaviour and attitudes?

POINTS TO PONDER

- o Various fields like psychology, social psychology, anthropology, sociology, politics, economics, and medical sciences have contributed to the field of organization behaviour.
- o Various models in the above fields have enriched the study of organization behaviour. It is the field of study that investigates the impact on individuals, groups and organizational structure have on individual behaviour so that the knowledge so achieved can be suitably modified and applied for organizational effectiveness.
- o The study of organizational behaviour relates to the study of attitude, perception, learning, values at individual level.
- o The study is undertaken pertaining to managing stress, conflicts, intergroup behaviour, decision making at group level.
- o Management of change, development of organizational culture, designing and redesigning of jobs, and various organizational development strategies are required to be undertaken by leaders for organizational effectiveness.
- o Communication, delegation of authority, well defined policies, rules, regulation, systems, procedures and processes. Introduction of latest technology is an essential part of organizational development that should be taken care of by the manager responsible for running the organization. Jobs should be allotted to the individual based on the aptitude and the processes must be compatible with the technology being used.
- o Organizational behaviour is highly useful in ensuring organizational effectiveness.
- o Finally OB can offer managers guidance in creating an ethically healthy work climate.

Summary: Organizational Behaviour is the application of knowledge about how peoples, individuals, and groups act and react in an organization, in order to reach and accomplish the highest quality of performances, and dominant results. One way for an organization to become more innovative is to capitalize on its own employee's to innovate. All organizations and groups experience the direct relationship between job satisfaction, and performance. In order to maximize the performance of those within a system, it is significant important to develop an optimal interpersonal chemistry. There is more evidence that the teaching and implementation of soft skills should get higher emphasis in education and organization training process, but it should only complement hard skills, not substitute for it.

Student exercise: Practical Assignment

Visit any one of the organisation nearby your house and find out organizational structure, daily routine activity and roles of manager and his responsibilities.

Check your progress: Answers in brief:

1) What is an organization?

....
....
....

2) What is organizational Behaviour?

....
....
....

3) The following contribute to organizational behaviour.

....
....
....

4) List any 3 needs of organizational behaviour.

....
....
....

QUESTIONS

1. Why should organizational behaviour be studied? Give two reasons.

2. State any two characteristics of OB?

3. What is the need for studying O.B?

4. What do you mean by the "Collegial Model"?

5. What are rational and emotional behaviour models?

6. Give the systems model of organizational behaviour.

7. Define organizational behaviour.

8. What are the contributing sciences to organizational Behaviour?

9. State the importance of study of OB?

10. What is the scope of OB?

11. Human behaviour has a cause-effect relationship"-Justify.

12. What is systems approach to OB?

13. List any three contributing disciplines to the field of OB?

14. What are the concepts of OB?

15. What are different models of OB?

16. Define organization?

17. Explain the characteristics of basic approaches of OB

18. What do you mean by contingency approach to OB?

19. Explain the nature of OB

20. Explain the Scope of Organization Behaviour

ORGANISATIONAL STRUCTURE

INTRODUCTION

"Our company today is leaner, faster, more flexible and more efficient – in short much more competitive. But our journey is far from finished. Building upon our recent success and momentum, we are determined to drive GM to the next level – to sustained success."

-Rick Wagoner, General Motors, Chairman and CEO

WHAT IS ORGANISATIONAL STRUCTURE?

"Every company has two organizational structures: The formal one is written on the charts; the other is the everyday relationship of the men and women in the organization"

-Harold S. Geneen

The structure of an organization will determine the modes in which it operates and performs. Organizational structure allows the expressed allocation of responsibilities for different functions and processes to different entities such as the branch, department, workgroup and individual. The classical organization structure designs are simple, centralized, bureaucratic and divisionalized. Planning the structure ensures there are enough human resources within the company to accomplish the goals set forth in the company's annual plan. It is also important that responsibilities are clearly defined. Each person has a job description that outlines duties, and each job occupies its own position on the company organization chart.

CHANGING WORK FORCE –MANAGING COMPLEXITY

The business is no longer just a place where people come to work. For most of the employees, the firm confers on them that sense of belonging and identity — the firm has become their "village", their community. The firm of the 21st century is not just a hierarchy which ensures maximum efficiency and profit; it is also the community where people belong to and grow together, where their affective and innovative needs are met. The set organizational structure may not coincide with facts, evolving in operational action. Such divergence decreases performance, when growing. E.g., a wrong organizational structure may hamper cooperation and thus hinder the completion of orders in due time and within limits of resources and budgets. Organizational structures shall be adaptive to process requirements, aiming to optimize the ratio of effort and input to output.
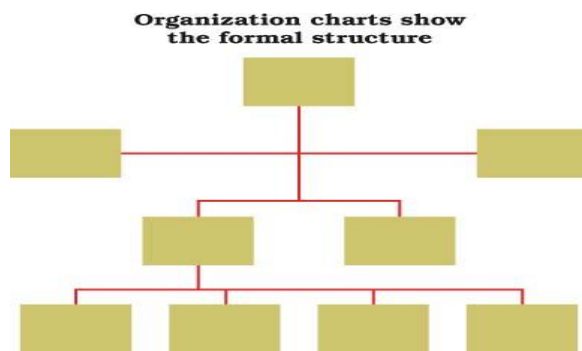
WHY ORGANISATION STRUCTURE IS SUBJECT MATTER TODAY?

When an organization's structure is misaligned, its resistance to change will be great and its execution will be slow. First, always redesign the structure whenever you change the strategy or shift to a new lifecycle stage (do this even if there are no personnel changes). Second, avoid placing efficiency-based functions such as operations or quality control over effectiveness-based functions such as R&D, strategy, and training. Third, avoid giving short-range functions like Sales, Operations, and Engineering power over long-range functions like Marketing, R&D, and People Development. Fourth, distinguish between the need to decentralize autonomy and centralize control and structure the organization accordingly. Finally, avoid placing the wrong style of manager within the new structural role simply because that's the past precedent. If the organization is going to thrive, however, the new structure must support the new strategy.

ORGANIZATION CHARTS AND STRUCTURE

A chart that shows the structure of the organization including the title of each manager's position and, by means of connecting lines, who is accountable to whom and who has authority for each area. ***Organizational chart*** is a line drawing that shows how the parts of an organization are linked. The organization chart establishes the following:

- Formal lines of authority—the official power to act
- Responsibility—the duty or assignment
- Accountability—the moral responsibility

Organization charts show the formal structure

- A picture of the reporting structure and the division of labor in an organization
- Most organizations will have an organization chart to provide people with this information

"Describe the formal structure, how an organization should ideally work".

ADVANTAGES:

- It provides a quick visual illustration of the organizational structure.
- It provides help in organizational planning.
- It shows lines of formal authority, responsibility

DISADVANTAGES:

- Charts become outdated quickly.
- Does not show informal relationship.
- Does not show duties and

and accountability.

- It clarifies who supervises whom and to whom one is responsible.

- It emphasizes the important aspect of each position.

- It aids management development and training.

- It is used to evaluate strengths and weakness of current structure.

- It provides starting points for planning organizational changes.
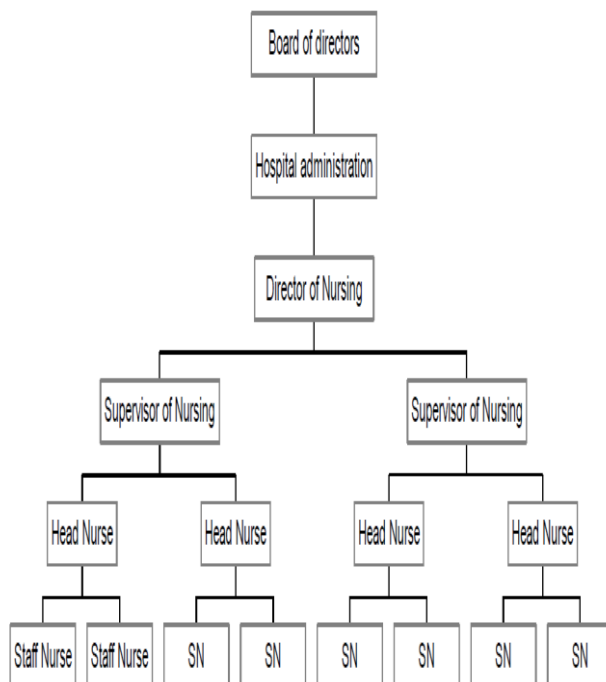
responsibilities.

- Poorly prepared charts might create misleading effects.

> *Thus, organisation is a diagram that outlines the internal structure of a company. An organizational chart is the most common visual depiction of how an organization is structured. It outlines the roles, responsibilities and relationships between individuals within an organization. An organizational chart can be used to depict the structure of an organization as a whole, or broken down by department or unit.*

TYPES OF ORGANIZATIONAL CHARTS

Vertical charts

It shows high-level management at the top with formal lines of authority down the hierarchy, are most common.

Horizontal charts:

It shows the high-level management at the left with lower positions to the right. Shows relative length of formal lines of authority, helps simplify understanding the lines of authority and responsibility.

Circular charts

It shows the high-level management in the center with successive positions in circles. It shows the outward flow of formal authority from the high-level management. It reduces status implications.

FORMAL AND INFORMAL ORGANIZATION STRUCTURE

Formal organization	Informal organization
Refers to the collection of work groups that have been consciously designed by senior management to maximize efficiency and achieve organizational goals.	Refers to the network of relationships that spontaneously establish themselves between members of the organization on the basis of their common interests and friendships.

FORMAL VS INFORMAL ORGANISATION

	Formal organization	Informal organization
A structure		
(a) origin	planned	spontaneous
(b) rational	rational	emotional
(c) characteristics	stable	dynamic
B position terminology	job	role
C goals	profitability or service to society	member satisfaction
D charting	organizational chart	sociogram

DIFFERENT TYPES OF ORGANISATION

There are three main types of organizational structure: functional, divisional and matrix structure.

LINE ORGANISATIONAL STRUCTURE:

A line organisation has only direct, vertical relationships between different levels in the firm. There are only line departments-departments directly involved in accomplishing the primary goal of the organisation. For example, in a typical firm, line departments include production and marketing. In a line organisation authority follows the chain of command. Is the oldest and simplest of structures? Has direct authority flowing vertically from the top. Is generally found in small organizations. Because support staff is needed once they begin to grow. Has an only direct vertical relationship between different

levels in the firm.

Advantages:	Disadvantages:
1. Tends to simplify and clarify authority, responsibility and accountability relationships	1. Neglects specialists in planning
2. Promotes fast decision making	2. Overloads key persons.
3. Simple to understand.	

LINE AND STAFF STRUCTURE

Line authority means, "The position authority that entitles a manager to direct the work of operative employees". **Staff authority:** Positions that have some authority but that are created to support, assist, and advise the holders of line authority. Has line authority similar to line structure. Specialized staff activities are added that support line activities. Staff employees assist the line function. Line and staff personnel have different functions, goals, cultures and backgrounds. Consequently, they could frequently face conflict situations. A manager has to use his skills in resolving such conflicts.

An organisation where staff departments have authority over line personnel in narrow areas of specialization is known as functional authority organisation. **(i) Line position:** a position in the direct chain of command that is responsible for the achievement of an organisation's goals and **(ii) Staff position:** A position intended to provide expertise, advice and support for the line positions. The line officers or managers have the direct authority (known as line authority) to be exercised by them to achieve the organisational goals. The staff officers or managers have staff

authority (i.e., authority to advice the line) over the line. This is also known as functional authority. The following figure illustrates a staff or functional authority organisational structure.

TALL VS. FLAT ORGANIZATIONS

Tall organizations: more management layers and more hierarchical controls. Tall organization: an organization in which the hierarchy has many levels relative to the size of the organization. Flat organization: an organization that has few levels in its hierarchy relative to its size.

TALL AND FLAT ORGANIZATIONS, AND THE SPAN OF CONTROL

Members at Each Level

Organizational Level	Assuming Span of 4	Assuming Span of 8
(Highest)	1	1
2	4	8
	16	64
4	64	512
	256	4,096
6	1,024	
	4,096	
(Lowest)		

Span of 4:
Employees: = 4,096
Managers (level 1–6) = 1,365

Span of 8:
Employees: = 4,096
Managers (level 1–4) =   585

Types of Managerial Hierarchies

A. Pyramid-like structure with decreasing numbers of managers at each level

B. Bloated structure with increasing numbers of managers at each level
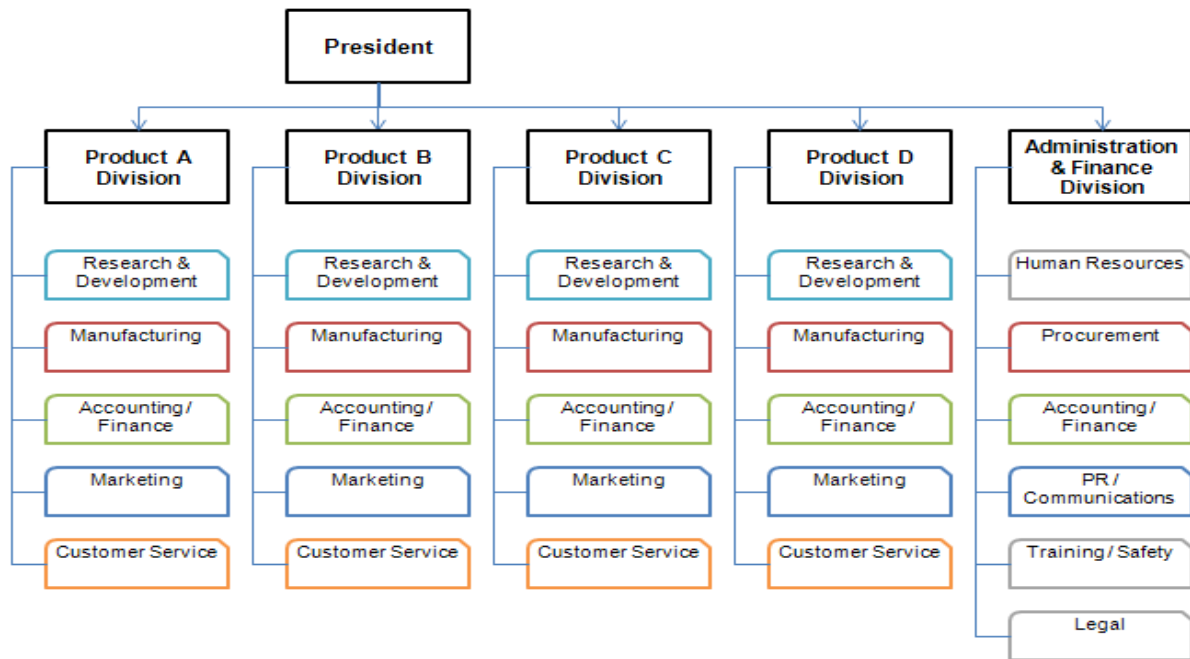
SPAN OF CONTROL

- The number of subordinates reporting directly to a supervisor.
  - Wide spans: larger number of direct reports.
  - Narrow spans: fewer numbers of direct reports.

DEPARTMENTALIZATION

The process through which an organization's activities are grouped together and assigned to managers; the organizationwide division of work. Functional means the grouping of activities by functions performed. Functional Departmentalization: A form of organization that groups a company's activities around essential functions such as manufacturing, sales, or finance.

Divisional Organisational Structure:

Divisional structure typically is used in larger companies that operate in a wide geographic area or that have separate smaller organizations within the umbrella group to cover different types of products or market areas. The benefit of this structure is that needs can be met more rapidly and more specifically; however, communication is inhibited because employees in different divisions are not working together. Divisional structure is costly because of its size and scope. In this type of structure, the organisation can have different basis on which departments are formed. They are: Function,

PROJECT ORGANISATION: Temporary organisation designed to achieve specific results by using teams of specialists from different functional areas in the organisation.

Importance:

Project organisational structure is most valuable when:

- Work is defined by a specific goal and target date for completion.
- Work is unique and unfamiliar to the organisation.
- Work is complex having independent activities and specialized skills are necessary for accomplishment.
- Work is critical in terms of possible gains or losses.
- Work is not repetitive in nature.

Characteristics of project organisation:

- Personnel are assigned to a project from the existing permanent organisation and are under the direction and control of the project manager.
- The project manager specifies what effort is needed and when work will be performed whereas the concerned department manager executes the work using his resources.
- The project manager gets the needed support from production, quality control, engineering etc. for completion of the project.
- The authority over the project team members is shared by project manager and the respective functional managers in the permanent organisation.

- The services of the specialists (project team members) are temporarily loaned to the project manager till the completion of the project.

- There may be conflict between the project manager and the departmental manager on the issue of exercising authority over team members.

- Since authority relationships are overlapping with possibilities of conflicts, informal relationships between project manager and departmental managers (functional managers) become more important than formal prescription of authority.

- Full and free communication is essential among those working on the project.

COMBINATION APPROACH

Used in organisations that face considerable environmental uncertainty that can be met through a divisional structure and that also required functional expertise or efficiency This type of structure is used by multinational companies operating in the global environment, for example, International Business Machines USA. While the focus is on international geographic structures, companies may also choose functional or process or product departmentation in addition to geographic pattern while at the head quarter's the departmentation may be based on function.

Advantages:

1. Alignment of corporate and divisional goals.

2. Functional expertise and efficiency.

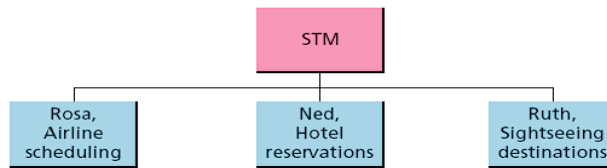3. Adaptability and flexibility in divisions.

Disadvantages:

1. Conflicts between corporate departments and units.

2. Excessive administration overhead.

3. Slow response to exceptional situations.
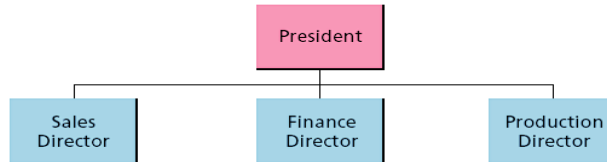
FUNCTIONAL ORGANISATION

Functional organization is a type of organizational structure that uses the principle of specialization based on function or role. It allows decisions to be decentralized since issues are delegated to specialized persons or units, leaving them the responsibility of implementing, evaluating, or controlling the given procedures or goals.

FUNCTIONAL ORGANIZATIONS

Summer Tour Organization

ABC Car Company
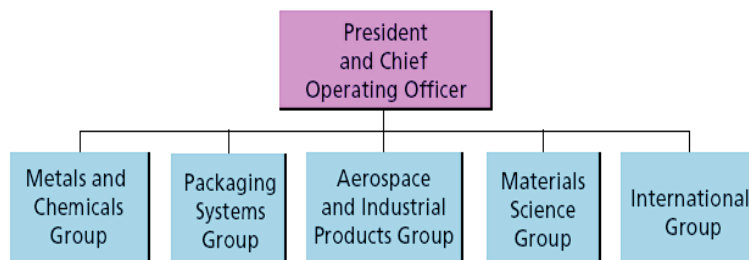

Functional Organization Advantages	*Functional Organization Disadvantages*
• *It is simple, obvious, and logical.*	• *It increases the workload on the executive to whom the functional department heads report.*
• *It fosters efficiency.*	
• *It can simplify executive hiring and training.*	• *It may reduce the firm's sensitivity to and service to the customer.*
• *It can facilitate the top manager's control.*	

PRODUCT:

The grouping of activities by product produced. Product Departmentalization: Grouping departments around a firm's products or services, or each family of products or services; also referred to as a "divisional" organization. Customer: The grouping of activities by common customers. Customer Departmentalization: Self-contained departments are organized to serve the needs of specific groups of customers.
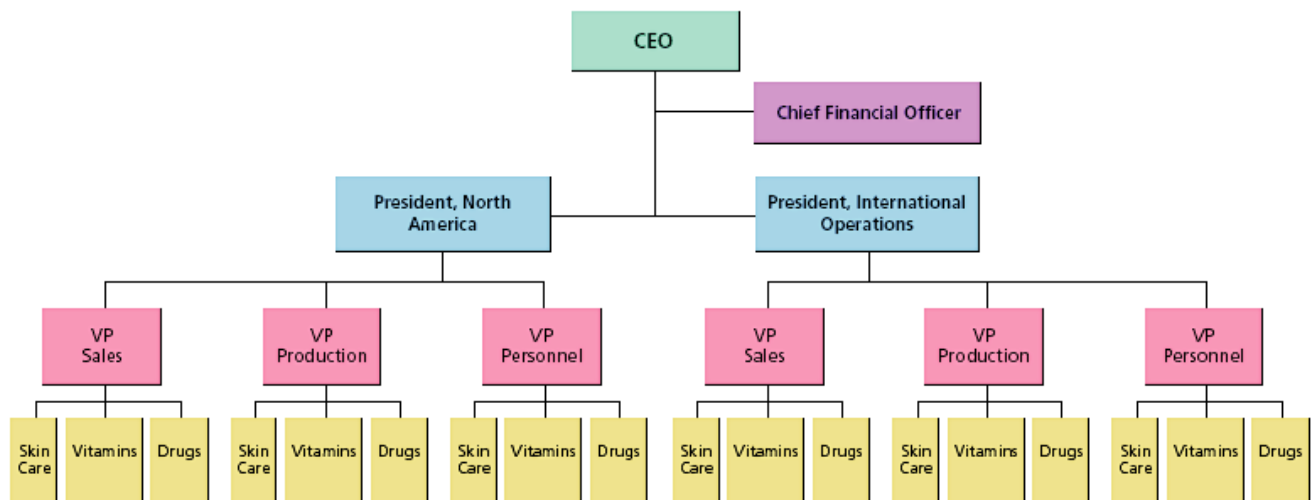

PROCESS: The grouping of activities by work or customer flow. Marketing-channel departmentalization. Departments focus on particular marketing channels, such as drugstores or grocery stores.

GEOGRAPHIC (TERRITORIAL) DEPARTMENTALIZATION

Separate departments are established for each of the territories in which the enterprise does business.

MATRIX ORGANISATIONAL STRUCTURE

An organization structure in which employees are permanently attached to one department but also simultaneously have ongoing assignments in which they report to project, customer, product, or geographic unit heads. **The employee has to work under two authorities (bosses). The authority of the Functional Manager flows downwards while the authority of the Project Manager flows across (side wards). So, the authority flows downwards and across. Therefore, it is called "Matrix Organisation".** This can create power struggles because most areas of the company will have a dual management--a functional manager and a product or divisional manager working at the same level and covering some of the same

managerial territory. It is a permanent organisation designed to achieve specific results by using teams of specialists from different functional areas in the organisation.

Advantages:	Disadvantages:
1. Decentralised decision making.	1. High administration cost.
2. Strong product/project co-ordination.	2. Potential confusion over authority and responsibility.
3. Improved environmental monitoring.	
4. Fast response to change.	3. High prospects of conflict.
5. Flexible use of resources.	4. Overemphasis on group decision making.
6. Efficient use of support systems.	5. Excessive focus on internal relations.

This type of organisation is often used when the firm has to be highly responsive to a rapidly changing external environmentThere is possibility of conflict and frustration but the opportunity for prompt and efficient accomplishment is quite high.

A HYBRID

Many large organizations have divisional structures where each manager can select the best structure for that particular division. One division may use a functional structure, one geographic, and so on. This ability to break a large organization into many smaller ones makes it much easier to manage.
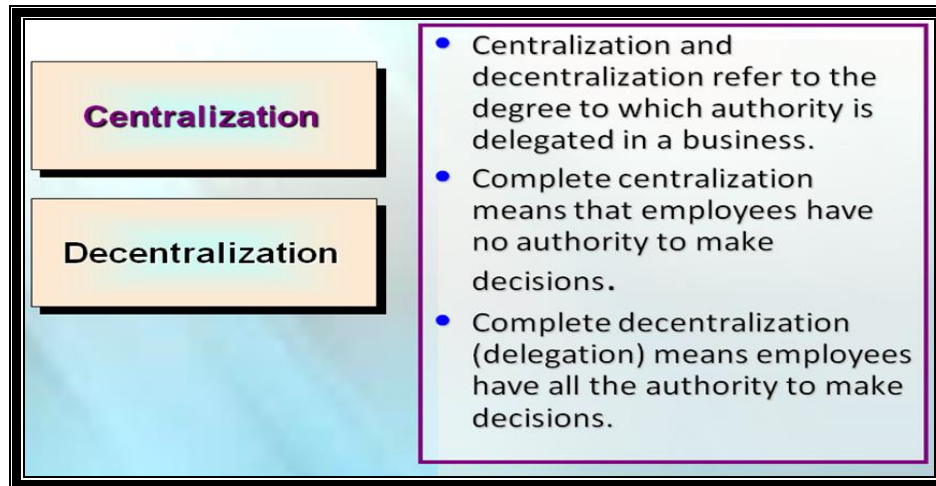
NETWORK STRUCTURES

Network structures maintain a staff of core fulltime employees and use contracted services and strategic alliances to accomplish many business needs.

VIRTUAL STRUCTURE

Virtual organization is defined as being closely coupled upstream with its suppliers and downstream with its customers such that where one begins and the other ends means little to those who manage the business processes within the entire organization. A special form of boundaryless organization is *virtual*. The virtual organization exists within a network of alliances, using the Internet. This means while the core of the organization can be small but still the company can operate globally be a market leader in its niche. Although none sell in huge numbers, there are so many niche products that collectively they make a significant profit, and that is what made highly innovative Amazon.com so successful.

CENTRALIZATION AND DECENTRALIZATION

A function of how much decision-making authority is pushed down to lower levels in an organization; the more centralized an organization, the higher the level at which decisions are made.

Decentralization: The pushing down of decision-making authority to the lowest levels of an organization. Organizational authority for most departmental decisions is delegated to the department heads. Control for major companywide decisions is maintained at the headquarters office. Decentralization Rules:

- Decentralize decisions that affect only one division or area and that would take a long time for upper management to make.
- Centralize decisions that could adversely affect the entire firm and that upper management can fairly quickly and easily.

CONCEPT OF LEARNING, LEARNING STYLES AND ITS PROCESS

A relatively permanent change in behaviour potential as a result of practice or experience. A relatively permanent change in behavior that occurs as a result of a person's interaction with the environment. This is supplemented with components of learning:

1. Learning involves change: a change may be for good or bad. Change may not be evident until a situation arises in which the new behavior can occur. Learning is not always reflected in performance.

2.Not all changes reflect learning: to constitute learning, change should be relatively permanent. Temporary changes may be only reflective and fail to represent any learning. This requirement, therefore, rules out behavioral changes caused by fatigue or drugs.

3. Learning is reflected in behavior: a change in an individual's thought process or attitude, not accompanied by behavior, is no learning.

DEFINITION OF LEARNING:

- *"a persisting change in human performance or performance potential . . . (brought) about as a result of the learner's interaction with the environment" (Driscoll, 1994, pp. 8-9).*
- *"the relatively permanent change in a person's knowledge or behavior due to experience" (Mayer, 1982, p. 1040).*

L - At length
E - It should be affective
A - It should be apparent
R - Relentless
N - Elimination of negative thoughts
I - Implanting
N - Elimination negative internalization.
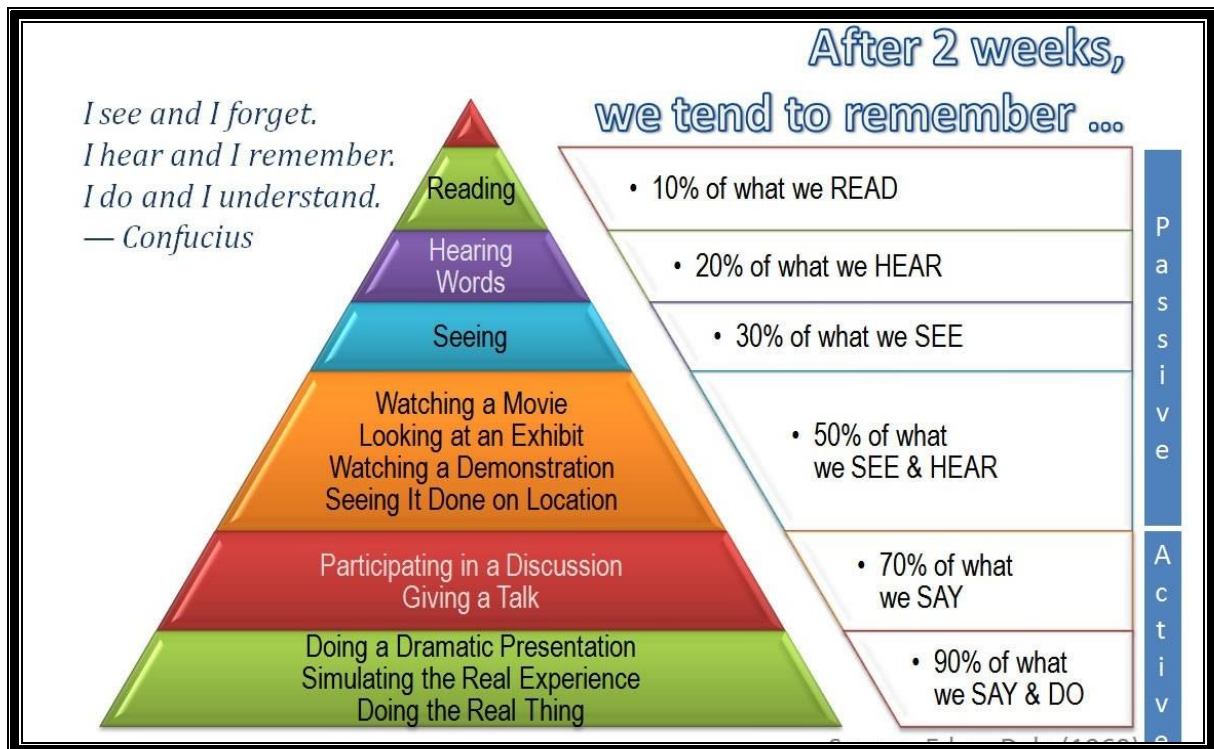**G** - Elimination of generalization

WHAT DO EMPLOYEES LEARN?

- Practical skills: Job-specific skills, knowledge, technical competence.
- Intrapersonal skills: Self: Problem solving, critical thinking, alternative work processes, risk taking.
- Interpersonal skills: Others: Interactive skills such as communicating, teamwork, conflict resolution.
- Cultural awareness: The social norms of organizations, company goals, business operations, expectations, and priorities.

NATURE OF LEARNING : Learning is a key process it pervades everything we do and think, it influences various aspects of our behavior like the way we speak, dress, attitudes, belief and the goals we pursue.

THE CONE OF LEARNING

(Source: Adopted from Edgar dale, 1969)

LEARNING PRINCIPLES AND METHODS: Learning, relatively permanent change in behaviour due to experience is a basic topic of psychology. However it is a process that must be assessed indirectly by observing performance.

FACTORS INVOLVED IN LEARNING

There are many factors that contribute to learning, for the phenomena of learning to occur; a single factor or a combination of factors may be involved.

a) Arousal and motivation: The fundamental condition for learning to take place is that the organism be in a reasonably high state of arousal. Being motivated for learning to take place is important in at least three ways. First, it is a condition for eliciting behaviour. For example if a rat is to learn a maze, it must at least walk through it, rat will do this merely to explore, but they are found to be more active when they are hungry. Second motivation is necessary for reinforcement, which in turn is an essential condition of learning. Reward and punishments act as reinforcers. For a hungry rat, food not water is a reinforcer that explains the point that reinforces should be appropriate. Thirdly, motivation controls the variability of behaviour. When learning a new half, a motivated organism will run through an extensive repertory of response, one of which may be "correct".

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In summary we can say that motivation is important become:

(1)   It brings out appropriate behaviours to be learned.

(2)   It permit reinforcement to occur and

(3)   It increases the variability of behaviour, this raising the probability that a correct response will occur.

b) Association: One factor that is common to most situations in which learning takes place is association. By association, here we mean some connection in time and place between two events. Lightning (S1) and thunder (S2) usually occur in close sequence, so the light and sound may be connected. There connections in the physical world provide opportunities for an organism to form association's focus experiencing two events simultaneously or in close succession. The formation of such associations is a function of the brain. Stated symbolically, if S_1 and S_2 together will tend to form an association between processes in the train, so that S_1 can now a rouse S_2 or S_2 arouse. **Stimulus Response Association:** Another kind of association is the S-R or stimulus response association. In this case the learner associates a stimulus with a response. For instance, when we learn a foreign language vocabulary, we are forming a S-R association. The foreign work is a stimulus for the English learning response or vice versa. S-R association lend themselves to objective observation, and for this reason they have received the greatest attention in psychological experiments.

Contiguity: The concept of association implies contiguity that is to say, for two physical events to be connected, and hence for the corresponding processes in the training to become associated, the event must occur at approximately the same time and place. They must be contiguous, or paired, events. For this reason, contiguity has long been started as a basic law governing the formation of associations. What must be contiguous varies with different learning situations. In simple conditioning, it is the contiguity of two stimuli that is essential for learning. In more complex learning it is the contiguity of a response and a reward or punishment that is important for learning. For example, we give a dog a bit of food when he performs a trick, or we slap a child's hand when he reaches for a lighted matchstick. In every care, it is the pain of event making them contiguous that is essential in learning.
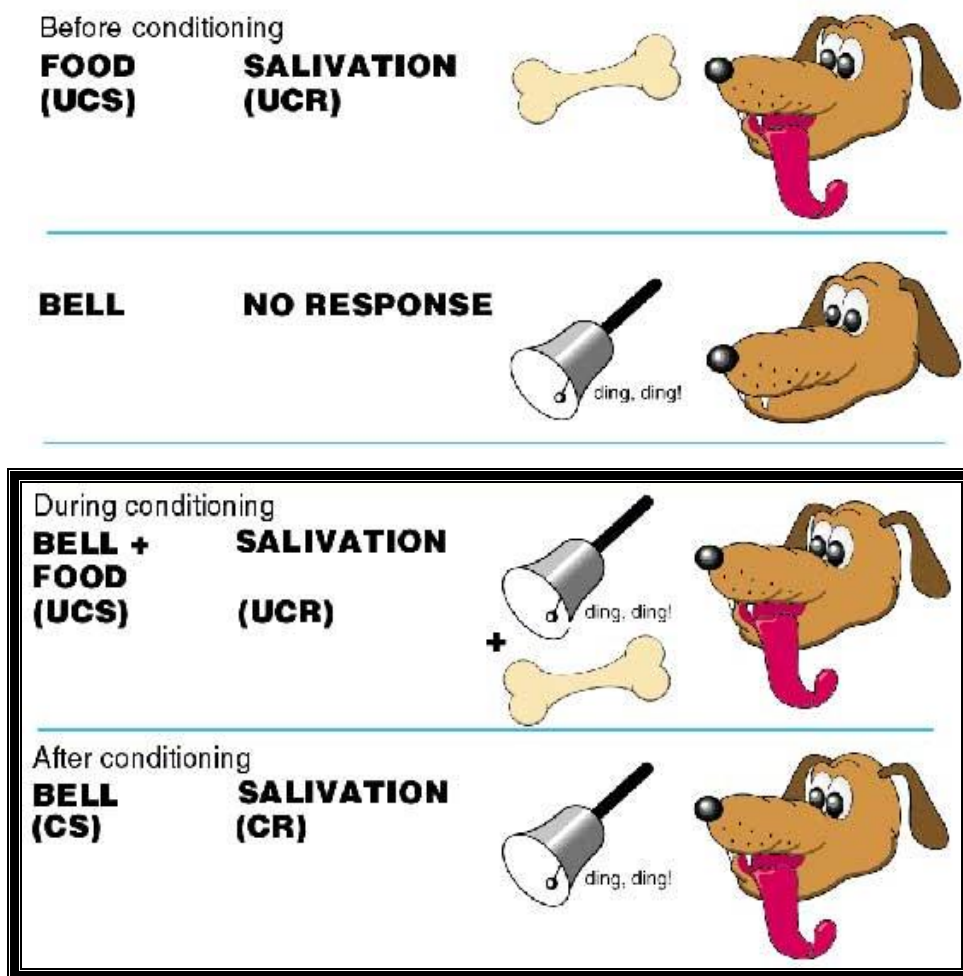
Interference: Still another aspect of forming association deserves emphasis the possibility of interference among associations. One stimulus may become associated with two different

stimuli or with two different responses. If the two associations with the single to stimulus are incompatible, are tends to block interfere with the other. Let us understand this better with an example of learning two languages at the same time. Children who are brought up in bilingual homes or where two languages are used are slower in language development than there who learn only is language of home. A child learns a good deal of language by associating a word with same stimulus. He learns to associate (thirst) with water. But if he must learn to associate 'thanni' (Tamil for 'water) or 'pani' (Hindi for 'water') at the same time, he has two different associations (R 1 and R2) for the same visual stimulus (5). He cannot say than both at the same time. Hence are association interferes with the other and neither association is built up so rapidly as it might be. The principle of mutual interference of association is a general one, which accounts of several of the phenomena of learning and for getting.

c) Reinforcement: Another important term, one that psychologists repeatedly use when talking about learning, is reinforcement. This term has two meanings, depending on the kind of learning situation be is talking about. In simple conditioning, it merely refers to the second stimulus of the pair being presented. The other meaning is what is commonly called reward or punishment. Examples of the things that serve, as reinforcers are food for a hungry organize, praise for a child or escape from punishment. Reinforcement is of great importance in learning and hence Thorndike called it the **law of effect**. This law states that an act, which has a satisfying effect for instance, satisfaction of a drive, escape from punishment, or relief from pain, fear will be learned, but an act, which has an unpleasant effect such as frustration of a motive, punishment, or fear, will not be learned. It is relatively easy to observe that reinforcement strengthen. Certain kind of association's Hall has called this simple fact that reinforcement work to strengthen association has the empirical law of effect. We have discussed three basic principles or factors in learning can you recall them; they are motivation, association and reinforcement.

CLASSICAL CONDITIONING: Classical conditioning is a form of learning. In lower organisms, much behaviour is instinctive, or inborn for e.g. fishes are born "knowing" how to swim. Among human being, however, the variety and complexity of behaviors pattern are largely learned through experience. Classical conditioning involves same of the ways in which we learn to associate events.

Ivan Pavlov Rings a Bell: Lower animals also learn relationships among events, as Russian physiologist Ivan Pavlov (1849-1936) discovered in research with laboratory dogs. Pavlov during his research found that because of its biological making, a dog will salivate if meat powder is placed on its tongue. Salivation in response to meat powder is unlearned, a reflex. A certain range of stimuli elicits reflexes. A stimulus is an environmental condition that evokes a response from an organism. Reflexes are simple unlearned responses to stimuli. Pavlov discovered that reflexes could also be learned, or conditioned, through association. His dogs began salivating in response to clinking food trays became this noise, in the past, had been paired repeatedly with the arrival of food. The dogs would also salivate when an assistant entered the laboratory. Guess why? In the past the assistant had brought food.

So it was that Pavlov at first saw this uncalled for canine salivation as an annoyance, a hindrance to his research. But in 1901, he decided that this 'problem' was worth looking into. He then set about to show that he could train, or condition, his dogs to salivate when he wished and in response to any stimulus he chose. Pavlov termed the trained salivary

responses as "conditional reflexes". They were conditional upon the repeated pairing of a previously neutral stimulus (such as the clinking of a food tray) and a stimulus (in this case, food) that predictably evoked the target response (in this case, salivation). Today conditional reflexes are more generally referred to as conditioned responses, (CRS) since they are responses to previously neutral stimuli that are learned or conditioned.
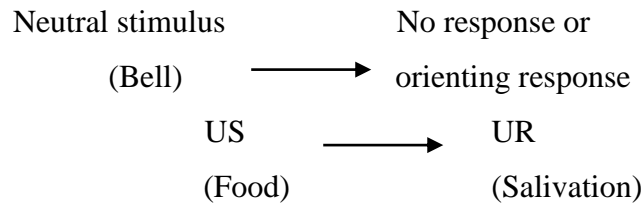
Pavlov demonstrated conditioned responses by strapping a dog into a harness. When meat powder was placed on the dog's tongue, the dog salivated. Pavlov repeated the process several times, with are difference. He preceded the meat powder by hall a second or so with the sounding of a bell on each occasion. After several pairing of meat powder and bell Pavlov sounded the bell but did not follow the bell with the meat powder. Still the dog salivated. It had learned to salivate in response to the bell. Why did the dog learn to salivate in response to the bell? Behaviorists explain the out came of classical conditioning in terms of the publicity observable conditions of learning. They define classical conditioning as a simple form of learning in which one stimulus craves to evoke the response usually evoked by a second stimulus by being paired repeatedly with the second stimulus, In Pavlov's demonstration, the dog learned to salivate in response to the bell because the sounding of the bell had been paired with meat powder. Thus, in classical conditioning, the organizing forms association between stimuli because the stimuli are contiguous. Behaviorists are of the opinion that any targeted behaviour can reliably be made to occur, and hence behaviorists focus on the mechanical acquisition of the conditioned response.

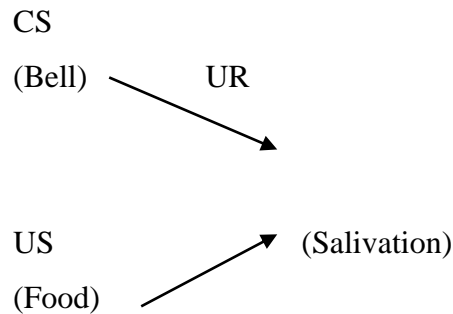**Stimuli and responses in classical conditioning:**
US, CS, UR and CR. In the demonstration described above we have seen that that meat powder is an unlearned or unconditional stimulus (US). Salivation in response to the meat powder is an unlearned or unconditional response (UR) where the bell was at first a meaningless or neutral stimulus. Then, through repeated association with the meat powder, the bell became a learned or conditioned stimulus (CS) for the salivation. Salivation in response to the bell (or CS) is a learned one or conditioned response (CR). A CR is a response similar to a UR, but the response elicited, or brought out, by definition a CR, not a UR.

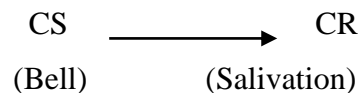**A schematic Representation of Classical Conditioning**

Before conditioning

Neutral stimulus   No response or
     (Bell) $\longrightarrow$ orienting response

        US $\longrightarrow$ UR
       (Food)   (Salivation)

During conditioning

CS
(Bell)   UR

US   (Salivation)
(Food)

After conditioning

   CS $\longrightarrow$ CR
  (Bell)   (Salivation)

Extinction: In classical conditioning, extinction is the process by which conditioned stimulus (CS) Jose the ability to elicit conditioned responses (CR) because the CS are no longer associated with unconditioned stimuli (US). From the cognitive perspective, extinction teaches the organism to modify its representation of the environment because the CS no longer serves its predictive function. In this experiment in the extinction of CR, Pavlov found that repeated presentation of CS (or bell) without the US (meat powder) led to extinction of the CR (salivation in response to the bell). The dog conditioned by Pavlov began to salivate (CR) in response to a bell (CS) often only for a couple of pairings of the stimuli led to increased salivation, as measured in number of drops of salivation. After seven or eight trials, salivation leveled off at eleven to twelve drops. Then, salivation to the bell (CR) was extinguished through several trails referred to as extinction trials in which the CS (bell) was presented without the meat powder (US). After about ten extinction trails, the CR (salivation in response to the bell) was no longer shown.

Generalisation: Pavlov noted that responding to different stimuli as though they are functionally equivalent is adoptive for any organism. In a demonstration of generalization, Pavlov first conditioned a dog to salivate when a circle was presented. During each

acquisition trial the dog was shown a circle (CS), then given meat powder (US) After several trials, the dog exhibited the CR of salivating when presented with the circle above. Pavlov demonstrated that the dog also exhibited the CR (salivation) in response to closed geometric figures such as ellipses, pentagons, and squares. The more closely the figure resembled a circle the greater the strength of the response (the more drops of salivation that flowed).

Discrimination: This is another important concept organizers must also learn (1) that many stimuli perceived as being similar are functionally different and (2) to respond adoptively to each. During the first couple of months of life, babies can discriminate the voices of their other from there of others. They will often stop crying when they hear a stranger's voice. Pavlov showed that a dog conditioned to salivate in response to circles be trained not to salivate in response to ellipses. The type of conditioning that trains an organisms to show a CR in response to a narrow range of stimuli (in this care, circular rather than elliptical geometric figures) is termed discriminating training, Pavlov trained the dog by presenting it with circles and ellipses but associating the meat powder (US) with circles only. After a while, the dog no longer showed the CR (salivation) in response to the ellipses. Instead the animal showed discrimination. It displayed the CR in response to circle only.

Instrumental or Operant Conditioning: This is another important type of learning: operant conditioning also referred to as instrumental conditioning. An organism learns to engage in certain behaviors because of the effects of those behaviors. There are two important psychologist associated with operant conditioning. They are Edward L Thorndike and B.F.Skinner. Edward Thorndike used stray cats for his research in learning by trial and error. He placed the animals in so-called puzzle boxes. If they managed to pull a dangling string a latch would be released, allowing them to joining out and reach a bowl of food. When the cat was placed in a puzzle box, it tries to squeeze through any opening and would claw and bite at the confining bars and wire or would claw at any feature it could reach. Through such random trail-and-error behaviour, if might take three to four minutes, before the cat would chance a response of pulling the string. Pulling the string would open the cage and allow the cat to reach the food. Classical conditioning experiments throw light on important features of learning or association providing a starting point for the study of more complex types of learning. The next basic kind of learning is what is known as Instrumental or operant conditioning. The term "operant" emphasizes the component of work involved on the part of the learner, because he has to "operate" on his environment, and the term "instrumental" points to the fact that the learner" has some control over his circumstances (his action is

instrumental to what happens to him) Instrumental conditioning involves more activity on the part of the learner than classical conditioning. Generally, behaviors directed towards gaining a reward or avoiding a punishment are examples of instrumental action. In this form of behaviour, the intention and achievement are important. The important concepts in this sort of conditioning are contingency and consequences. Instrumental learning involves learning about the consequences of behaving in a specific way (Le.) learning that making of a particular response will be followed by a specific stimulus event. For instance, a child might learn that crying would fetch him his mother's attention. Simplifying the basic idea, we might say that learning consists of discovering that a particular response (R) wilt be followed by a stimulus event (S).

The learner finds out that for the purpose of making a stimulus event to occur (getting the mother's attention), he will have to perform a particular response (crying). Here, the stimulus (S) is contingent upon the response. Historically, as classical conditioning is associated with the work of Pavlov, instrumental conditioning is associated with the works of E.L. Thorndike and B.F. Skinner. Thorndike was the first to conduct laboratory experiments on instrumental conditioning leading to the formulation of the Law of Effect, which formed the basis for the principle of reinforcement. But it was Skinner who made operant conditioning popular. His studies on the behaviour of pigeons, rats and human beings led to the identification of the basic elements and laws of operant conditioning. The development of the concepts functional analysis, which emphasizes on the functions (the consequences of behaviour is due to his efforts) His findings, which forms the foundation for the development of a new technology of behaviour modification in its application. Though this is in its formative stage, still it is useful and controversial.

Skinner's Work: Skinner used a device, which has come to be known as Skinner box to investigate the relationship between the events of instrumental conditioning. He placed a rat inside a glass box containing a lever and food tray. The animal was free to explore the box. Whenever the lever in the box was pressed, automatically a pellet of food was dropped on the tray. A mechanical device recorded the number of times the rat pressed on lever. Pressing of the lever was the response to be learned (the operant response), and the food was the stimulus consequence (reinforcement). The rate: of presses increased notably with the rewarding of the rat with food each time he pressed the bar. By reinforcement, the rat learned the instrumental response. Basically the reinforces are of two kinds namely the positive (S+) and the negative

(S-). A positive reinforcer refers to a stimulus event that when made contingent on a response will cause the frequency of that response to increase. In the rat experiment, the food is a positive reinforcer because the rat will increase the number of presses if food is withheld until he presses the lever. Generally speaking, positive reinforcers are those things that are liked or desired i.e., rewards. On the other hand, a negative reinforcer refers to the stimulus event that will cause an increase in response frequency when the contingency is a negative one Le. the making of the response results in the cessation of the stimulus. For example, an electric shock in the place of food may be called a negative reinforcer. Generally, a negative reinforcer is one, which is disliked or avoided by an organism, i.e., punishments.

Types of Instrumental Conditioning: By this conditioning method, it is possible to teach an individual to make a particular response or withhold it by providing him with either rewards or punishments. A combination of two kinds of consequences (rewards and punishments) with two kinds of contingencies (either the consequences is contingent on making or on not making it) can be presented. They are: reward, omission, escape and punishment training. Positive reinforcement is used in reward training. For example, giving an individual his due allowance is a case of this kind of training. When rewards are used to withhold a response that is not desired, it is called omission training. For instance, if a child is offered a candy for giving up nail-biting it is a case of omission training. Escape training refers to the use of negative reinforcement to increase the frequency of a desired response. Telling a convict that good conduct on his part will secure him remission of sentences of this type. Lastly' **punishment training** is used to make the learner cease performing an undesired response. Scolding a child for using impolite language is a good example of this type of instrumental conditioning.

Shaping: Shaping refers to the reinforcing of closer approximations for performing a desired response. This consists of learning graduated steps, where each following step has a resemblance to the desired performance and hence it is known as the method of successive approximations. For example, in the case of an animal in the operant conditioning apparatus, with the help of a remote control, the experimenter reinforces the approaches to the lever, by going near it, pawing it and eventually pressing it a sequence of responses leading to the appropriate response. This kind of a thing is done with children, when they are taught to learn languages. At the beginning, the child may say "Maaa"..... "Mrrr"... "Maar" and finally "Mother".

PRINCIPLES OF REINFORCEMENT

Primary and Secondary Reinforcement: We have already seen what reinforcement means. in primary reinforcement, a reinforcer is an event that increases or maintains the strength of a response. Secondary reinforcement also is important in operant conditioning. A stimulus is a secondary reinforcer if it has acquired a reinforcing quality because it has been associated with a primary reinforcer. When such a stimulus follows a response, it tends to increase and maintain the strength of a response.

PRINCIPLES OF REINFORCEMENT

	Satisfying	Aversive
Present Stimulus	Positive Reinforcement (Strengthen)	Punishment (Weaken)
Remove Stimulus	Remove Reinforcement (Weaken)	Negative Reinforcement (Strengthen)

The experiment by Cowles with chimpanzees would be useful. The chimpanzees learned to work for poker chips, which in turn helped to get food. Here poker chips were token rewards and they were exchanged for food. While food is the primary reinforcer, poker chips are the secondary reinforcers. In human beings, in the social learning's secondary reinforcers plays a vital role: Symbolic rewards like degrees, titles, promotions and money serve as secondary reinforcers.

Schedules of Reinforcement

Fixed Ratio Schedules: If a schedule is administered on a ratio basis, reinforcement is given after a certain number of responses. If the schedule is a fixed ratio, the exact number of responses is specified. A fixed ratio that reinforces after every response is designated as 1:1. The 1:1 fixed ratio is generally used in basic conditioning experiments, and almost every type of learning situation must begin with this schedule. However, as learning progresses, it is more effective to shift to a fixed ratio of 2:1, 4:1, 8:1 and even 20:1. Administering rewards

under a fixed ratio schedule tends to produce a high rate of response that is characterized as vigorous and steady. The person soon determines that reinforcement is based on the number of responses and performs the responses as quickly as possible in order to receive the reward.

Fixed Interval Schedules: A second common way to administer rewards is on a fixed interval basis. Under this schedule, reinforcement is given after a specified period of time, which is measured from the, last reinforced response. The length of time that can be used by this schedule varies a great deal. In the beginning of practically any learning situation, a very short interval is required. However, as learning progresses, the interval can be stretched out. Behavior resulting from a fixed interval method of reinforcing is quite different from that exhibited as result of a fixed ratio schedule. Whereas under a fixed ratio schedule there is a steady, vigorous response pattern, under a fixed interval schedule there is an uneven pattern that varies from a very slow, unenergetic response immediately following reinforcement to a very fast, vigorous response immediately preceding reinforcement. This type of behavior pattern can be explained by the fact that the person figures out that another reward will not immediately follow the last one. Therefore, the person may as well relax a little until it is time to be rewarded again.

Variable or Intermittent Schedules: Both ratio and interval schedules can be administered on a variable or intermittent basis. This means that the reinforcement is given in an irregular or unsystematic manner. In variable ratio, the reward is given after a number of responses, but the exact number is randomly varied. When the variable ratio is expressed as some number say, 1:50 this means that on the average the organism is reinforced after fifty responses. However, in reality the ratio may randomly vary from 1:1 to 1:100. In other words, each response has a chance of being reinforced regardless of the number of reinforced or non reinforced responses that have preceded it. The variable interval schedule works basically the same as the variable ratio schedule except that a reward is given after a randomly distributed length of time rather than after a number of responses. a fifty-minute variable interval schedule means that on the average, the individual is reinforced after fifty minutes, but the actual reinforcement may be given anywhere from every few seconds to' every two or three hours.

Behavior under Variable Schedules: Both variable ratio and variable interval schedules tend to produce stable, vigorous behavior under variable schedules is similar to that produced by a fixed ratio schedule. Under a variable schedule, the person has no idea when the reward is coming, and so the behavior tends to be steady and strong. It logically follows that variable schedules are very resistant to extinction. Variable schedules are not very effective in highly controlled learning experiments and are seldom used. On the other hand, they are the way in which many real-life, everyday learning situations are reinforced. although primary reinforcers for humans are administered on a relatively fixed basis (for example, food is given three times a day at mealtimes, and organization compensation plans are on either a fixed ratio or a fixed interval basis), most of the other human behavior that takes place is reinforced in a highly variable manner. For example, practically all social rewards are administered on a variable basis. Attention, approval, and affection are generally given as reward in a very random fashion.

OTHER TYPES OF OPERANT LEARNING

a) Aversive Conditioning: This is kind of conditioning response learning in which aversive stimuli (Stimuli that the unpleasant, painful or noxious) playa part. Escape conditioning, avoidance conditioning and punishment training are the various types of aversive conditioning.

i) Escape conditioning: Here the organism learns to get away from a stimulus situation that is aversive to it. There termination of electric shock reinforces the response. With repeated trials the subject escapes more and more quickly from the shock.

ii) Avoidance conditioning: Here, a warning signal is followed by the onset of an aversive stimulus. This happens until such time the proper response is made terminating the aversive stimulation. However, a quick reaction on the part of the subject may help him to avoid the aversive stimulation completely. For instance, a rat placed in a box, which has two apartments, one painted white and another black, separated by a low partition over which the rat can, jump in the whit portion there is a provision to give electric shock to the rat and in the black portion the animal can stay without a shock. A few minute following the sound of a buzzer, the rat is administered a shock. After some random movements, the rat jumps to the black apartment. Following such a procedure repeated a number of times; the response

generally becomes so immediate that the rat avoids the shock totally. In the case human beings also, learned or acquired fears induce behaviour and responses that remove a fear-arousing signal are secondary reinforcing. When external stimulus situations given rise to fear such as addressing a big audience, or pursuing a difficult academic task, the response that would help the individual to get away from the situation is reinforced by reduction of fear.

iii) Punishment Training: Punishments are generally used for suppressing or eliminating undesired behaviour of an individual. In punishment training, an aversive stimulus is contingent on response. Cases such as being fixed for not following the rules of the road or an employee being taken to ask for late coming are examples. Punishments generally result in suppressing the responses at least for sometimes. Punishment or threat of punishment to improve human learning has many problems. The individuals getting punishment develop hostility towards the punisher Punishment may also wound one's feelings that one is not being wanted and loved. Punishments may produce unrealistic and exaggerated fears.

Operant Conditioning

* Identify a behavior that you want to influence in the subject
* Most effective: If attempting to weaken, also identify a replacement (preferred) behavior and reinforce it when it occurs
* Determine what the *subject* values (likes) and dislikes (wants to avoid/stop)
* The subject must associate the consequence with the behavior

Weaken? ← **BEHAVIOR** → Strengthen?			
PUNISH		**REINFORCE**	
Something that is not happening now and the subject does **not** want to experience	Something the subject does like/value and **wants to keep**	Something the subject is experiencing (or expects to experience) and **wants to stop or avoid**	Something the subject does like/value and **wants to have or keep**
Consequences			
ADD it **Positive** Punishment	SUBTRACT it **Negative** Punishment	SUBTRACT it **Negative** Reinforcement	ADD it **Positive** Reinforcement

TYPES OF LEARNING: Conditioning is most directly to single identifiable responses, but much learning is more complex than this. These more complex instances are classified as multiple response learning. Some psychologists are not in favour of over emphasis upon the automatic nature of learning that comes from stimulus response associations. Much of our learning consists of acquiring patterns of sequences of behaviors, as in learning athletic skills of in memorizing a poem. In this unit, we will discuss about the multiple response learning, cognitive learning, programmed learning and computer aide~ instruction, transfer of learning and role of reward and punishment in learning.

MULTIPLE-RESPONSE LEARNING: These patterns illustrate multiple response learning, a kind of learning involving more than one identifiable act, with the order of events usually fixed by the demands of the situation. To study this kind of learning psychologists have designed such laboratory tasks as mirror drawing, target tracking, and rote memorization. The first two tasks are forms of sensorimotor skill, and the last is largely verbal. Tasks such as these approximate the learning of skills that are used in everyday life.

Sensorimotor Learning: By a sensorimotor skill we mean one in which muscular movement is prominent, but under sensory control. Riding a bicycle, turning a flip from a diving board, playing a piano, and typing are sensorimotor skills. They are not simply patterns of skilled movements. The bicycle rider has to watch the traffic and the bumps in the road and be guided by them; the diver must adjust his timing to the height of the platform; the musician reads notes and attempts to play with feeling; the typist must follow a manuscript and stay within specified boundaries. These considerations call attention to the sensory control of skill. Psychologists have not limited themselves to laboratory tasks in studying skills. In a typical mirror-drawing experiment, the subject is required to trace a path around a geometric figure, such as a star, while viewing it in a mirror. The subject knows that the correct performance is a smoothly traced line within the path around the figure. The subject starts out by using familiar habits. These of course cause trouble. When using the visual cues from a mirror in

the same way as cues in direct vision, the subject will find that the pencil will not go where it is supposed to go. The subject therefore attempts to correct movements and gradually approximates a good performance, although at first a very jagged line is drawn. Old habits may again interfere at the corners of the figure. With practice, however, the lines smooth out, and the subject can achieve a rapid tracing of the figure.

a) Learning curves for skill: Experimenters typically keep track of progress in skill learning by plotting a learning Curve similar to those used to depict the course of classical conditioning. Two learning curves for mirror drawing are plotted, one representing massed practice (practice trails follows each other consecutively within one period) and the' other depicting spaced practice (practice trails distributed one per day). Note that spaced practice is more efficient, which is generally the case although there are exceptions. This comparison shows how learning curves can be used to display a relationship between two variables.

The measure of proficiency is the time required to trace a figure seen in the mirror. Improvement shows a decrease in time required and yields a falling curve. If the measure of proficiency is a score that increases with practice, then the learning curve rises. Scores in a target-tracking task like the pursuit rotor are of this sort. The subject attempts to keep the tip of a hand-held stylus in contact with a small metal disc mounted near the edge of a revolving turntable much like that of an ordinary record player. When the stylus is in contact with the moving target, an electric circuit is completed though a clock. The subject's score is the amount of time on target.

b).Qualitative Changes with Practical: A learning curve presents performance over the course of an experiments as though the subject followed the same pattern of activity at the

end as at the beginning and improved only in efficiency. But it is quite possible that in the course of improvements the subject's method changed. For example, in studying learning how to type, some investigators have detected a shift from a letter to a word habit (learning the location of the individual keys associated with a single burst of movement, embedding the letters in a total pattern). Occasionally these higher order and lower order learning conflict, and there is a period of no improvement in the learning curve. This period is described as a plateau because it has been preceded by improvement and will be followed by more improvement when the higher order learning wins out.

Rote Memorization: By rote memorization we mean verbatim learning by repetition, as contrasted with substance memorization. Experiments on rote memorization take one of two chief forms, corresponding to the ways we learn things verbatim in ordinary experience. One form is serial memorization, as in memorizing poetry or lines of a play. In a laboratory experiment, a list of words is memorized from beginning to end, so that each word in the list is in some sense the stimulus for the word to follow. The second form is paired associate learning, which is comparable to the method sometimes used in learning the words of a foreign language. The words are learned in stimulus response pairs, such as prepared-afraid, careless-vacant, hungry quiet; a stimulus word is presented, and the response word has to be learned. The pairs are not learned in any special order and depending on the experiment, mayor may not be meaningfully related. The experimenter usually presents the material to the subject by means of an exposure device called a memory drum. The items to be learned appear one at a time at fixed intervals in the aperture of the memory drum. 'After the initial presentation of each item, the subject tries to state in advance the next item to appear in the aperture. By keeping score of the subject's hits and misses throughout memorizing, the experimenter can plot a learning curve from his record. The anticipation method for rote memorization requires that the subject try to state what lies immediately ahead. It can be used for either serial memorization or paired-associate memorization. In the serial method the item anticipated becomes the stimulus for the next anticipation when it (the item) appears in the aperture; it is both a response item and a stimulus item. In the paired associate method the stimulus item is used only as a stimulus, not as a response. When the stimulus is presented in the aperture of the memory drum the subject tries to anticipate the response item; then the stimulus response pair appear together for a brief period of study prior to presentation of the next stimulus item.

COGNITIVE LEARNING

The kinds of learning that we have considered thus far all stress the organization of behavior into learned stimulus response associations. In studying more complex forms of learning, attention must be given to the roles of perception and knowledge, or cognitive processes. There is the possibility that emphasis upon stimulus-response associations may lead to too much concern for piecemeal activities and too little attention to organized relationships and meaning. The teacher impressed by habit formation may use rote memorization and drill excessively, without caring enough about whether the child organizes and understands what is learned. Those identified with the cognitive viewpoint argue that learning, particularly in humans, cannot be satisfactorily explained in terms of stimulus response associations. They propose that the learner forms a cognitive structure in memory, which preserves and organizes information about the various events that occur in a learning situation. When a test is made to determine how much has been learned is largely depend upon the situation. When a test is made to determine how much has been learned, the subject must encode the test stimulus and scan it against his memory to determine an appropriate action. What is done will depend upon the cognitive structure retrieved from memory, which preserves and organizes information about the various events that occur in a learning situation. When a test is made to determine how much has been learned, the I subject must encode the test stimulus and scan it against his memory to determine an appropriate action. What is done will depend upon the cognitive structure retrieved from memory, and the contex1 in which the test occurs. Thus the subject's response is a decision process that varies with the nature of the test situation and the subject's memory for prior events.'

Insight Experiments: Partly in protest against too much study of the kinds of learning that involve stimulus-response associations, Wolfgang Kohler, a German psychologist who immigrated to the United States, performed a series of dramatic experiments with chimpanzees. At some point in working on a problem, chimpanzees appeared to grasp its

inner relationships through insight; that is, they solved the problem not through mere trial and error, but by perceiving the relationships essential to solution. The following experiment by Kohlier is typical. Sultan (Kohler's most intelligent chimpanzee) is squatting at the bars but cannot reach the fruit which lies outside by means of his only available short stick.· A longer stick is deposited outside the bars, about two meters on one side of the object and parallel with the grating. It cannot be grasped with the hand, but it can be pulled within reach by means of the small stick. Sultan tries to reach the fruit with the smaller of the two sticks. Not succeeding, he tears at a piece of wire that projects from the netting of his cage, but that too, is in vain. Then he around about him (there are always in the course of these tests some long pauses, during which the animals scrutinize the whole visible area). He suddenly picks up the little stick once more, goes up to the bars directly opposite to the long stick, scratches it towards him with the "auxiliary," seizes it, and goes with it to the point opposite the objective (the fruit), which he secures. From the moment that his eyes fall upon the long stick, his procedure forms one consecutive whole, picking the bigger stick by means of the smaller is an action that could be complete and distinct in itself, yet observation shows that it follows, quite suddenly, on an interval of hesitation and doubt staring about-which undoubtedly has a relation to the final objective. Then it is merged in the final action of the attainment of the end goal.

OTHER TYPES OF COGNITIVE LEARNING

Apart from the learning types mentioned, hitherto, there are certain other types of learning are prevalent. This may appear simple but do have lot of social relevance and day to day living. They are:

a) Latent Learning: The word latent means "hidden" or that is too obvious. Latent learning refers to the learning that occurs but this learning is not obvious or apparent until the conditions for its appearance are favorable. Latent learning is essentially cognitive learning since it occurs without reinforcements for particular responses; it also involves changes in the methods in which information is processed.

b) Insight Learning: The term insight describes the phenomenon in which a problem is posed. This is followed by a period of no apparent improvement in solving the problem. Then a sudden solution occurs. The suddenness of the solution is the unique nature of insight. Insight learning occurs because it involves a perceptual reorganization of the elements in the environment suddenly new relationships among objects and events are seen. The nature of

perceptual reorganization would be seen clearly by getting to know the experiments conducted by Wolfgang Kohler, a German psychologist. He conducted many experiments making use of chimpanzees as his subjects and this is explained in the next unit.

c) Imitation and Modeling: Learning by modeling is also known as observational learning, learning by imitation, vicarious learning and social learning, such learning involves the observation of a response or a sequence of responses on the part of somebody else and later incorporation and display of these in one's own behaviour is known as modeling or imitation. Though the basic principle of modeling is the same, it may occur in many different ways. Live modeling or observation is one kind. This refers to the common form of learning, is by direct observation of a live model by the learner. This involves significant persons like the parents, friends and teachers with whom the observer has frequent contacts. Verbal modeling is another, which, perhaps is mostly characteristic of human beings. For example, through the use of vocabulary a person can learn from another (such as a short-cut route to a destination). Imitative behaviour is important in understanding such psychological phenomena as language learning, attitude formation and personality development.

PROGRAMMED LEARNING: Programmed learning is essentially an instructional procedure that represents an application of learning principles to educational practice. This instructional procedure requires learner participation, provides immediate feedback and permits each individual to progress at his or her own pace. According to DL. Cook programmed learning is a term sometimes used synonymously to refer to the broader concept of auto instructional method. According to Fred Stoftel," The arrangements of the tiny bits of knowledge into a logical frequency is called the programme and its process is called programmed learning"

Principles of Programmed Instruction
The principles of programmed learning are as follows:-

Small steps: The materials to be programmed are divided into meaningful segment are presented through small steps.

Immediate Confirmation or feed back: As soon as the learner proceeds through programmes, his response, is immediately confirmed as to be either correct or incorrect by

knowledge of results (KR) and feedback is immediately provided.

Active Responding: For the success of any programme the learner has to any how respond. Response is core of programmed learning that keeps the learner busy through out the programme.

Self pacing: An individual learner proceeds through a programme at his own pace without care for the group. He is not forced to move quickly by the teacher without mastery.

Student Testing: Regular and continuous testing of the effectiveness of the programme to the particular individual learner is conducted by the particular individual learner is conducted by the teacher with a view to improve upon it.

(i) Mandatory Principle

   (1) Objective specification: The programme, while developing a programmed instructional maternal, specifies the objectives of the programme in behavioural terms. He further specifies the conditions under which the terminal behaviours are to be manifested and states explicitly restrictions to be imposed. The standard of judging the acceptable performance is also mentioned in definite terms.

   (2) Empirical Testing: Programmed material is empirically tested material. The programmer, after writing a few initial draft of the programme tries it out in the following three phases.

      (a) Individual tries out- The first draft of the programme is tested on .an individual in face to face testing. The Reactions of the individual recorded for each frap1.

      (b) Small group try out - After modifying the programme on the basis of individual try out, the programme to test on five to ten representative students of the class for which it is developed.

      (c) Field try out - At the third stage, the programme, after modification on the observation of small group, is administered in actual class room conditions.

(3) Self pacing: In programmed learning, the learner decides the rate at which he progresses through the programme. He adjusts the pace of the work to his own ability and motivation level. He is not forced to work with the speed of other students of the class. The principle of self pacing incorporates the concept of individualized instruction.

(ii) Optional Principles

(1) Overt Responding: The learners are asked to respond frequently to explicit or implicit questions as they progress through the programme. The overt response requirement of programmed learning insures that the learner will become and remain active and attentive to the instructional material. The active involvement of the learner increases the learner's motivation. **(2) Immediate Feed Back:** Back to the learner. It is the knowledge of the result or the performance of the learner. When a learner works through a programmed text, he is immediately fed back by comparing his response with the response of the programme. **(3) Small step size**: As already described the body of knowledge is broken into small units (Frames) of meaningful information and presented one frame at a time.

Psychological Principles under laying Programmed Learning

Ernest R. Hilgard has summed up the psychological principles of learning which support programmed learning.

- o Programmed learning emphasizes the organized nature of results knowledge because it requires continuity between the easier (earlier) concepts and harder (later ones).
- o Programmed learning provides immediate knowledge of results.
- o Programmed learning provides spaced review in order to guarantee the high order of success that has become a standard requirement of good programmer.
- o Programmed learning recognizes individual difference by beginning where the learner is and by permitting him to proceed at Rise own pace. It is possible that programmed learning may success in reducing individual differences because of there features.
- o Programmed learning reduces anxiety because the learner is not threatened by task.
- o Programmed learning requires the learner to be active. Since learner is active he I she feels more involved and learns faster.

Advantages:

Programmed instruction has innumerable advantages over the traditional methods of learning that have been proved through research. A few of those are enumerated as under. Foreign languages drill in spelling, factual information can best be taught through programmed instruction. Teachers being free from routine classroom activities can devote more independent time and think more creatively in case of programmed instruction. Social and emotional problems, especially in the West, have been effectively dealt through programmed instructions in the classroom. The self instructional materials have successfully eliminated the problem of indiscipline inside the class. It caters for the individual needs through individualized instruction and self pacing and can better serve a heterogeneous population of learners. It helps the teacher to clearly diagnose the needs and problems of the individual learner and correct those on personal basis without any delay that is quite absent in a traditional classroom of uncountable students. Learning becomes interesting through programmed instruction. It provides challenge to the individual confirmation of correct responses provides sufficient motivation to proceed at a quicker speed towards cent percent mastery.

Limitations of Programmed learning

Though the supporters of programmed learning make high claims and point out many advantages, there are certain limitations in programmed learning which require presence of the teacher. In programmed learning students learn how to search out the facts needed for a given purpose. E.g. Students cannot develop the habit of using a dictionary of going the library with the help of a teaching machine or programmed learning. In the rapidly changing world new situations arise quickly. In order to function effectively in new situation and adjust accordingly, the students require developing certain personality qualities and social maturity. The third limitation of the programmed learning is that it does not develop in students the ability to discover problems for themselves and solve them on their own. Programmed learning does not develop creativity among students to the extent a teacher can. Teaching machines provide programmed learning in a scientific manner and thus programmed is the science of teaching. As regards the art of teaching it is possible only with-the help of a teacher. Teaching machines and programme learning ignore the human factor and do not provide opportunities for human relations, which is now regarded as the fourth R. The 3 Rs. being reading, writing, and arithmetic. Another limitation in programmed learning is that it does not help in socialization of students. It is in peer groups play groups and work groups

that social development of children takes place

Application of Programmed Learning: Programmed instruction can be applied where ever learning occurs, whether in the classroom or in the industrial setting. In the classroom it helps in regular instruction, enrichment of learning and for remedial instruction. In industry, it helps discriminating the technical innovations through refresher courses for up-to date professional development. This can also be applied in teaching military sciences in defence, for example teaching of electronic trouble shooting programmed instructions. The use of programmed learning finds application in the following areas:

- **Correspondence Courses**: Education through correspondence courses or distance education is becoming very popular. \t is emerging as a very successful media for educating the masses as well as those who want to continue their education.

- **Modification of deviant behaviour**: Programmed instructional material has been used very successfully to modify the behaviour of deviant children. A project has been undertaken at Draper correctional centre Elmore Alabama. The population consisted of young sociopath offenders. The objective was to reduce the rate of offences to rehabilitate the offenders in the society. The immediate aim was to raise the academic standard to develop vocational proficiency in the inmates. To achieve the Objectives, the project staff utilized their programmed instruction adapting to the needs of individuals. The result of the project was very significant.

- **Non formal education**: Nor-formal education is becoming highly popular in India, especially with especially with unprivileged groups masses. Non-formal education makes use of programmed learning.

- **Programmed instruction and exceptional children:** programmed instructional material has been used on disturbed children slow learners with great success. Eldred his coworkers conducted a study on slow learner's under-achievers with programmed instructional technique. The student shied great improvement in their performance.

- **Teacher's training**: Programmed material can be used at all levels of teacher education programmes. Many teachers need to keep abreast with knowledge latest developments in the field. In these areas programmed instruction is of considerable aid.

- **Use for gifted children**: Carefully programmed material can be used to enrich the curriculum to cater to the needs of gifted children.

- **Use in Banks:** In U.S.A all banks use programmed material for training cashiers.

- **Use of programmed material in air force**: Programming techniques can be used to train cadets in air force.

- **Vocational training**: Programmed instruction has been applied to vocational training and psychotherapy. A technique of programmed therapy has been recently developed to correct deviants to rehabilitate emotionally disturbed children.

Special programmes should be developed for exceptional children. Abraham 1966 warned about the false assumption that a programme developed for so called typical children will work for exceptional children, disadvantaged population dropouts delinquents others.

PROGRAMMED LEARNING AND AUTOMATED INSTRUCTION

For centuries teachers have stood in front of classrooms and dispensed words of wisdom. Students passed or failed depending on how much of this knowledge they could recall at the time of an examination. This form of instruction has obvious limitations when compared to a tutorial arrangement - a one-to-one relationship between the student and teacher. But the cost of tutorial education makes it impractical on a large-scale basis. In the 1950s, under the guidance of B.F. Skinner at Harvard University, an effort was made to approximate some aspects of tutorial instruction in the form of a teaching machine. The basic idea was to present information to the student in a series of frames. Each frame contains a new item of information and also poses a question which the student must answer. After writing the answer (usually in a word or brief phrase), the student turns a knob that uncovers the correct answer and exposes the next instructional frame. In this way the student goes step-wise through a course, gradually being introduced to each unit of instruction and being tested to see that he understands it.

> **The objectives underlying programming instructions are defined explicitly and in operational terms so that the terminal behaviour is made observable and measurable.**

With the advent of computers it became evident that teaching devices could be developed that would be far ore flexible and responsive to the student than the Skinner-type teaching machine. As yet the use of computers in business, science, and engineering far exceeds

applications in education. However, if potentials are properly realized, the nature of education during our lifetime will be radically changed by the computer. The most important feature of computerized instruction is that it permits a high degree of individualization; each student can proceed at his own pace following a path through the curriculum best suited to his particular interest and talents.

COMPUTER-ASSISTED INSTRUCTION (CAI)

Because of its great speed of operation, a large computer can handle many students simultaneously as many as several thousand students each at a different point in one of several hundred different curricula. One of the student terminals of a computer-assisted instruction (CAI) system used for research purposes at Stanford University. Located at each student's station are a cathode-ray tube, a microfilm-display device, earphones, and a typewriter keyboard. Each device is under computer control. The computer sends out instructions to the terminal to display a particular image on the microfilm projector to write a message of text or construct a geometric figure on the cathode-ray tube and simultaneously plays an auditory message. The student sees the visual display, hears the auditory message, and then may be required to respond. The student responds by operating the typewriter keyboard or by touching the surface of the cathode-ray tube with an electronic pencil. This response is fed back to the computer and evaluated. If the student is correct the computer moves on to the next instructional item; if incorrect the computer evaluates the type of error made and then branches to appropriate remedial material. A complete record on each student is stored in the computer and is updated with each new response. The record is checked periodically to evaluate the student's rate of progress and to determine any particular difficulties. A student making exceptionally good progress may be moved ahead in the lesson sequence, or branched out to special materials designed to enrich his understanding of the curriculum. A student having difficulties may be branched back to review earlier materials or to a special remedial sequence in a very real sense the CAI system simulates the human tutorial process.

Although CAI has had only limited development, experience and research support the claim that it will have wide application in the future. For example; CAI programs designed to teach reading in the early grades have proved remarkably successful Children receiving computer-based instruction made significant gains over comparable groups taught by traditional classroom methods (Atkinson, 1974).
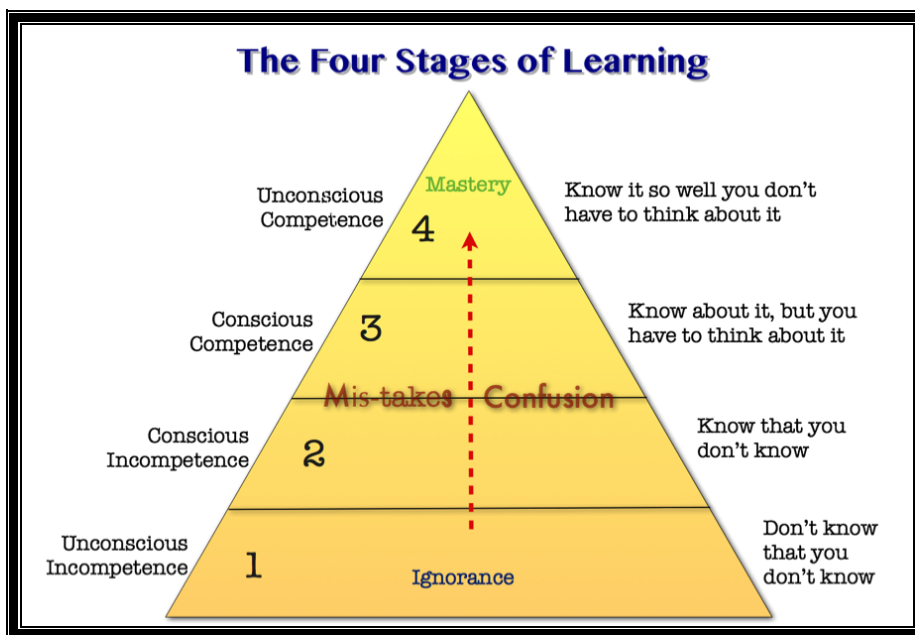
One interesting outcome of CAI concerns sex differences in reading. With traditional teaching methods girls generally learn to read more rapidly than boys. Several explanations have been offered for this difference. The environment of the primary classroom, which is often run by a female teacher, nay be more oriented toward the needs of girls. The fact that first-grade girls rend to be more mature physically than boys of the same age may also be important. Whatever the explanation, this sex difference in reading performance disappears with the CAI reading program. Boys progress through the curriculum as rapidly as the girls, and do equally well on tests administered at the end of the school year. Instruction under computer control has also been used successfully at the college level.

Instructional Program: The essence of teaching, whether in the classroom or under computer control, lies in the arrangement of the material to be learned. A body of material arranged so as to be most readily mastered is called a program. Instructional programs have two basic formats: the linear program and the branching program. With the linear program, the student progresses along a single track from one frame to the next; each time an item is answered the student moves on to the next regardless of whether the response was correct. The branching program allows the learner to take any number of different paths through the curriculum. Each response is evaluated; that evaluation determines, in part, where the student goes next. An error in response is pointed out, and the student is given help to avoid making that error again. The student who has done very well on a number of questions may be given an opportunity to jump ahead; the one who has made too many mistakes may retrace his steps or taken alternative route in an effort to resolve difficulties.

Doctrine of Formal discipline: The problem of transfer of learning has been historically of great concern to educators. For them it constitutes the very important practical question of "how the school curricula should be arranged to ensure maximum positive transfer. Does learning algebra help in the learning of geometry? Which of the sciences should be taught first to ensure maximum transfer to other science courses? One of the earliest notions of transfer of learning, prevalent among educators around the turn of the century, maintained that the mind was composed of faculties that could be strengthened through exercise, much as individual muscles can be strengthened. This notion, known as the doctrine of formal discipline, was advanced in support of keeping such studies as Latin and Greek in the high school curriculum. It was argued that the study of mother tongue/native language, for

example, trains a student's power of self-discipline, reasoning, and observation.

Learning to Learn: A special example of transfer of training is a phenomenon that psychologists have labeled learning to learn. Subjects who learn successive lists of verbal materials over a period of days are able to increase the speed with which they learn subsequent lists. Positive transfer occurs even though the lists are not similar. The subjects apparently learn a technique or an approach to the task that facilitates their performance on later tasks of the same sort.

Another example of learning to learn is provided by an experiment in which monkeys are presented with a series of discrimination problems. For each problem the animal is shown two objects for example, a red triangle and a green circle and is reinforced with food if it selects the correct object, which might be the red triangle. Object position is alternated in a random order from trail to trial so that sometimes the triangle is on the right and sometimes on the left. The animal must learn to ignore positional cues in selecting the correct object. After the monkey has learned consistently to select the correct object, it is given a problem involving a different pair of objects.

Transfer by Mastering Principles: One factor that makes transfer possible is the appropriate application to new situations of principles learned in old situations. The Wright brothers applied the principles they learned in flying kites to building an airplane. Principles of reasoning learned in logic are equally applicable in mathematics. The following experiment demonstrates the advantage of learning principles.

Reward and Punishment in Learning: Anyone responsible for training or instructing, whether at home, in school, or in business, has to decide what motivational techniques to use. Success may depend upon the skillful use of rewards and punishments to encourage and guide the learning process.

Intrinsic and Extrinsic Rewards: In choosing goals for the learner, it may be possible to select those intrinsically related to the task rather that those extrinsically related. A goal is intrinsic if it is natural or inevitable. For example, the boy who assembles a radio in order to communicate with a friend derives a satisfaction inherent in the task when he completes the instrument and finds that it works. The relation between a task and a goal is extrinsic if it is arbitrarily or artificially established. For example, a father may promise to buy his son a radio if the cuts the grass each week. The radio is an incentive extrinsically related to cutting grass; there is no natural relationship between cutting grass and a radio. The distinction between intrinsic and extrinsic motivation is not clear-cut, and in most learning situations both, types of motivation are involved. A child learning to ride a bicycle is usually intrinsically motivated by the pleasure derived from mastering this new skill. But fear of derision from his peers if he fails may also be a motivation, an ex1rinsic one. Whenever possible, it is advantageous to use goals intrinsically related to the learning task. A child whose interest in music has been stimulated at an early age will persevere in practicing the piano longer than one whose motivation stems solely from promised rewards and threats of punishment. But even the intrinsically motivated child may require some extrinsic rewards when the drudgery involved in mastery outweighs the satisfaction of making music. !n most cases, if the person

who guides and controls the learning situation can capitalize on intrinsic motives, the battle is half won.

Controlling Learning through Punishment: Folklore leads us to believe that punishment is an effective way of controlling learning. "Spare the rod and spoil the child' is not an isolated epigram. Fines and imprisonment are forms of social control that are sanctioned by all governments. For many years arguments have continued over the relative advantages and disadvantages of benevolent treatment (emphasizing reward for good behaviour) and stern treatment (emphasizing punishment for error). The preference has shifted slowly from punishment to reward. Has this shift come about solely on humanitarian grounds or has punishment been found less effective than reward? Evidence from psychological experiments indicates two important conclusions: (1) punishment is often less effective than reward because it temporarily suppresses a response but does not weaken it and (2) when punishment is effective it accomplishes its purpose by forcing the individual to select an alternative response that may then be rewarded.

PROS AND CONS ON THE USE OF PUNISHMENT: In addition to its suppressive effect, punishment may unsatisfactorily control behaviour for the following reasons: The results of punishment, although they may include altered behaviour, are not as predictable as the result of reward. Reward says: "**Repeat what you have done**." Punishment says "**Stop it**!" Punishment by itself fails to give you an alternative. As a result, an even more undesirable response may be substituted for the punished one. A child who handles electrical appliances and gets shocked may learn which connections are safe, which hazardous. A teacher's corrections on a student's paper can be regarded as punishing; but they are also informative and can provide an occasion for learning. Informative punishment can redirect behaviour so that the new behaviour can be rewarded.

Summary: *"It's all about working together".* Organizational structure provides guidance to all employees by laying out the official reporting relationships that govern the workflow of the company. A formal outline of a company's structure makes it easier to add new positions in the company, as well, providing a flexible and ready means for growth. Without a formal organizational structure, employees may find it difficult to know who they officially report to in different situations, and it may become unclear exactly who has the final responsibility for what. Organizational structure improves operational efficiency by providing clarity to

employees at all levels of a company. By paying mind to the organizational structure, departments can work more like well-oiled machines, focusing time and energy on productive tasks. A thoroughly outlined structure can also provide a roadmap for internal promotions, allowing companies to create solid employee advancement tracks for entry-level workers.

Student Exercise : A CAPCO Case Study

Founded just 15 years ago, Capco is a leading international provider of consulting, managed services and technology solutions for the financial services industry. With 20 offices around the world Capco employs over 2,000 people. In 2013 Capco ranked 27th in The Sunday Times 100 Best Companies to Work For list and is also featured as one of The Times Top 50 Employers for Women. One of Capco's key differentiators is that it is solely dedicated to the global financial services sector. The financial services sector includes banking, finance and investment. This sector faces many challenges, the main ones being: a). Increased customer expectation and demand b). New entrants to the market c). A need for innovation d). Significant regulation following the recent global financial crisis. For Capco, its employees must be creative and think differently to provide tailored solutions in order to meet the needs of their clients facing these challenges. 'We understand the business drivers of global financial services. Working shoulder to shoulder with our clients, we address and then look beyond immediate issues of compliance and competition. We help foster an entrepreneurial, innovative and growth-focused approach.' Strong values of respect, integrity, commitment, excellence and knowledge define how the company works with its clients and reflect the behaviours Capco expects from its employees. It has a very large client base working with 75% of the world's global financial services institutions. Its success is demonstrated by the fact that globally, it has grown 14.7% faster than its fastest growing competitor. Capco's Associate Talent Programme (ATP) helps to ensure a pipeline of talent to meet this growth.

This case study shows how the organisational structure at Capco helped develop an innovative and entrepreneurial culture to facilitate its success.

CASE STUDY QUESTIONS:

Do you think that Organisational structure helps build innovative environment?

What are the values you consider in this case study.

QUESTIONS

- What is an organisation structure and its importance?

- Define the term organization charts

- What are the different types of organizational charts

- Why organizational design is necessary?

- Explain different types of organisation

- Discuss about Formal and informal organization structure

- Differentiate the Line organisation from staff structure

- What is span of control and its importance

- What are the benefits of centralization and decentralization process?

- What is learning?

- What are the different learning principles?

- What is reinforcement?

- List the different theories of learning

- What do you understand the term classical conditioning?

- What are the types of operant learning?

- What is Cognitive learning?

- What is the importance of Programmed learning?

- Write a note on Computer-assisted instruction

- What is transfer of learning?

UNIT –III

PERCEPTION, PERSONALITY AND ATTITUDE

Perception is the process by which individuals organize and interpret information about his environment in order to give meaning to their environment. Perception is the process of receiving, selecting, organizing, interpreting, checking, and reacting to sensory stimuli or data. Kolasa defines perception as the selection and organization of material which stems from the outside environment at one time or the other to provide the meaningful entity we experience. Perception is much more complex and much more boarder than sensation. Perception is an important cognitive process deciding how a person will behave. Through this complex process people interpret world to themselves. Internally perceptual selectivity is influenced by learning, culture, experience, interest, motivation etc. Perception involves 5 sub processes. They are stimulus, registration, interpretation, feedback and consequence. Perception initiates with the presence of a stimulus situation. In organizational settings the superior forms the stimulus situation for the subordinate's perceptual process. Registration involves the physiological mechanism including both sensory and neural. Interpretation is a highly crucial sub process. Other psychological process assists in perceptual interpretation. Feedback is important for interpreting the perceptual event data. In work settings, the psychological feedback that is likely to affect a subordinates perception may be in the form of variation in the behavior of superior. Perception ends in reaction or response, which may be in the overt or convert form. As a consequence of perception, an individual responds to work demands. Importance of Perception in an organization can be understood that in the form of a). It forms a basis for feeling and actions in the organization. b). It is science that makes new way for matching people in their job. C). Helps to avoid situations when perception becomes out of touch with reality.
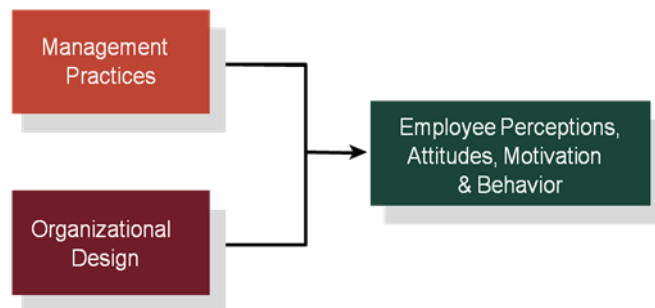
PERCEPTION

"The difference between average people and achieving people is their perception of and response to failure" John C. Maxwell

Perception is the organization, identification, and interpretation of sensory information in order to represent and understand the environment. All perception involves signals in the nervous system, which in turn result from physical or chemical stimulation of the sense organs. For example, vision involves light striking the retina of the eye, smell is mediated by

odour molecules, and hearing involves pressure waves. Perception is not the passive receipt of these signals, but is shaped by learning, memory, expectation, and attention.

According to Alan Saks and Gary Johns, there are three components to perception. The Perceiver, the person who becomes aware about something and comes to a final understanding. A picture of a talking person on a television screen, for example, is bound to the sound of speech from speakers to form a percept of a talking person. "Percept" is also a term used by Leibniz, Bergson, Deleuze and Guattari to define perception independent from perceivers.

Perception and organisational Behaviour

Perception is the process by which individuals organize and interpret their impressions in order to give meaning to their environment. Perceptions are affected by factors in the *perceiver*, in the object or *target* being perceived, and in the context or *situation*.

SENSATION VS PERCEPTION

Sensation	Perception
The process through which the senses pick up visual, auditory, and other sensory stimuli and transmit them to the brain; sensory information that has registered in the brain but has not been interpreted.	The process by which sensory information is actively organized and interpreted by the brain.

PERCEPTUAL PROCESS

The **perceptual process** is the sequence of psychological steps that a person uses to organize and interpret information from the outside world. The steps are: Objects are present in the world. A person observes. The person uses **perception** to select objects. The perceptual
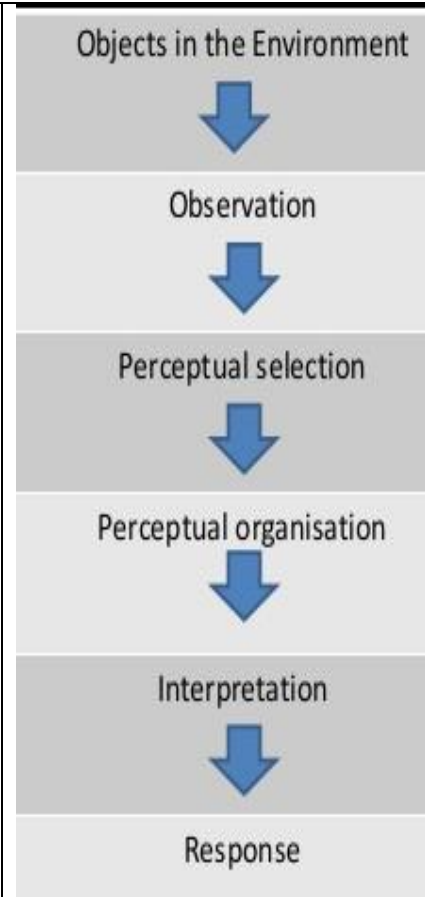
process is the sequence of psychological steps that a person uses to organize and interpret information from the outside world. The steps are:

- Objects are present in the world.
- A person observes.
- The person uses perception to select objects.
- The person organizes the perception of objects.
- The person interprets the perceptions.
- The person responds.

Perceptual Process Model

Environmental Stimuli

Feeling   Hearing   Seeing   Smelling   Tasting

Selective Attention

Organization and Interpretation

Attitudes and Behaviors

PERCEPTION PROCESS	
PERCEPTION PROCESS 1. **Receiving** Stimuli – Picking up all external and internal factors. 2. **Selecting** Stimuli – Selecting the stimuli which will be most important – This is where the introduction of new employees is important, they need to be presented in a way where the selected stimuli are positive. 3. **Organising** – Grouping and selecting which are the perceptions to keep. 4. **Interpreting** – Fundamental Attribution Error, stereotyping, Halo Effect and projection. 5. **Response** – The perception is then turned into attitudes, motivation, feelings and beliefs, which will change the behaviours of the individuals.	Objects in the Environment ↓ Observation ↓ Perceptual selection ↓ Perceptual organisation ↓ Interpretation ↓ Response

The selection, organization, and interpretation of perceptions can differ among different people. Therefore, when people react differently in a situation, part of their behaviour can be explained by examining their perceptual process, and how their perceptions are leading to their responses.

Perceptual Selection: Perceptual selection is driven by internal and external factors. Internal factors include: Personality - Personality traits influence how a person selects perceptions. For instance, conscientious people tend to select details and external stimuli to a greater degree. Motivation - People will select perceptions according to what they need in the moment. They will favour selections that they think will help them with their current needs, and be more likely to ignore what is irrelevant to their needs. Experience - The patterns of occurrences or associations one has learned in the past affect current perceptions. The person will select perceptions in a way that fits with what they found in the past.

EXTERNAL FACTORS INCLUDE

- **Size** - A larger size makes it more likely an object will be selected.

- Intensity - Greater intensity, in brightness, for example, also increases perceptual selection.
- **Contrast** - When a perception stands clearly out against a background, there is a greater likelihood of selection.
- **Motion -** A moving perception is more likely to be selected.
- **Repetition** - Repetition increases perceptual selection.
- **Novelty and familiarity** - Both of these increase selection. When a perception is new, it stands out in a person's experience. When it is familiar, it is likely to be selected because of this familiarity.

PERCEPTUAL ORGANIZATION

After certain perceptions are selected, they can be organized differently. The following factors are those that determine perceptual organization:

- **Figure-ground** - Once perceived, objects stand out against their background. This can mean, for instance, that perceptions of something as new can stand out against the background of everything of the same type that is old.
- **Perceptual grouping** - Grouping is when perceptions are brought together into a pattern.
- **Closure** - This is the tendency to try to create wholes out of perceived parts. Sometimes this can result in error, though, when the perceiver fills in unperceived information to complete the whole.
- **Proximity** - Perceptions that are physically close to each other are easier to organize into a pattern or whole.
- **Similarity** - Similarity between perceptions promotes a tendency to group them together.
- **Perceptual Constancy** - This means that if an object is perceived always to be or act a certain way, the person will tend to infer that it actually is always that way.
- **Perceptual Context** - People will tend to organize perceptions in relation to other pertinent perceptions, and create a context out of those connections.

Each of these factors influence how the person perceives their environment, so responses to their environment can be understood by taking the perceptual process into account.

❖ **Sensation**: An individual's ability to detect stimuli in the immediate environment.

❖ **Selection**: The process a person uses to eliminate some of the stimuli that have been sensed and to retain others for further processing.

❖ **Organization**: The process of placing selected perceptual stimuli into a framework for "storage."

❖ **Translation:** The stage of the perceptual process at which stimuli are interpreted and given meaning.

THE IMPORTANCE OF PERCEPTION

The process by which we become aware of, and give meaning to, events around us. Perception helps define "reality." I). *Objective reality—what truly exists in the physical world to the best abilities of science to measure it. ii). Perceived reality—what individuals experience through one or more of the human senses, and the meaning they ascribe to those experiences.* Behavioral problems arise when an individual's perceived reality does not match objective reality**.**

PERCEPTUAL CONSTANCY

The tendency to perceive objects as maintaining stable properties (e.g., size, shape, brightness, and color) despite differences in distance, viewing angle, and lighting:

a) Color Constancy: Familiar objects appear to retain their color under a variety of lighting conditions even colored light provided there are sufficient contrasts and shadows. The owner of a blue car sees it as blue whether looking at it in bright sunlight, in dim illumination, or under a yellow street light. He is relying on his memory of the car's color, which is one factor

contributing to color constancy. Information about the nature of the illumination and the color of surrounding objects are also clues to color constancy.
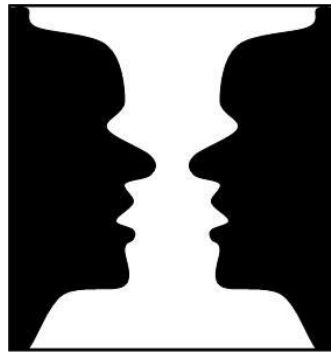

b) Shape and size constancy : When a door sings open toward us, its shape as projected on the retina goes through a series of distortions. The door's rectangular shape becomes a trapezoid, with the edge toward us looking wider than the hinged edge; then the trapezoid grows thinner, until all that is projected on the retina is a vertical line the thickness of the door. We can readily distinguish these changes, but the psychological experience is an unchanging door swinging on its hinges. The fact that the door does not seem to change it shape is an example of shape constancy.

Size constancy refers to the fact that as an object is moved farther away we tend to see it as more or less invariant in size. Studies of what people blind from birth see when their sight is restored through surgery show that the figure-ground organization is present even when other features of perception are missing. Adults who see for the first time have no difficulty seeing something as a figure on a background, although they are unable to identify familiar forms by sight. We can perceive figure ground relationships through senses other than vision. For example, we may hear the song of a bird against a background of outdoor noises or the melody played by the violin against the harmonies of the rest of the orchestra.

FIGURE AND GROUND: Geometrical patterns are always seen as figures against a background and thus appear to be like objects, with contours and boundaries. Figure-ground organization is basic to stimulus patterning. Patterns do not have to contain identifiable objects to be structured as figure and ground. Patterns of black and white and many wallpaper designs are perceived as figure-ground relationships, and very often figure and ground are reversible.
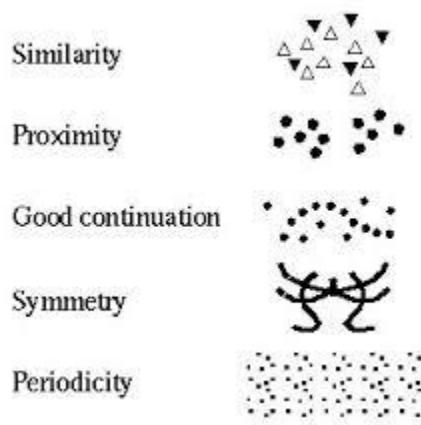

In the following figure note that the part that is seen as figure seems more solid and well defined and tends to appear slightly in front of the background, even though the spaces in and around the figure to a uniform background behind, whether the background is in white (or a light color) or black (or a dark color). Figure illustrates that it is a **Butterfly or Two Faces?**

Reversible Figures: In spite of producing a 'good figure' with the information given above, it will be not be maintained if the formulation and integrity of their borders is interfered by the introduction of succeeding 'stronger' figures. The multiple interpretations are afforded by the 'ambiguous figures', a sub-class in this type of figure is 'reversible figures'. In such figures, perception seems to be perversely unstable. That is, a figure may remain detectable; its spatial stability may be disrupted in the absence of an articulated background. A reversible figure is so structured that it gives rise to two possible figure ground relations. That is, at one time figure A becomes the figure and figure B becomes the ground, subsequently, figure B becomes the figure and figure A becomes the ground. in this, in any ideal condition which maintains stable perception, instability will occur if given a chance. But, the total figure does

not disappear, only analogous to disappearance occurs. Alternative figures replace each other; when one is dominant, the other is in abeyance. The lines remain visible, but the interpretations change.

Perceptual Grouping and Patterning: Even simple patterns of lines and dots fall into ordered relationships when we look at them. In the top part of figure we tend to see three pairs of lines, with an extra line at the right. But notice that we could have seen three pairs beginning at the right with an extra line at the left. The slight modification shown in the lower part of the figure causes us to do just that. This tendency to structure what we see is very compelling; what we see in figures seems to be forced on us by the patterns of stimulation. The properties of wholes affect the ways in which parts are perceived. For that reason we may say following the lead of Gestalt psychology that the whole is different from the sum of its parts.
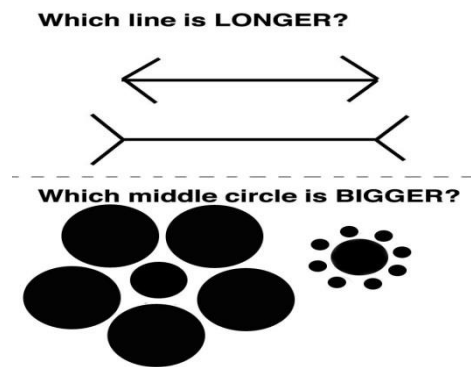

Visual Illusions: Sometimes we select a perceptual hypothesis that is actually incorrect; in this case we experience an illusion. Visual i1iusions have long intrigued psychologists by studying stimulus situations where perceptions are misleading; they hoped to gain information about how perception works.

MOVEMENT PERCEPTION: When you perceive movement, you sense action in space

taking place over time. Usually the perception of movement is explained according to the stimulation of successive parts of the sensory surface. When an image moves across our line of vision it produces a pattern of successive stimulation of the rods and cones, and we perceive movement.

Which line is LONGER?

Which middle circle is BIGGER?

When you turn your head to look around the room. Images move across the retina, yet objects in the room appear stationary. Some higher brain process apparently integrates the information from the retinal stimulation and the kinesthetic information from your head, neck, and eye muscles to tell you that your head or eyes are moving, not the room.

Apparent Motion: It is also possible to perceive motion without a successive pattern of stimulation. We will now consider some examples of this kind of apparent motion. **(i) Autokinetic effect:** If you stare for a few seconds at a single spot of light in a completely dark room, the-light will appear to move about in an erratic manner-sometimes oscillating back and forth, sometimes swooping off in one direction. This apparent movement of a stationary light, known as the auto kinetic effect. **(ii) Stroboscopic motion:** Another kind of apparent motion is known as stroboscopic motion this illusion of motion is created when separated stimuli, not in motion, are presented in succession. Each frame of a film is slightly different from the preceding one, but if the frames are presented rapidly enough, the pictures blend into smooth motion. A simpler form of stroboscopic motion, known as the phi phenomenon, when one light blinks on and then off, followed shortly by another, there is the illusion of a single light moving from the position of the first to the position of the second, and so on. The apparent movement is seen as occurring through the empty space between the two lights.

Real motion: We can see apparent motion, when there is no real motion at all. The perception of real motion is even more complex; it depends upon the relations between

objects within the visual field. Whenever there is movement, the perceptual system must decide what is moving and what is stationary with reference to some frame of reference. Experiments have shown that when the only information we have about movement is visually we tend to assume that large objects are stationary and smaller objects are moving. If a subject views a spot of light within a frame or against a screen background and the frame is moved while the spot remains stationary, he will perceive that spot as moving. This type of induced movement experienced when the moon is viewed through a thin cover of moving clouds. In a clear sky the moon appears to be stationary.

Depth Perception: Our study of perception would be incomplete without considering the problems of perceiving the third dimension that is distance and depth. The retina is essentially a two-dimensional surface. How, then, is it possible to perceive things as filling a space of three dimensions?

(i) Binocular Cues to Depth: Many of the facts of vision can be treated by considering phenomena that can be registered with one eye only. A man with vision in only one eye has most of the visual experiences of a man using two eyes. A man with vision in both eyes does have advantages over a man with vision in one eye: his total visual field is larger, so that he can see more at once, and he has the benefit of stereoscopic vision. In stereoscopic vision the two eyes cooperate to yield the experience of solidity and distance. In these device two flat pictures, presented one before each eye, combine to yield an experience of depth very different from that received from a single flat picture. Stereoscopic experience differs from the experience of the third dimension in single flat pictures because of retinal disparity. Since our eyes are separated in our head, the left eye does not get exactly the same view as the right eye; the stereoscopic effect results from the combination of these slightly different pictures in one view. You can easily demonstrate retinal disparity for yourself. With one eye closed hold a pencil about a foot in front of you and line it up with some vertical edge on the opposite wall. Open that eye and close the other. The pencil will appear to have moved a considerable distance from its original alignment. If you line up the pencil with both eyes open and then close each eye alternately, you can determine which your dominant eye is; that is, if the pencil shifts when you close the right eye, your right eye is dominant (which is usually the case with right-handed individuals).

(ii) Monocular Cues to Depth: Although having two eyes helps us to perceive depth and

distance, we are by no means restricted to binocular effects for this perception. Closing one eye causes the loss of some precision, but there is much left to go on. An artist is able to give depth to his picture because he can make use of the many monocular cues that tell us the distance of objects.
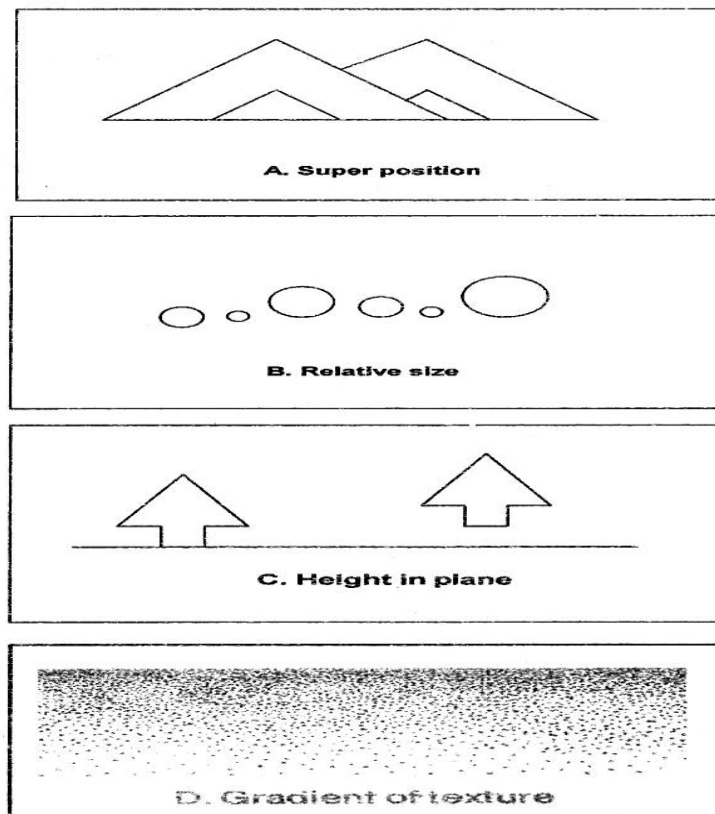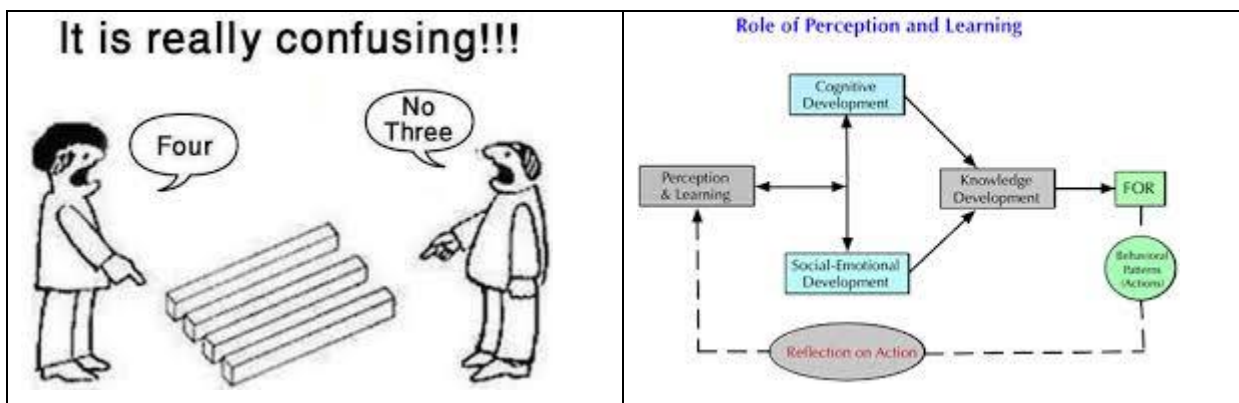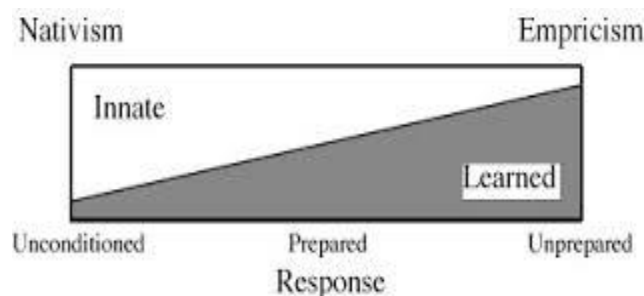

Fig. Visual distance perception

The above Figure illustrates four types of cures that are used in the perception of depth. If one object appears to cut off the view of another, the presumption is strong that the first object is nearer (Figure A). If there is an array of like objects of different sizes then the smaller ones are perceived as being in the distance. Even a series of scattered circles of different sizes may be viewed as spheres of the same size at varying distances (Figure B); another hint of perspective is height in the horizontal plane. As we look along a flat plane objects further away appear to be higher, so that we can create the impression of depth for objects of the same size by placing them at different heights (Figure C). Even for irregular surfaces, such as a rocky desert or the waving surface of the ocean, there is a gradient of texture with distance, so that the "grain" becomes finer as distance becomes greater (Figure D).

THE ROLE OF LEARNING IN PERCEPTION

The phenomena of perceptual organization movement, and depth perception, and the various perceptual constancies lend themselves to simple and convincing experimental demonstrations, so that by now there is general agreement over what the subject perceives. Disagreements remain, however, over how to explain what happens. One of the traditional problems of visual perception has been the question of whether our abilities to perceive the spatial aspects of our environment are learned or innate. This is the familiar nature-nurture problem, and its investigation with relation to perception goes back to the philosophers of the seventeenth and eighteenth centuries.

Natives and Empiricist Viewpoints: One group, the atavists (Descartes, Kant), argued that we are born with the ability to perceive the way we do. In contrast, the empiricists (Berkeley, Locke) maintained that we learn our ways of perceiving through experience with objects in the world about us. No one today really doubts that practice and experience affect perception. The question is whether we are born with some ability to perceive objects and space in our environment or whether these abilities are completely learned. Let us examine some of the areas of research that yield information on the role of learning in perception.
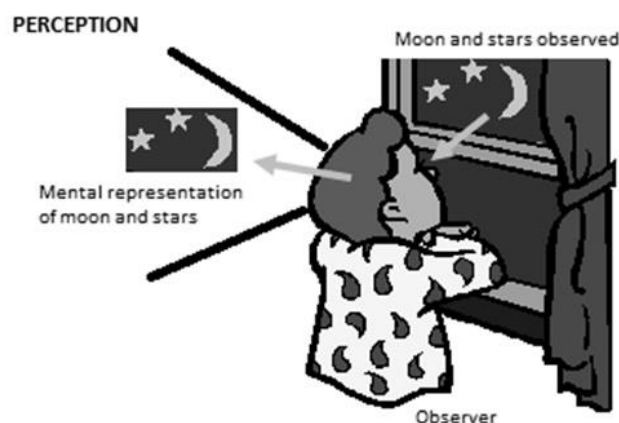

Effects of Restored Vision: As far back as the seventeenth century, Locke quotes a letter he received from a colleague, in whom the problem is posed: Suppose a man born blind, and now adult, taught by touch to distinguish between a cube and a sphere of the same metal, and of the same bigness. Suppose that the cube and the sphere placed on a table, and the blind man be made to see... (Could be) now distinguish and tell which is the globe, which the cube?
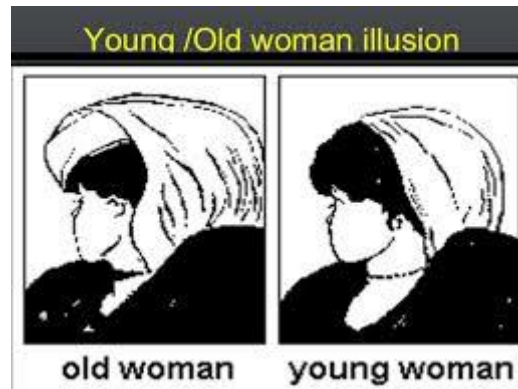
Locke concluded that he could not. A partial answer to this question is provided by studies of individuals who were blind from birth with cataracts on both eyes and whose vision was restored by surgical means when they were adults (Senden, 1960). When the eye bandages are removed for the first time, the patient is confused by the bewildering array of visual stimuli. He is able, however, to distinguish figure from ground (apparently perceiving figure-ground relationships in much the same way as normally sighted people do), to fixate figures, scan them, and follow moving figures with his eyes. These abilities then appear to be innate. He cannot identify by sight alone objects very familiar from the sense of touch, such as faces, knives, and keys. He cannot distinguish a triangle from a square without counting the number of corners or tracing the outline with a finger. He also cannot tell which of two uneven sticks is longer without feeling them, although he may report that the two sticks look somehow different. Often it takes several weeks of training for such patients to learn to identify simple objects well from sight, and even after identification has been learned in a specific situation, the patient shows little evidence of generalization or perceptual constancy. These studies of previously blind adults who are suddenly able to see for the first time suggest that our perceptions develop gradually from primitive visual experiences in which figure--ground relationships and color predominate, becoming more accurate and more detailed with practice. They cannot, however, be taken as conclusive evidence of the innate visual ability of the infant.

ATTENTION AND PERCEPTION

Our perceptions are selective. We do not react equally to all the stimuli impinging upon us; instead we focus upon a few. This perceptual focusing· is called attention. Through attentive processes we keep in focus-selected stimuli and resist distracting stimuli.

PERCEPTION

Moon and stars observed

Mental representation of moon and stars

Observer

Selective Attention: We are constantly bombarded by stimuli to which we do not attend. In fact, our brains would be quite overloaded if we had to attend to every stimulus present in our environment. Somehow, our brain selects those stimuli that the pertinent and ignores the others until a change in a particular stimulus makes it important for us to notice it.

There is evidence, however, those stimuli to which we are not actively attending still register in some form in our perceptual system, even though we may not recognize them at the time. Consider what takes place during a cocktail party. Out of the complex volume of sound generated by the wavelengths of many voices taken together, you are able to listen to one voice. Although you may think you are not attending to the other voices, let someone in the far corner of the room mention your name and you are immediately aware of it; apparently the nervous system monitors the other voices for relevant stimuli without your being aware of such activity.

Determinants of Stimulus Selection: Some physical properties of the stimulus that are important in gaining attention are intensity, size, contrast, and movement. Certain internal variables, such as motives and expectations, are equally important in determining which stimulus attracts our attention. The advertiser counts on an appeal to the male sex drives when he uses pictures of scantily clad females to advertise anything from carpets to automobile tires. In a culture where hunger is a more generally unsatisfied drive than sex, pictures of food might prove to be a more powerful attention-getter. Because of habitual or momentary interests, individual vary greatly in their responses to the same stimuli. The naturalist will hear sounds in the woods that the ordinary picnicker would miss. A mother will hear her baby's cry above the conversation of a room full of people. These two illustrations represent abiding interests. Sometimes momentary interest controls attention. When you page through a book looking for a particular diagram, only pages with illustrations cause you to hesitate; others you ignore. Emotional states, especially moods, may also affect

the ways in which attention is directed. In a hostile mood, personal comments are noticed that might go unremarked in a friendlier mood.

Physiological Correlates of Attention: When a stimulus attracts our attention, we usually perform certain body movements that enhance our reception of the stimulation. If it is a visual stimulus we turn our head in the proper direction, our eyes turn so that the image falls on the fovea, our pupils dilate momentarily to allow lighter to enter the eye, and the lens muscles work to bring the image clearly into focus. If the stimulus is auditory we may cup our hands behind our ears or turn one ear in the direction, of the sound, keeping the rest of our movements very still so as to enhance the reception of a faint auditory stimulus. These body movements are accompanied by certain characteristic internal physiological changes. The physiological reactions that occur in response to stimulation changes in the environment form such a consistent pattern that they have been called the orienting reflex and have been studied extensively by psychologists. The orienting reflex occurs in both man and animals in response to even minimal changes in the stimulus environment. The physiological accompaniments of attention, in addition to the body movements mentioned above, include dilation of the blood vessels in the head, constriction of the peripheral blood vessels, certain changes in the gross electrical responses of the brain (EEG) and changes in muscle tone, heart rate, and respiration. These responses serve the dual function of (1) facilitating the reception of stimulation and (2) preparing the organism to respond quickly in case action is needed we can see why such a reflex is extremely valuable for self-preservation.

Needs and Values: What a person perceives and how he perceives it may also be determined to some extent by his needs and personal values. The value an individual places on an object may affect such direct impression as those of size. For example, it has been shown that children from poorer homes tend to overestimate the size of coins more an do children from well-to-do homes (Bruner and Goodman, 1947).

PROCESS

i) Socialization process: The contribution of family and social group in combination with the culture is known as socialization. It initially starts with the contact with the mother and later on the other members of the family. The social group plays influential role in shaping and individual's perception.

ii) Identification process: Identification starts when a person begins to identify himself with some other members of the family. Normally child tries to behave as father or mother. He tries to emulate certain actions of his parents.

BEHAVIOUR OF THE PERSON AND ITS INFLUENCING FACTOR

Sex: Men in the workplace generally show greater interest in union activities. Women employees, on the other hand, may be reluctant to even join trade unions. Women employees may have to avail leave frequently due to greater domestic obligations. A pregnant employee, for example, will apply for maternity leave that must be given to her as per law. Likewise, when the child is ill, it is she who has to give the necessary medical care. For all this, she has to abstain from work. Some women employee may even resign their jobs after marriage in view of family obligations.

Education: If a highly qualified person is given a lower level job he may not work with enthusiasm. Such a person deserves a better placement. On the other hand, if a person is given a placement for which he does not possess the requisite qualification and experience he will not be able to perform his duties. "Selection and placement of the right person for the right job, thus, is very important".
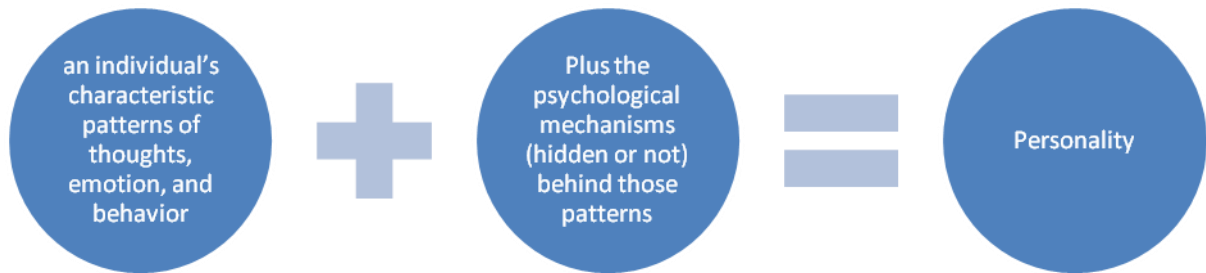
Marital Status: The need for a secured job and stable income is greater in case of married employees. A married employee has domestic commitments and therefore adapts himself to the needs of the organization. He cannot reign his job in case he derives less or no job satisfaction or finds the work environment not conducive. On the other hand, an unmarried employee without much domestic commitments may find a better job if the present job does not give him satisfaction.

Potentials: Needless to say, the potentials of an individual influence behaviour. A person with the ability to perform any task effortlessly is able to be emphatic. He is in a position to demand better status in the organization. It is only people with greater potentials who contribute significantly to the progress of any organization.

WHAT IS PERSONALITY?

'Personality can be defined as a dynamic and organized set of characteristics possessed by a person that uniquely influences his or her cognitions, motivations, and behaviors in various situations.'

Ryckman (2004)

| an individual's characteristic patterns of thoughts, emotion, and behavior | **+** | Plus the psychological mechanisms (hidden or not) behind those patterns | **=** | Personality |

The relatively stable set of psychological characteristics that influences the way an individual interacts with his or her environment and how he or she feels, thinks, and behaves. Dimensions and traits that are determined by genetic predisposition and one's long-term learning history.

PERSONAL CONCEPTION TRAITS:

The way individuals tend to think about their social and physical settings as well as their major beliefs and personal orientation.
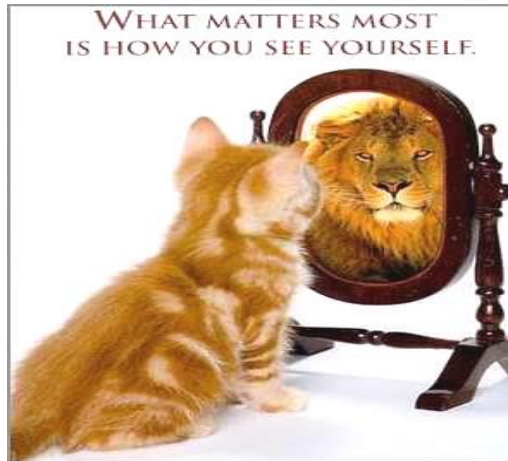
- Key traits. : Locus of control.
- Authoritarianism/dogmatism.
- Machiavellianism.
- Self-monitoring.

Locus of control.
- The extent to which a person feels able to control his/her own life.
- Externals.
  - More extraverted in their interpersonal relationships and more oriented toward the world around them.
- Internals.
  - More introverted and more oriented towards their own feelings and ideas.

WHAT IS SELF-ESTEEM?

- The degree to which a person has a positive self-evaluation.
- People with high self-esteem have favourable self-images.
- People with low self-esteem have unfavourable self-images.
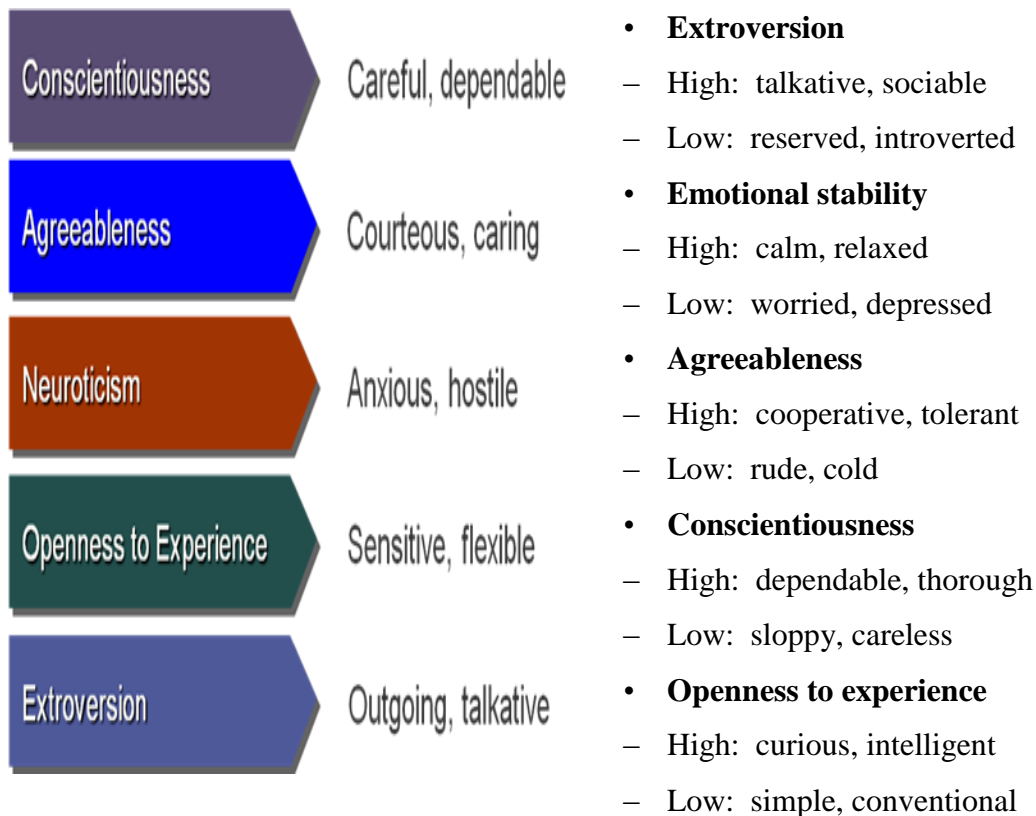

WHAT MATTERS MOST IS HOW YOU SEE YOURSELF.

HOW DO PERSONALITIES DIFFER?

People vary in personality and social behaviour. It is generally accepted that some of this variation is due to differences in genes and some to "environment"—that is, to differences in people's experiences. More precisely, it is about theories designed to account for environmental influences on personality and social behaviour by specifying some of the ways these outcomes are affected by people's experiences.

Big Five Personality Traits

Many contemporary personality psychologists believe that there are five basic dimensions of personality, often referred to as the "Big 5" personality traits. The five broad personality traits described by the theory are extraversion, agreeableness, openness, conscientiousness, and neuroticism.

THE *BIG-FIVE* PERSONALITY DIMENSIONS

Conscientiousness — Careful, dependable

Agreeableness — Courteous, caring

Neuroticism — Anxious, hostile

Openness to Experience — Sensitive, flexible

Extroversion — Outgoing, talkative

- **Extroversion**
  - High: talkative, sociable
  - Low: reserved, introverted
- **Emotional stability**
  - High: calm, relaxed
  - Low: worried, depressed
- **Agreeableness**
  - High: cooperative, tolerant
  - Low: rude, cold
- **Conscientiousness**
  - High: dependable, thorough
  - Low: sloppy, careless
- **Openness to experience**
  - High: curious, intelligent
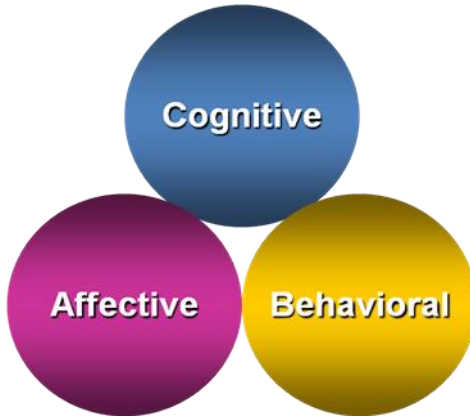 - Low: simple, conventional

WHAT IS ATTITUDE?

Attitude is defined as a mental state of readiness; organize to through experience which exerts a directive or dynamic influence on the responses on a individual to all objects and situations with which the individual is related. Each of these beliefs is a predisposition that results in some preferential response towards the object or the situation. Attitudes:

- Are influenced by values and are acquired from the same sources as values.
- Are more specific and less stable than values.
- An attitude is a predisposition to respond in a positive or negative way to someone or something in one's environment.
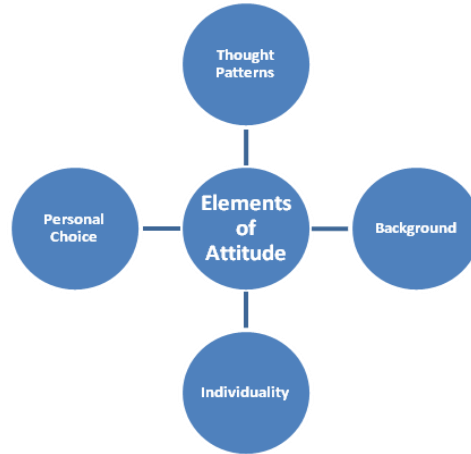
Parts of an attitude

- **Cognitive:** perceptions and beliefs about an attitude object
- **Affective:** feelings about an attitude object
- **Behavioral intentions:** how the person wants to behave and what a person says about an attitude object.
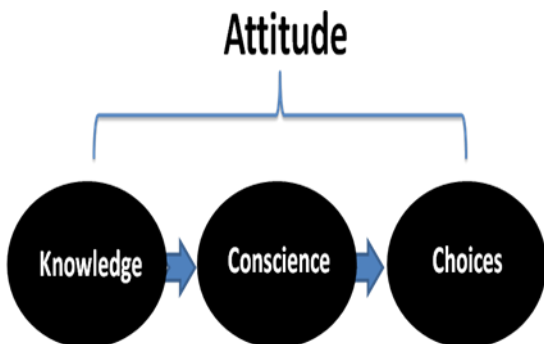
ELEMENTS OF ATTITUDE

Attitude is Everything

The *Right* Attitude…   (Carter-Scott et al., 2004)

- Determines how you view things.
- Quality of your life.
- How you view life.
- How we face adversity.
- How face obstacles.

A persistent tendency to feel and behave in a favorable or unfavorable way toward a specific person, object, or idea.

WHAT IS COGNITIVE DISSONANCE?

Cognitive Dissonance - a state of tension that is produced when an individual experiences conflict between attitudes and behavior.
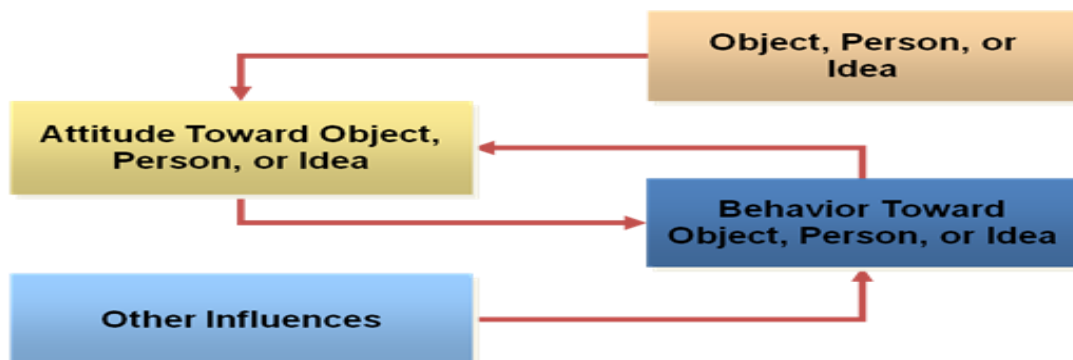
Highly positive effect on intentions to stay in the job

- Modest effect on actually staying in the job
- Modestly positive effect on regular attendance at work
- Positive effect on performance (may also be positively affected by performance)
- Moderately strong relationship with motivation

Organizational Commitment Outcomes

- Positive effects on intentions to stay in the job
- Modest effects on actually staying in the job and attending work regularly
- Significantly related to motivation
- Positive effects on job performance

Influence of Attitudes on Behavior
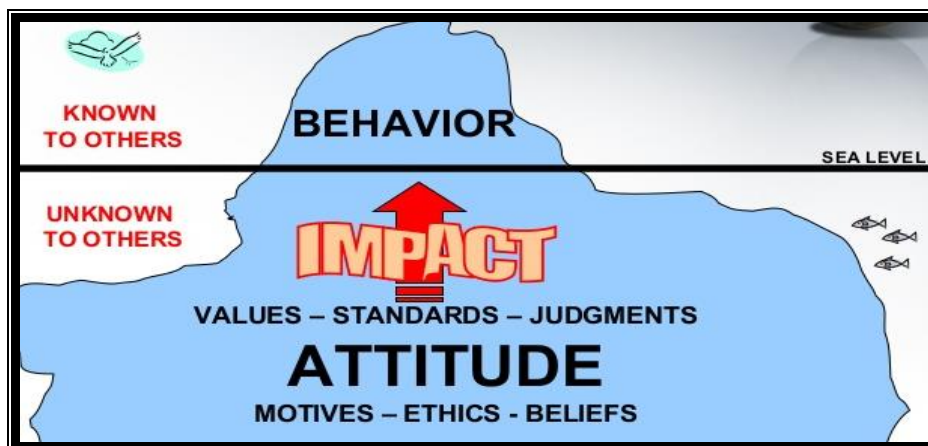
Values (Culture) X Results = Fit

VALUES AND WORK PLACE

Every person has different values, but did you know there are different types of values? In this lesson, we will look at the different types of values and explain their relation to the world around us.
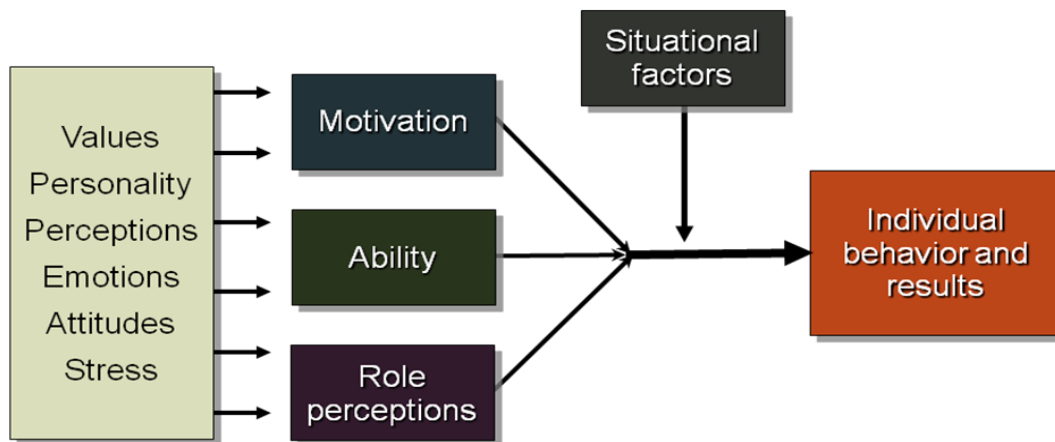
What Are Values?

Values are different for each person. While one person might value honesty, another might value wealth. **Values** have been defined as ideals or beliefs that a person holds desirable or undesirable. For example, a person might have to let their values towards honesty slip a little when it involves increasing their wealth.

The Importance of Values

Values are part of the makeup of a person. Since you value family, it would be hard to value a high-powered job that might take you away from your family. Thus, all values exist in a balance within us. That is not to say that, over time, values cannot change. As we grow and change as individuals, we will begin to value different aspects of life. If we value family when we are younger, as our children get older, we might start to value success in business more than family so we can pay for things like college, cars, etc.

MARS MODEL OF INDIVIDUAL BEHAVIOR

VALUES, ETHICS & ETHICAL BEHAVIOR

Value Systems - systems of beliefs that affect what the individual defines as right, good, and fair Ethics - reflects the way values are acted out. Ethical behavior - actions consistent with one's values

STRESS MANAGEMEMT

"The critical ingredient to any success." Taylor Swift, Musician

Stress has been defined as our internal response to external events. In other words, stress is what our bodies and minds experience as we adapt to a continually changing environment. Stress is a body's method of reacting to a challenge.

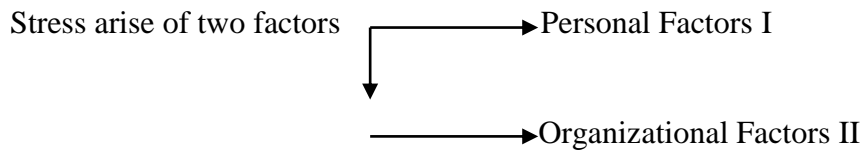**WHAT IS STRESS?:** A person under goes stress when he feels that he is ill equipped to carry out the tasks assigned to him. Not every one undergoes stress in a work place.

- Stress is an unavoidable part of modern living
- Can come from a simple event such as crossing a busy street
- Also can come from an exciting event such as a college graduation
- Not always bad if a person is prepared for stress

- An adaptive response to a situation that is perceived as challenging or threatening to the person's well-being

WHY DOES STRESS ARISE?

The various factors that cause stress can be grouped under:

Stress arise of two factors → Personal Factors I

→ Organizational Factors II

- **Ability**: They have the necessary mental and physical stamina to overcome any kind of a pressure. On the other hand, there are people who do not have the capability to face critical situations.

- **Perception**: Whether a problematic has arise in the organization or not depends upon the perception of the people who are employed in it. Some people cannot perform any out-of-routine work because they perceive into be difficult while there are people who are always prepared to accept any challenge.

- **Manner of approaching crisis:** Hoe a person approaches his task when there is a crisis is yet another cause of stress. In a critical situation some become nervous and as a result they are unable to perform well.

- **Level of Self-confidence**: Some people basically lack self-confidence. Needless to say, in a crisis for such people the level of self-confidence deteriorates further and affects performance. People who have supreme self-confidence are not likely to undergo stress.

- **Experience:** Well- experienced employees would have come across difficult situations several times in their career and therefore are aware of the tactics to be used.

- **Desire for work:** The desire of an employee for work is another important personal factors. An employee with a desire for work is always keen on performing his task and only completion of the task will give him peace and happiness.

- **Beliefs**: An employee who firmly believes that systematic work will pay rich dividends does not feel the work pressure and therefore is not likely to experience stress.

- A situation that creates excessive psychological or physiological demands on a person.

TYPES OF STRESS

Stress is your body's response to certain situations. Stress is subjective. Something that may be stressful for one person -- speaking in public, for instance -- may not be stressful for someone else. Not all stresses are "bad" either. Graduating from college, for example, may be considered a "good" stress.

TYPES OF STRESS

1. ACUTE STRESS
2. CHRONIC STRESS

MANAGING STRESS: The goal of stress management is to identify a your stressors -- things that cause you the most problems, or demand the most energy -- and find ways to overcome the negative stress those things normally induce.

Physical signs and symptoms of stress	
• Being easily startled	• Cold hands
• Chronic pain and	• Dryness of the mouth or throat
• Constipation	• Fatigue
• Diarrhea	• Itching
• Dysponea	• Nausea
• Elevated blood pressure	• Shallow breathing
• Headache	• Sleep disturbances
• Increased heart rate	• Stuttering and other speech difficulties
• Pounding heart	• Susceptibility to minor illness
• Sweaty palms	• Twitching
• Tightness of the chest, neck, jaw, and back muscles	• Vomiting

ORGANIZATIONAL FACTORS

- **Nature of job:** An employee who has to face challenges in his job, almost on a daily basis, undergoes stress often.

- **Superior- Subordinate relationships:** Cordial superior-subordinate relationships is essential for the smooth functioning of any organization.

- **Inter-personal relationships:** Such strained relationships affect co-operation and teamwork and also make the work environment unpleasant. The unpleasant environment affects the moral of the employees and finally leads to stress conditions.
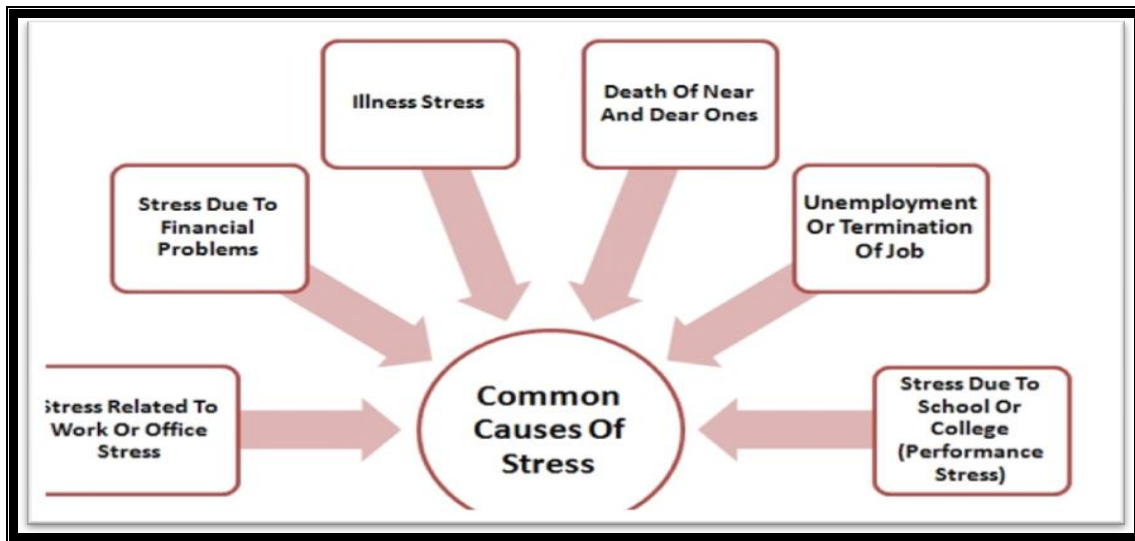
- **Target to be reached:** An employee who is not able to attain the target set for him either because the target is unreasonable or he is ill-equipped or the internal and external forces are not conducive the develops frustration.

- **Time pressure:** This is an extension of the previous point. The target to be attained by an employee is always with reference to a time-frame.

- **Physical Working conditions:** The existence of improper working conditions may also contribute to job stress.

- **Opportunities for advancement:** When an employee is deprived of the opportunities to move to higher positions due to politics in the workplace, he is sure to get disappointed.

- **House of work:** If the hours of work are too long and or the employee is made to work continuously without the required interval breaks he is sure to become tried physically as well as mentally.

- **Disparity in pay and other benefits:** In some organizations there is often disparity in the payment of remuneration among employees. For a same type of job some employees may be paid more while others may be paid less.

- **Biased assessment of performance:** Evaluating the performance of the human resource is an integral part of HR management. A number of crucial decision pertaining to an employs-pay fixation, payment of allowances, training, promotion, transfer and even termination of service.

- **Greater responsibilities:** Some superiors expect too much out of their subordinates. They give their subordinates responsibilities without the requisite authority.

WHAT CAUSES STRESS?

"Stress is the Spice of Life."- Hans Selye

- Life events such as divorce or separation, death of a loved one, the birth of a child, moving, a major financial setback, employment changes or becoming the victim of a crime or natural disaster.

- Daily events such as traffic congestion, long commutes, working overtime, deadlines, personal conflicts, car trouble, job stress, and juggling household chores and childcare

- Environmental stressors such as pollution, weather extremes or excessive noise.

- Physical stressors such as physical injury, chronic pain, tiring physical activity, and unsatisfied physical needs such as hunger, thirst or lack of sleep.
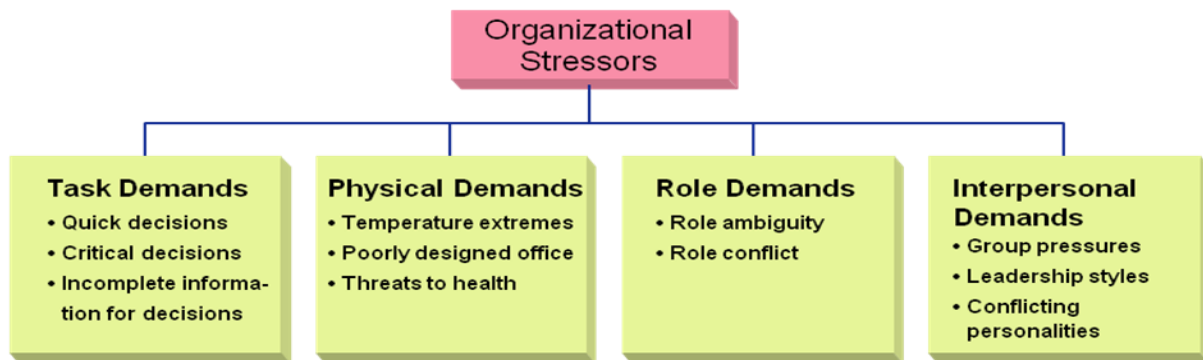

Changes in the workplace

ORGANISATIONAL STRESS

It is the psychological and physical state that results when the resources of the individual are not sufficient to cope with the demands and pressures of the situation. Stress can undermine the achievement of goals, both for individuals and for organisations.

- **Role Demands**
  - Stressors associated with the role a person is expected to play.
    - Role ambiguity arises when a role is unclear.
    - Role conflict occurs when the messages and cues constituting a role are clear but contradictory or mutually exclusive.
    - Role overload occurs when expectations for the role exceed the individual's capacity.
- **Interpersonal Demands**
  - Stressors associated with group pressures, leadership, and personality conflicts.
- **Task Demands**
  - Stressors associated with the specific job a person performs. Some occupations are by nature more stressful than others.
- **Physical Demands**

THE EMPLOYEES CAN ESCAPE STRESS BY ANY OF THE FOLLOWING MEANS:

1) Seeking transfer

2) Opting for voluntary retirement

- Finding alternative employment, etcIndividual Coping Strategies
  - Problem focused- solve the problem, don't procrastinate
  - Time management- self-management
    - scheduling, rewards, punishments
  - Seeking Help
    - mentoring- process of senior performer coaching a junior one
  - Change jobs
- Emotion-focused
  - Relaxation
    - meditation
    - napping
  - Exercise
  - Psychological
    - Employee Assistance Programs
  - Recreation
  - Companionship
- Flexible work time
- Job sharing
- Telecommuting
- Personal leave
- Childcare facilities
- Withdrawing from the stressor
  - person-job matching

- – work breaks, stabilization zones, sabbaticals
- • Changing stress perceptions
  - – self-efficacy, self-leadership
- • Controlling stress consequences
  - – relaxation and meditation
  - – fitness and lifestyle programs
- • Social support
  - – emotional and informational

SUMMARY

Perception is the process of actively organizing and interpreting sensory information. Perception must be understood according to organizing principles such as figure-ground, similarity, proximity, continuity, and closure. Other perceptual phenomena at work in the interpretation of sensory stimuli include perceptual constancy, a phenomenon occurring in the perception of size, shape, brightness, and colour; depth perception, based on both binocular and monocular cues; and the perception of motion. Values and personality traits are two dimensions on which people differ. Values are stable life goals. When seeking jobs, employees are more likely to accept a job that provides opportunities for value attainment, and they are more likely to remain in situations that satisfy their values. Perception is the physical sensation interpreted in the light of experience; it is the way you see or look at something, while Attitude is the mental position, feeling, or emotion towards a fact or state. Personality comprises the stable feelings, thoughts, and behavioural patterns people have. The Big Five personality traits (openness, conscientiousness, extraversion, agreeableness, and neuroticism) are important traits that seem to be stable and can be generalized to other cultures. Other important traits for work behaviour include self-efficacy, self-esteem, social monitoring, proactive personality, positive and negative affectivity, and locus of control. It is important to remember that a person's behaviour depends on the match between the person and the situation. While personality is a strong influence on job attitudes, its relation to job performance is weaker. Some companies use personality testing to screen out candidates. This method has certain limitations, and companies using personality tests are advised to validate their tests and use them as a supplement to other techniques that have greater validity. It's important to figure out what causes stress for you. Everyone feels and responds to stress differently. Tracking your stress may help. Get a notebook, and write down when something makes you feel stressed. Then write how you reacted and what you did to deal with the stress. Tracking your stress can help you find out what is causing your stress and how much stress you feel. Then you can take steps to reduce the stress or handle it better.

QUESTIONS

1. What is perception?

2. What causes people to have different perceptions of the same situation?

3. Can people be mistaken in their perceptions?

4. Does perception really affect outcomes?

5. What is personality and how does it affect behaviour?

6. Can emotions help or get in the way when dealing with others?

7. Define perception.

8. What is stereotyping? Give an example of how stereotyping can create perceptual distortion.

9. Give some positive results of using shortcuts when judging others.

10. Describe the factors in the Big Five model. Evaluate which factor shows the greatest value in predicting behaviour.

11. What behavioural predictions might you make if you knew that an employee had (a) an external locus of control? (b) a low Mach score? (c) low self-esteem?

12. To what extent do people's personalities affect how they are perceived?

13. What is emotional labour and why is it important to understanding OB?

14. Define personality and explain the basic nature of personality traits.

15. Describe the Big Five personality traits, with particular emphasis on the relationship with job performance, success on teams, and job satisfaction.

16. Discuss specific cognitive and motivational concepts of personality, including locus of control and achievement motivation.

17. Define intelligence and describe its role in the workplace.

18. Define an attitude and describe how attitudes are formed and how they can be changed.

19. What are elements attitude?

20. What is stress?

21. Explain in detail cause and consequences of stress.

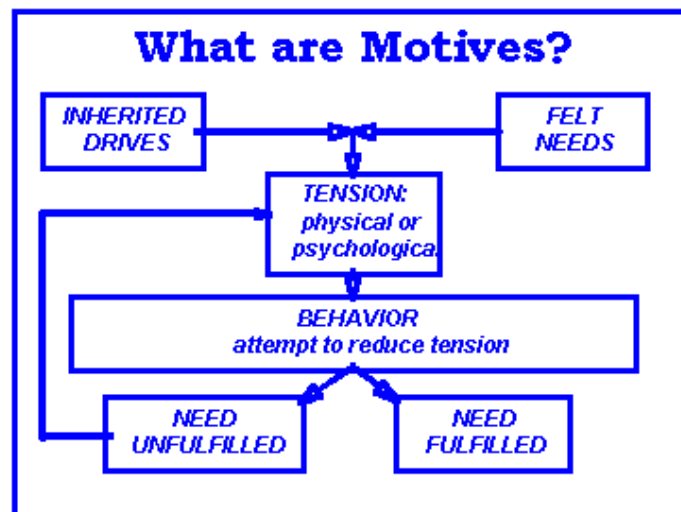22. What stress reduction strategies adopted by the 21st century organisation.
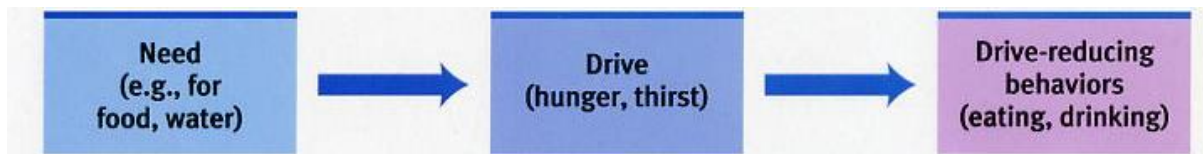
MOTIVATION AND LEADERSHIP

Every organization endeavours to enhance employee performance in order to become more competitive and profitable in the corporate world. Motivation is one of the most crucial factors that determine the efficiency and effectiveness of an organization with its help a desire is born in the minds of the employees to achieve successfully the objective of the enterprise. All organizational facilities will remain useless, unless people are motivated to utilize these facilities in a productive manner. Motivation is an integral part of management process. An enterprise may have the best of material, machines and other means of production but all these resources are meaningless so long as they are not utilized by properly motivated people.

MOTIVATION

Thus, motivation is the act or process of providing a motive that causes a person to take some action. In most cases motivation comes from some need that leads to behaviour that results in some type of reward when the need is fulfilled. This definition raises a couple of basic questions.

Motivation is the desire within a person causing that person to act. People usually act for one reason: to reach a goal. Thus, motivation is a goal directed drive, and it seldom occurs in a void. The words need, want, desire, and drive are all similar to motive, from which the word motivation is derived. Understanding motivation is important because performance, reaction to compensation, and other HR concerns are related to motivation.

| Need (e.g., for food, water) | → | Drive (hunger, thirst) | → | Drive-reducing behaviors (eating, drinking) |

Motivational Terminology

- *A **Drive** is a physiological condition that moves the person to satisfy the needs. It is not specifically directed to some object. The Hunger drive, for enough, moves us to satisfy a need for food, but not towards the specific type of food.*
- *A **motive** is over urge to attain some goal or objective such as food when hungry. Motive is clearly goal directed.*
- *A **need** is a requirement of a person for operational adjustment to the environment. Like Laptop*
- ***Wants** are similar to needs but imply that the object is social, not really physiological like Mercedes Car.*
- *An **incentive** is the object for end of the motivated behaviour, such as a thing one wants to achieve, accomplish or avoid.*
- *A **reward** is to similar to an incentive, but it implies that incentive is positive, it refers to a satisfying outcome that flows from a behaviour, their by inducing a person to adopt that behaviour again to receive the same outcome.*
- ***Goals** are the objects that fulfill or satisfy the relevant want, need, or drive.*

- Effort - must be defined in relation to its appropriateness to the objectives being pursued.

- Persistence - relates to the willingness of the individual to stay with a task until it is complete

- Direction - measured in terms of how persistent effort is applied in relation to the goals being pursued

- Goals - individual goals and organizational goals (must be compatible)

WHY MOTIVATE EMPLOYEES?

A successful organization can generally trace its success to motivated employees. A look at the synonyms for the word 'motivated' such as induce, move, provoke, prompt, and cause, shows that without motivation at some level, nothing really gets started.

WHY IS MOTIVATION IMPORTANT?

Motivation is important simply because it allows you as a leader to meet and even exceed your own organizational goals. Without a motivated workforce, organization will be in a precarious position.

BENEFITS OF A WELL-MOTIVATED WORKFORCE

A well-motivated workforce : Advantages:	Motivation is important to an individual as:
- Better productivity (amount produced per employee). This can lead to lower unit costs of production and so enable a firm to sell its product at a lower price - Lower levels of absenteeism as the employees are content with their working lives - Lower levels of staff turnover (the number of employees leaving the business). This can lead to lower training and recruitment costs - Improved industrial relations with trade unions - Contented workers give the firm a good reputation as an employer so making it easier to recruit the best workers - Motivated employees are likely to improve product quality or the customer service associated with a product.	1. Motivation will help him achieve his personal goals. 2. If an individual is motivated, he will have job satisfaction. 3. Motivation will help in self-development of individual. 4. An individual would always gain by working with a dynamic team. Motivation is important to a business as: 1. The more motivated the employees are, the more empowered the team is. 2. The more is the team work and individual employee contribution, more profitable and successful is the business. 3. During period of amendments, there will be more adaptability and creativity. 4. Motivation will lead to an optimistic and challenging attitude at work place.

Motivating employees can lead to increased productivity and allow an organization to achieve higher levels of output.

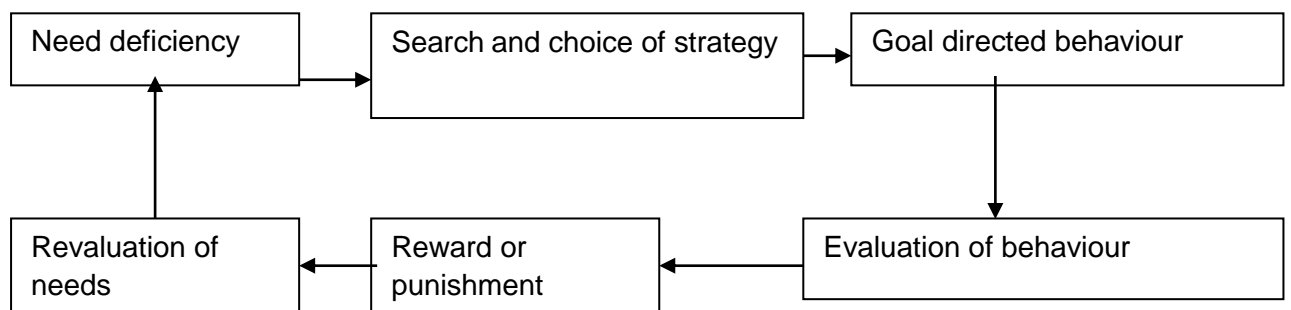### MOTIVATION IS MORE IMPORTANT FOR PROFESSIONALS

- *Affiliation Motivation:* It is a drive to relate to people on a social basis. Persons with affiliation motivation perform work better when they are complimented for their favourable attitudes and co-operation. This motivation is of greater use where money cannot be used to motivate, especially minimum-wage employees and contingent professionals.

- *Competence Motivation:* It is the drive to be good at something, allowing the individual to perform high quality work. Competence motivated people seek job mastery, take pride in developing and using their problem-solving skills and strive to be creative when confronted with obstacles. They learn from their experience. Specialists, like heart surgeons would feel motivated if they get chances to operate upon unique cases.

- *Power Motivation:* It is the drive to influence people and change situations. Power motivated people create an impact on their organization and are willing to take risk to do so. Ms Mayawati, Chief Minister of UP, is power motivated.

- *Attitude Motivation:* Attitude motivation is how people think and feel. It is their self-confidence, their belief in themselves, and their attitude to life. It is how they feel about the future and how they react to the past.

- *Incentive Motivation:* It is where a person or a team reaps a reward from an activity. It is "you do this and you get that", attitude. It is the type of rewards and prizes that drive people to work a little harder. Most of the unorganized job workers get motivated when they are offered more money.

- *Fear Motivation:* Fear motivation coercions a person to act against will. It is instantaneous and gets the job done quickly. It is helpful in the short run. Managers following Theory x come into this category. In Indian army, this kind of motivation is very popular.

Growth Motivation

Social Motivation
(It's not that I'm lazy...It's that I just don't care)

Power Motivation

Incentive Motivation

Fear Motivation (Fight or Flight)

Achievement Motivation

STEPS INVOLVED IN MOTIVATION

Motivation is a six-phased process beginning from the inner state or need deficiency and ending with need fulfilment. The following figure illustrates the motivation model.

Process of motivation

1. Unsatisfied needs and motives: it is the first process of motivation. This stage involves unsatisfied needs and motives. Such unsatisfied needs can be activated by internal stimulus such as hunger and thirst. They can also be activated by external stimulus such as advertisement and window display

2. Tension: this stage involves tension. Unsatisfied needs create tension in the individual. Such tension can be physical, psychological, and sociological. In this situation, people try to develop objects that will satisfy their needs.

3. Action to satisfy needs and motives: this stage involves action of people to satisfy needs and motives. Such tension creates strong internal stimulus that calls for action. Individual

engages in action to satisfy needs and motives for tension reduction. For this purpose, alternatives are searches and choice is made, the action can be hard work for earning more money

4. Goal accomplishment: this stage involves goal accomplishment. Action to satisfy needs and motives accomplishes goals. It can be achieves through reward and punishment. When actions are carried out as per the tensions, then people are rewarded others are punished. Ultimately goals are accomplished.
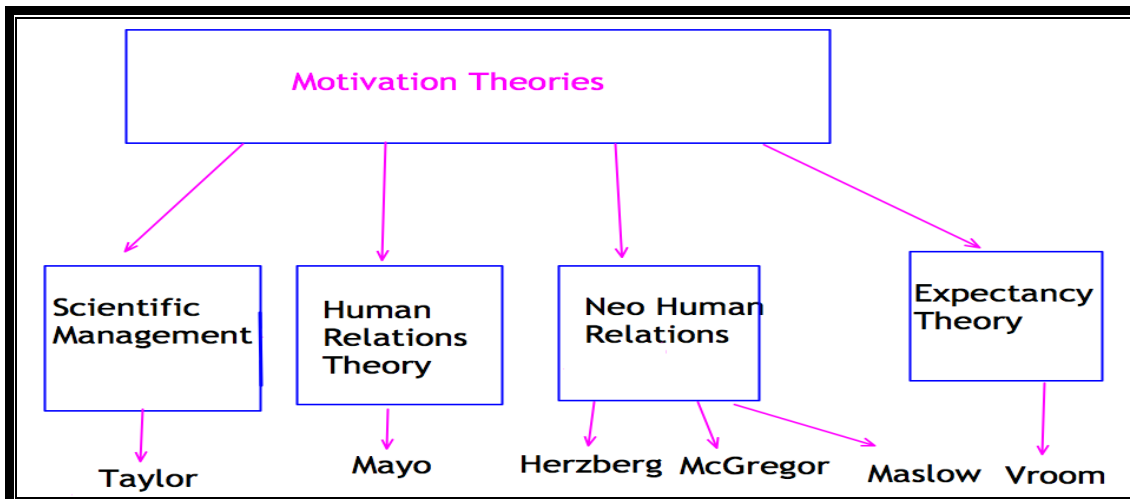
5. Feedback: this is the last stage for motivation. Feedback provides information for revision or improvement or modification of needs as needed. Depending on how well the goal is accomplished their needs and motives are modified. Drastic changes in environment necessitate the revision and modification of needs

NATURE OR CHARACTERISTICS OF MOTIVATION

- Motivation Can Be Either Positive Or Negative: Positive motivation or the carrot approach offers something precious to the person in the form of additional pay, incentives, recognition etc., Negative motivation or stick approach emphasizes penalties while controlling performance.

- Motivation Changes: Motivation of each individual changes from time to time. For e.g. A temporary worker may produce more in the beginning to become permanent, when made permanent he may continue to produce more, this time to gain promotion and so on.

- Motivation Is A Constant Process: Human needs are infinite. As soon as a person has satisfied one need, he seeks to satisfy another. Motivation cannot be time bound process.

- Motivation is determined by human needs: A worker will perform the desired activities only so long as he sees his actions as a means of continued fulfillment of his strongly felt needs.

- Motivation Is Personal And Individual Feeling: Motivation is a psychological concept. It is an inducement of inner feeling of an individual. It cannot be forced upon from outsider.

- Motivation Is Total: A motivation device which promises fulfillment of some needs of workers and not other will fall short of its objectives of producing total commitment of workers.

- Motivation May Be Financial Or Non-Financial: Financial motivation seeks to satisfy physiological and security needs and it is by way of wages, allowances, bonus etc.

- Motivation Means Bargaining: Behaviour is what people do. Motivation is 'why' they do it. Barnard explained motivation in the form of inducements- contribution theory. It focuses on workers and organization endeavoring to find what inducements to workers in exchange for what degree of contribution from workers will be satisfactory to both parties.

- Motivation Produces Goal Directed Behaviour: Motivation has got profound influence on human behaviour, it harnesses human energy to organizational requirements. Non-financial motivation seeks to satisfy the social recognition and creative needs and it is by way of appreciation, higher status, participation etc.

THEORIES OF MOTIVATION

1. MASLOW THEORY OF MOTIVATION

The behaviour of an individual at a particular moment is usually determined by his strongest need. Psychologist claims that needs have certain priority. As the more basic needs are satisfied and individual seek to satisfy the higher order needs.

Features:

1. The urge to fulfill the needs is the prime factor in motivation of people at work.
2. Human needs form a particular hierarchy. Physiological needs are at the base while self-actualization is at the top.
3. As soon as one need is satisfied another need emerges.
4. A satisfied need is not a motivator; only unsatisfied needs regulate an individual.

- Physiological needs or basic needs: The basic needs are required to preserve human life such as food, shelter and clothing ect, They exert a tremendous influence on behaviour as point out by Maslow "Man live by bread alone, where there is no bread".

- Safety or security needs: Once basic needs are satisfied, safety or security needs emerge and become dominant. These needs concerned with the physical and financial security. These include.
  - Protection from physiological damage.
  - Economic security
  - Fringe benefit, insurance programmes ect,
  - Desire for orderly predictable environment.

- Social needs (or) Love needs: Man is social animal and wants to belong, to associates, to gain acceptance to give and receive friendship and affection.

- Esteem needs: Esteem needs include both self-esteem and public esteem. People want a high self esteem as well as the respect and admiration of others. These needs take two different forms. First we have need for competency, confidence and independence. We also want the prestige, status, recognition and appreciation that other bestow on us. Satisfying the esteem needs produce feeling of self worth.

- Self actualization needs: Self-actualization is the desire to become what is capable of becoming, "what a man can be he must be". Self fulfilling people are rare individual one who comes close to living up to these full potential for being realistic, accomplishing things enjoying life and generally exemplifying classic human virtue.

Criticism:

    a. Little empirical support is available.

    b. Only a theoretical statement rather than an abstraction from field theory.

    c. The same need would not lead to the same response in all individual.

2. HERBERG'S MOTIVATION OR HYGIENE THEORY

Herberg's, Maintenance or hygiene factors are necessary to maintain reasonable level of satisfaction among employees. These factors do not provide satisfaction to the employees but their absence will dissatisfy them. Therefore, these factors are called dissatisfies. In the late 50's Fredric Herzberg and his associate conducted interview of 200 engineers and accountants in the Pits berg area in US. The persons were asked to relate elements of their jobs, which made them happy or unhappy. Herzberg named the factors that are related to job satisfaction as motivational factors that are intrinsic in nature and the factors related to their dissatisfaction towards job as hygiene factors.

Hygiene factors: Like physical hygiene these factors do not lead to growth but only prevent deterioration. They are environment related factors. Hygiene when absent they increases dissatisfaction with job. When present, they help in preventing dissatisfaction but do not increase satisfaction or motivation. Set a Job condition which operates primarily to build strong motivational factors. Two factors

1. Satisfier
2. Dissatisfies

Motivational factors: Motivations are associate with positive feelings of employees about the job. They make people satisfied with their job. When absent, they prevent both satisfaction and motivation. When present they lead to satisfaction and motivation.

```
Absent        Hygiene factors     present   Absent       Motivators          present

    ◄──────────────────►            ◄──────────────────►

Job dissatisfaction  No job dissatisfaction    No job satisfaction      job satisfaction
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Criticisms:

- This theory provides an explanation of job satisfaction. It is not a theory of motivation.
- Tremendous emphasis on motivational factors and importance of hygiene factors has been ignored.

THEORY 'X' AND 'Y':

McGregor's Theory 'X' and Theory 'Y': Douglas McGregor was a known psychologist. He propounded two contrasting theories of human behaviour which he called theory "X" and theory "Y". These theories contain two pairs of assumptions about human beings which McGregor thought were implied by the actions of autocratic and permissive managers.

Theory x

Theory X assumes that people are lazy; they hate work to the extent that they avoid it; they have no ambition, take no initiative and avoid taking any responsibility; all they want is security, and to get them to do any work, they must be rewarded, coerced, intimidated and punished. This is the so-called 'stick and carrot' philosophy of management. In order to accomplish objectives, therefore management must employ coercive techniques and tight external constraints over behaviour.

THEORY 'X': ASSUMPTIONS   :

1. Are not ready to accept responsibility
2. Avoids taking decision when even necessary.
3. Do the job half heartily
4. Fear of punishment motivate the worker into action
5. Finds a way to post pond due to laziness
6. Hate improve their efficiency
7. Not interested in achievement
8. Prefer some position
9. Prefers to be diverted by others
10. Workers do not like to work

THEORY 'Y': This is in sharp contrast to theory 'X'. McGregor believed that people want to learn and that work is their natural activity to the extent that they develop self-discipline and self-development. They see their reward not so much in cash payments as in the freedom to do difficult and challenging work by themselves. The managers job is to 'dovetail' the human wish for self-development into the organizations need for maximum productive efficiency. Theory y emphasizes creating opportunities, removing obstacles, encouraging growth and providing guidance.

THEORY 'Y': ASSUMPTIONS

1. Average human being has the to work once the worker understands the purpose of the job
2. Competence to work
3. Discipline and control
4. Have self direction
5. He may co-operate to complete the job
6. Potentiality of human beings are not fully utilized in any independent
7. Right motion tends them to accept extra responsibility
8. Take right decision
9. Wants to be recognized for accomplishing his responsibility
10. Work efficiently even for non-financial rewards like recognition, participation, and imagination.

Theory X	*Theory Y*
1. Inherent dislike for work	1. Work is natural like play or rest
2. Unambiguous and prefer to be necked by others	2. Ambitious and capable of directing their own behaviour.
3. Avoid responsibility.	3. Accept and seek responsibility and under proper conditions
4. Lack creativity and resist change	4. Creativity is widely spread. No resistance to change.
5. Focus on lower level needs to motivate workers	5. Both lower order and higher order needs like social, esteem and self-actualization needs are sources of motivation.
6. External control and close supervision require to achieve organizational objectives	
7. Centralization of authority and autocratic leadership	6. Self control and self motivation
	7. Decentralization and democratic leadership.

THEORY 'Z'

Need theory, also known as Three Needs Theory. The type of motivation by which each individual is driven derives from their life experiences and the opinions of their culture.

Need for achievement

Achievement based individuals tend to avoid both high risk and low risk situations. Low risk situations are seen as too easy to be valid and the high risk situations are seen as based more upon the luck of the situation rather than the achievements that individual made. This personality type is motivated by accomplishment in the workplace and an employment hierarchy with promotional positions.
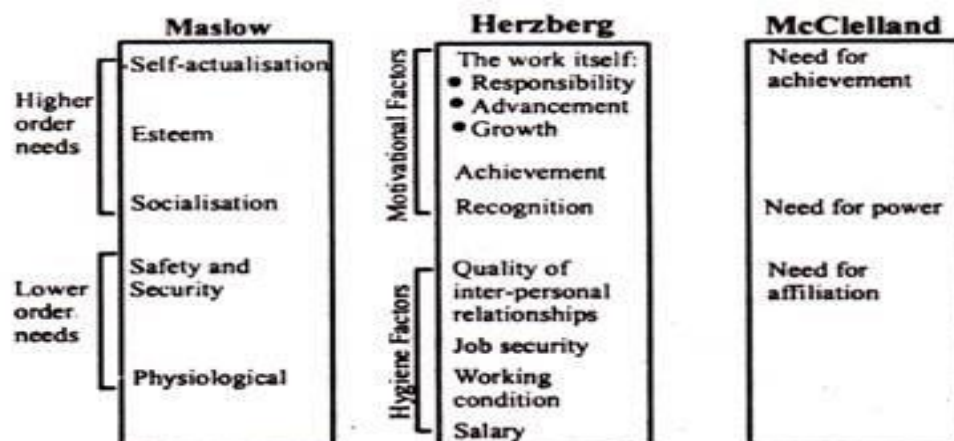
Need for affiliation

People who have a need for affiliation prefer to spend time creating and maintaining social relationships, enjoy being a part of groups, and have a desire to feel loved and accepted. People in this group tend to adhere to the norms of the culture in that workplace and typically do not change the norms of the workplace for fear of rejection. People who have a need for affiliation work well in areas based on social interactions like customer service or client interaction positions.

Need for power

A person motivated by this need enjoys status recognition, winning arguments, competition, and influencing others. With this motivational type comes a need for personal prestige, and a constant need for a better personal status.

Three needs theory of motivation

VROOMS EXPECTANCY THEORY OF MOTIVATION

Variable 1. Attractiveness: The importance which the individual worker has place on the potential outcome ore reward that can be achieved on the job. This considers the unsatisfied needs of the individuals.

Variable 2. Programme: Reward linkage the degree to which the individual worker believes that performing at a particular level will lead to the attainment of a desired outcome.

Variable 3. Effort Performance Linkage: The perceived probability by the individual that exerting a given amount of effort will lead to performance.

On the basis of these variables, Vrooms work that an individual places on a goal and the changes he sees in achieving these goals.

FORCE	=	VALANCE X EXPECTANCY
I.E. PERFORMANCE	=	ATTRACTIVENESS X EFFORTS

Expectancy theory represents a comprehensive, valid and useful approach to understanding motivation.

1. It is one of the most complete theories for detailing not only how people feel and behave but also why they react as they do.

2. It is a cognitive model i.e., it is based on conscious thoughts about the situation. When people are faced with a number of behavioural options leading to satisfaction, they will evaluate the potential outcomes of these options and select the one that promises the optimum result.

Motivation= V x E x I (valence, expectancy, instrumentality)

3. This theory is based on self- interest wherein each individual seeks to maximize his expected satisfaction. It is a form of calculative psychological hedonism in which the ultimate motive of every human act is asserted to be the maximization of pleasure or the minimization of pain.

4. VALENCE: people have preferences for various outcomes or incentives that are potentially available to them. Valence is the strength of the individual's desire for a

particular outcome. It is the subjective value attached to a incentive or reward. For e.g., an individual desires promotion and feels that the superior performance is a strong factor in achieving that goal. His first level outcomes are them superior, average and poor performance. His second level outcome is promotion. The superior performance (first level outcome) is being seen as instrumental in getting promotion(second level outcome)

5. EXPECTANCY: expectancy refers to the perceived relationship between a given level of effort and given level of performance. It refers to the extent to which the person believes that his efforts will lead to the first level outcome, that is, performance. Competent and secure individuals tend to perceive expectancy more positively than incompetent and pessimistic individuals.

6. INSTRUMENTALITY: it refers to the relationship between performance and reward. It refers to the degree to which first level outcome will lead to a desire second level outcome.

CARROT AND STICK THEORY:

The "carrot and stick" approach is an idiom that refers to a policy of offering a combination of rewards and punishment to induce behaviour. It is named in reference to a cart driver dangling a carrot in front of a mule and holding a stick behind it. The mule would move towards the carrot because it wants the reward of food, while also moving away from the stick behind it, since it does not want the punishment of pain, thus drawing the cart.

Behaviour	Treatments	Motivation
Good performance, above standard production, Extra Ordinary Out put. Etc.,	Reward, praise, participation, in decision-making process, Pay and monetary allowance.	POSITIVE MOTIVATION
Poor performance, Below standard production, lazy work behavior. Etc.,	Fear and force, fails to complete the work then punished, demoted, dismissed, layoff, pay cut etc.	NEGATIVE MOTIVATION

INCENTIVES OF TECHNIQUES OF MOTIVATION

Incentive: The objects, which are perceived to satisfy employee's needs, are called incentive. Individuals have varied types of needs; some of them can be satisfied by money while others cannot be satisfied by money alone. On the basis of this the various incentives may be classified into two parts viz., financial incentives and non-financial incentives.

Financial incentives:

Those incentives that are given in the form of money are called financial incentives. This can be classified into two parts.

- ❖ Individual financial incentives: this group of incentives includes all such plans, which induce an individual to achieve higher output. Taylor's piece rate system, Halsey's efficiency plan and Rowan plan are examples of such incentives. The basic assumptions behind these are that an individual will be motivated for higher output to earn money, which satisfies his needs.
- ❖ Collective financial incentives.

Non-financial incentives:

Individuals have various needs, which they want to satisfy while working in the organization. People at comparatively higher level of managerial hierarchy attach more importance to socio-psychological needs, which cannot be satisfied by money alone. Non- financial incentives can be grouped under

a. Individual non-financial incentives
b. Collective non-financial incentives
c. Institutional non-financial incentives.

INDIVIDUAL NON-FINANCIAL INCENTIVES

These incentives motivate people in individual tasks. The various forms of individual non-financial incentives are as follows:

- Status: It means the ranking of position, rights and duties in the formal organization structure. It is an instrument of motivation because it is extremely important for most of the people.
- Promotion: It is a movement to a position in which responsibilities and prestige are increased, promotion satisfies the need of human beings in the organization.

- Responsibility: Most of the people prefer challenging and responsible jobs rather than monotonous and routine types of job. If the job os responsible, it satisfies peoples natural and inherent characteristics and they put more efforts for completing the job.

Collective Incentives: People may be motivated in groups also. They perform their duties in groups and are affected by the group. Some of the collective non-financial incentives are as follows.

- Social importance of work: People generally prefer a work, which is socially acceptable. If the society gives importance and praise to work people, like to perform.
- Team spirit: The management should encourage team spirit i.e., to work in co-operation and co-ordination.
- Competition: Sometimes for providing incentives to employees competition is organized between different individuals of different groups.

CONCEPT OF EMPLOYEE MORALE

Morale is a state of mind or willingness to work which in turn affects individuals and organizational objectives. According to Flippo "morale is a mental condition or attitudes of individuals and groups which determine their willingness to co-operate. Good morale is evidenced by employee enthusiasm, voluntary conformance with regulation and orders, and a willingness, to cooperate with others in the accomplishment of an organization's objectives. Poor morale is evidenced by surliness, insubordination, a feeling of discouragement and dislike of the job, company and associates. "

CHARACTERISTICS OF MORALE
 The characteristics of morale are:

1.Morale is a state of mind.

2. Morale is a relative term it may be high or low.

3.Morale is intangible.

4. It is the aggregate of attitudes, feelings, emotions, sentiments etc.

5. Morale influences human behaviour and performance.

IMPORTANCE OF MORALE AT THE WORK PLACE AND ITS OUTCOMES
1.Higher performance.

2. Better quality of work.

3. Low absenteeism.

4.Good discipline.

5.Fewer industrial accidents.

6.Stability and growth of the organization.

FACTORS INFLUENCING MORALE

- Nature of work: - Meaningful and satisfying job helps to improve employee morale. Morale tends to be low when the job provides no challenge and satisfaction and job standards are considered very high.
- Working condition: - Physical work environment, job security, wages and other allied factors exercise a significant influence on employee morale.
- Supervision: - Competent, dependable and fair-minded leadership can build and maintain high morale.
- Management policies: - The policies and attitudes of management concerning, promotion, transfer etc. affect morale.
- Personal factors: - The age, education, occupation level and family life of an employee, determine his morale.

Benefits of High Morale:

Morale of employees must be kept high to achieve the following benefits:

- o Good discipline—voluntary conformity to rules and regulations
- o Happy employees are productive employees
- o High degrees of employees' interest in their jobs and organization
- o Loyalty to the organization and its leadership or management
- o Pride in the organization
- o Reduction of rates of absenteeism and labour turnover
- o Willing cooperation towards objectives of the organization.

Indicators of Low Morale:

Low morale indicates the presence of mental unrest. Such a situation will have the following adverse consequences;

- o Antagonism towards leadership of the organization

- o   Excessive complaints and grievances
- o   Friction among the workers and their groups
- o   Frustration among the workers
- o   High rates of absenteeism and labour turnover
- o   Lack of discipline
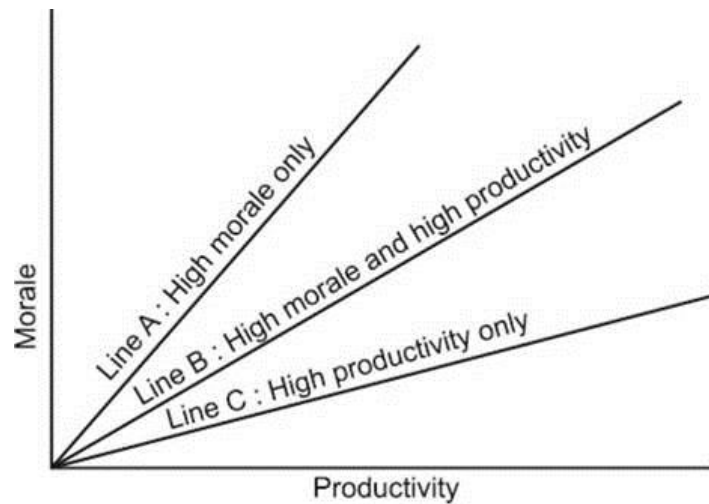
MEASURES TO IMPROVE MORALE

Morale building is a continuous process which cannot be stopped even for a moment. Morale cannot be maintained at a high level forever. It is dynamic. Morale building may be done either on individual basis or on ground basis. Morale building on group basis is always preferable. Group morale can be increased by understanding the group dynamics. It will automatically achieve the individual morale.

Following are the important steps to achieve high morale among employees:

1. Fair remuneration
2. Incentives
3. Work environment
4. Job satisfaction
5. Two-way communication.
6. Training
7. Worker's participation
8. Social group activities
9. Counselling
10. Treating employees with respect

MORALE AND PRODUCTIVITY:

Generally it is believed that high morale will lead to high productivity. A manager can push for high productivity by using scientific management, time studies and close supervision. High morale makes the work more pleasant and will go a long way in improving the work climate. It helps the work group to attain goals easily, smoothly and more importantly in a higher cooperative manner.

WHAT IS LEADERSHIP?

"The only definition of a leader is someone who has followers."-Peter Drucker

"Leadership is a function of knowing yourself, having a vision that is well communicated, building trust among colleagues, and taking effective action to realize your own leadership potential." -Prof. Warren Bennis

Leadership is one of the four functions of management.

According to Keith Davis, "Leadership is the process of encouraging and helping others towork enthusiastically towards objectives". Thus, leaders are people who are able to influence the behavior of others without recourse to threats or other forms of force towards the individuals. Leaders are the people who are accepted by the other individuals, as a superior person to them.

FEATURES OF LEADERSHIP

The features of leadership are as follows:

1. Leadership is the process of influencing behaviour of individuals of an organization.
2. Leadership uses non-coercive methods to direct and coordinate the activities of the individuals of an organization.
3. Leadership directs the individuals to attain the tasks assigned to them by following the instructions of their leaders.
4. A leader possesses qualities to influence others.
5. Leadership gives the individuals, a vision for future.

6. Leadership is a group activity. Leader influences his followers and followers also exercise influence over his leader.

DEFINITION OF LEADERSHIP

"Leadership is the presentation by a person of some identifiable goal or vision or future state that people can desire; and the generation of a willingness within those people to follow the leader along a socially responsible and mutually beneficial course of action, toward that goal." Parry, 1996.

MOTIVATION AND LEADERSHIP

"A leader is a person who has the ability to get other people to do what they don't want to do and like it" - Harry Truman

Leadership style can influence levels of motivation. However, throughout a lifetime, a persons motivation is influenced by changing ambitions and/or the leadership style they work under or socializes with. Autocratic leadership "drains off" ambition while worker responsibility increases ambition.

- Associates influence the level of individual motivation.
- In a team-motivated environment, dependency types will become inspired and strive to be acceptable with independent thinking co-workers.
- Self-motivated or visionaries will not accept authority controlled environments. They will find a way to escape if trapped.

Motivational Leadership is important in our world today because it helps to get the most from society. Every team of people or workers needs a leader. Leaders help to organize a project in order to get it completed in the most efficient manner. Leaders have incentives to motivate employees because they help cut costs by working quicker in a positive environment. Additionally, employees will increase quality because they are happy with the leadership and in turn, society will be happy because they will be receiving quality products.

EFFECTIVE LEADERSHIP

An effective leader is generally someone that leads by example and other people just tend to follow because they believe what they do is the right thing. Being honest gives a person credibility and result in other people trusting and believing in that person. Keeping promises is another sign of effective leadership. They believe in others and never fail to reward or compliment someone when they see they are doing well. Effective leaders admit when they are wrong and admit when they make mistakes. Everyone is human and makes a mistake at one time or another. It's how a person handles a mistake that gives them a certain leadership quality. Good listening skills are a big part of effective leadership. A person who is willing to listen to problems or concerns an employee or a friend may have will give them more information. Therefore, the effective leader can make a well-informed and thought out decision. An effective leader gives positive reinforcement. Effective leadership is about asking or requesting a person to do something, not commanding them. Effect leaders make recommendations to follow. Effective leaders are willing to get their hands dirty. They realize that they are more than just a figure head or a boss.

- Be prepared for commitment: Effective leadership is much more than simply giving assignments and direction. It requires vision, collaboration, planning and practice.

- Assess your personal strengths and weaknesses: A good leader excels in some areas, but also understands his or her limitations. Knowing these strengths and weaknesses will help you delegate responsibility accordingly, hire people who complement you, and know what areas you need to work on to become a better leader.

- Learn how people perceive you: Good leaders have a thorough understanding of how they're perceived. This knowledge will make you better able to communicate with employees and understand what qualities you need to work on to manage more effectively. For example, if you are known as being a bit too harsh, you can work on your tone of voice and use more praise..

- Know the traits the group values in a leader: To be an effective leader for a certain group, you will need to understand what qualities the group values. Trust? Creativity? Organization? You should hone whatever qualities they value (ones that will also inspire them to work smarter and harder

- Key leadership skills include communication, team-building, vision and planning, knowing when to take risks, motivating individuals and the group, delegating responsibility, and more. To become a good leader, you will need to practice these skills.

- Know the industry: You should know the industry trends, major players, marketplace and other relevant information for the industry in which you work.

- Make your meetings work: When you call a meeting, you need to know how to make it productive and lead to concrete action. The first step in this process is to set an agenda for the meeting and follow it. End the meeting by clearly outlining the "action items" or important points from the meeting. Follow up the meeting with notes about what happened in the meeting as well as any specific action items and who is responsible for executing them.

- Recognize and encourage employees: One of the biggest motivators for employees is recognition for their good work and encouragement along the way. Motivate your employees to continue with a project, and then praise them as they do good work along the way.

- Build your team: An effective leader usually does not, and should not, work alone. He or she should communicate with members of the team, as well as show team members how to work well with each other. All members should be encouraged to participate in the group.

- Don't be afraid to innovate and take risks. An organization that neither innovates nor takes risks is likely to fail in the long run. A good leader will step out of the safe zone for a good idea.

- Learn from your mistakes: Leaders slip up. Use your mistakes as a steppingstone for improving your leadership skills.

In summary, motivated employees will retain a high level of innovation while producing higher-quality work more efficiently. There is no downside—i.e., the opportunity cost of motivating employees is essentially zero, assuming it does not require additional capital to coach managers to act as effective motivators. Early economic theories of motivation emphasized extrinsic incentives as the basis for motivation and technology as a force multiplier. Early psychological theories of motivation emphasized internal needs but did not take into account individual diversity in these needs.Maslow's hierarchy of needs theory of motivation was the basis for McGregor's Theory X and Theory Y assumptions about people at work. According to McClelland, the needs for achievement, power, and affiliation are learned needs that differ among cultures. The two-factor theory found that the presence of motivation factors led to job satisfaction, and the presence of hygiene factors prevented job dissatisfaction. Social exchange theory holds that people form calculated working

relationships and expect fair, equitable, ethical treatment. Expectancy theory says that effort is the basis for motivation and that people want their effort to lead to performance and rewards. Theories of motivation are culturally bound and differences occur between nations.

The groups operate on a common task and common attitudes. The group dynamics is concerned with the interaction between the group members in a social situation. This is concerned with the gaining in the knowledge of the group, how they develop and their effect on the individual members and the organization in which they function. The group dynamics is essential to study since it helps to find how the relationships are made within a group and how the forces act within the group members in a social setting. This helps to recognize the formation of group and how a group should be organized, lead and promoted.

STUDENT EXERCISE-SURVEY

You are expected to collect the information from the given below questionnaire.

Employee Motivation Survey

Name: _____   Date: _____

Completing this survey is voluntary. Your answers may help determine methods to reward and recognize your efforts on behalf of our department and the University in the future.

1. What skills are you interested in developing?
2. What would you like to be doing in five years?
3. What classes are you interested in taking?
4. 4. What do you like best about the work environment?
5. 5. What changes could be made in the work unit to improve your working conditions or job satisfaction?
6. What changes could be made to improve the products/services we provide to customers?

General

1. How do you like to be recognized for your efforts? Choose your recognition style preference:
   a. formally recognized by the department/unit
   b. informally recognized by the manager
   c. both
   d. other: _____
2. In what hobbies or special activities, if any, do you like to participate?

Please check all items that appeal to you as recognition for an accomplishment:

	Money		Job promotion	
	Professional development/conference		Plaque/certificate	
	Time off		Admin Leave for School or Volunteer Activities	
	Thank you note		Flexible work schedule	
	Public praise/thanks		Autonomy over daily work schedule	
	Education/classes or seminars		Telecommuting	
	Increased responsibilities within current job		Campus or departmental committee work	

Other:

_____

Please rank order the top five incentives you listed above:

1.

2.

3.

4.

5.

No- and low-cost motivation strategies, like most of the options above, are both effective and fiscally responsible options for campus departments. On occasion, though, a department may recognize an outstanding achievement with a gift certificate or similar award. In the event you should be recognized for an accomplishment in this way, please answer the following questions:

Which three stores/websites would make the best gift certificates for you?

1.

2.

3.

What are your three favourite restaurants?

1.

2.

3.

Thank you for completing the survey!

QUESTIONS

1. Define the term motivation
2. What are motive?
3. Why motivate employees?
4. Why is motivation important?
5. Explain different types of motivation.
6. What are steps involved in motivation?
7. Explain the nature or characteristics of motivation
8. List different theories of motivation
9. Explain Maslow theory of motivation
10. Herberg's motivation or hygiene theory
11. What are hygiene factors? Give examples?
12. Differentiate theory 'x' and 'y' from 'z' theory.
13. Explain vrooms expectancy theory of motivation
14. What is morale?
15. State the importance of morale
16. what is leadership?
17. List the features of leadership
18. Explain different types of leadership
19. What are the qualities required for a successful leader?
20. Define effective leadership
21. Define motivational leadership.
22. Explain how Theory X and Theory Y relate to Maslow's hierarchy of needs.
23. Discuss the needs for achievement, power, and affiliation.
24. Describe the two-factor theory of motivation.
25. Describe how inequity influences individual motivation and behaviour.
26. Explain seven different strategies for resolving inequity.
27. Describe the expectancy theory of motivation.
28. Describe the cultural differences in motivation.

UNIT-V
GROUP DYNAMICS

A group can be defined as several individuals who come together to accomplish a particular task or goal. Group dynamics refers to the attitudinal and behavioural characteristics of a group. Group dynamics concern how groups form, their structure and process, and how they function. Group dynamics are relevant in both formal and informal groups of all types Interaction of complex intra- and inter-personal forces operating in a group which determine its character, development, and long-term survival. Field of study concerned with determination of laws underlying group behaviour. Group dynamics are the influential interpersonal processes that take place in groups. Good group dynamics begin with good relationships, both on an individual basis and the relationships of individuals with the team By identifying possible pitfalls that may hinder good team dynamics team members can combat the effects and develop a more productive and successful team.

INTRODUCTION TO GROUP DYNAMICS

Two are better than one, because they have a good return for their toil. For if they fall, one will lift up his fellow; but woe to him who is alone when he falls and has not another to lift him up. Again, if two lie together, they are warm; but how can one be warm alone? And though a man might prevail against one who is alone, two will withstand him"

-–Ecclesiastes 4:9-12

WHAT IS GROUP?

Every organization is a group unto itself. A group refers to two or more people who share a common meaning and evaluation of themselves and come together to achieve common goals. In other words, a group is a collection of people who interact with one another; accept rights and obligations as members and who share a common identity.

What is a Group?
a group is a number of people who;
- Interact with each other;
- Are psychologically aware of each other;
- Perceive themselves aware of each other;
- Or perceive themselves to be a group.

Schein's (1980)

A group may be defined as, *"a number of individuals who join together to achieve a goal. People join groups to achieve goals that cannot be achieved by them alone"-J*ohnson & Johnson (2006). A collection of people who interact with one another, accept rights and obligations as members and who share a common identity. A Group is defined as two or more individuals interacting and interdependent, who come together to achieve particular objectives .

WHY DO PEOPLE WORK IN GROUPS?

The people often join groups since the groups give the members a stability and enhances their achievement capacity. The main reasons to join a group are:

- **Goal Achievement:** There are times when it takes more than one person to accomplish a particular task; there is a need to pool talents, knowledge, or power in order to complete a job.
- **Power:** What cannot be achieved individually often becomes possible through group action. There is power in numbers.
- **Security:** By joining a group, individuals can reduce the insecurity of "standing alone." People feel stronger, have fewer self-doubts, and are more resistant to threats when they are part of a group.
- **Self-Esteem:** Groups can provide people with feelings of self-worth. That is, in addition to conveying status to those outside the group, membership can also give increased feelings of worth to the group members themselves.
- **Status:** Inclusion in a group that is viewed as important by others provides recognition and status for its members.

FACTORS AFFECTING GROUP BEHAVIOUR

The success or failure of a group depends upon so many factors.

1. Group member resources, structure (group size, group roles, group norms, and group cohesiveness),

2. Group processes (the communication, group decision making processes, power dynamics, conflicting interactions, etc.) and

3. Group tasks (complexity and interdependence).

In an organizational context, groupthink and group behaviour are important concepts as they determine the cohesiveness and coherence of the organizational culture and organizational communication. The point here is that while organizations must strive for cohesiveness and coherence, they must not sacrifice the principles of individual creativity and brilliance that are at the heart of organizational change and innovation.

- Groups come in many varieties. *Primary groups* are smaller and more psychologically influential than are *secondary groups. Planned groups* (e.g., concocted groups and founded groups) are deliberately formed, but *emergent groups* (e.g., circumstantial groups and self organizing groups) come into existence gradually over time.

- Groups vary in size from dyads and triads to very large aggregations, such as mobs and audiences.

- No two groups are identical to one another, but a *group,* by definition, is two or more individuals who are connected to one another by social relationships.

- Research suggests that people spontaneously draw distinctions among intimate groups, task-focused groups, loose associations, and more general social categories.
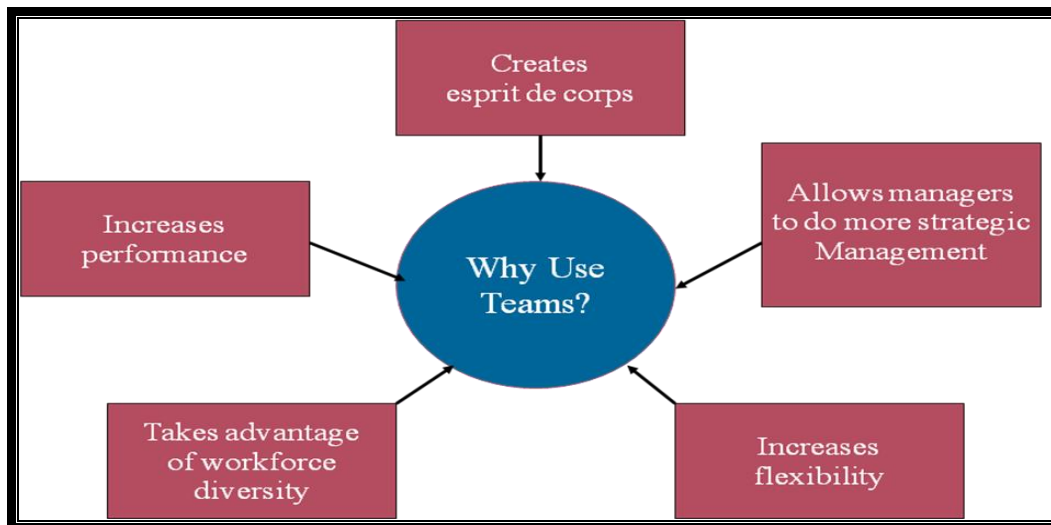
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- Unlike the members of a *category,* group members are linked together by such interpersonal processes as communication, influence, and identification.

Group Vs Team

Group	Team
A group is the collection of people who are located, grouped or gathered together. People are often put in groups, such as a department, or groups are created by the same culture or objectives within an organisation.	A team in an organisation is defined to be more competitive than a group, with the intention of this grouping of people to be able to achieve a common goal, reach the same objectives.

WHAT IS A TEAM?

A team is "two or more people who share a common definition and evaluation of themselves and behave in accordance with such a definition." A team is any group of people organized to work together interdependently and cooperatively to meet a specific need, by accomplishing a purpose and goals. Teams are created for both long term and short term interaction.
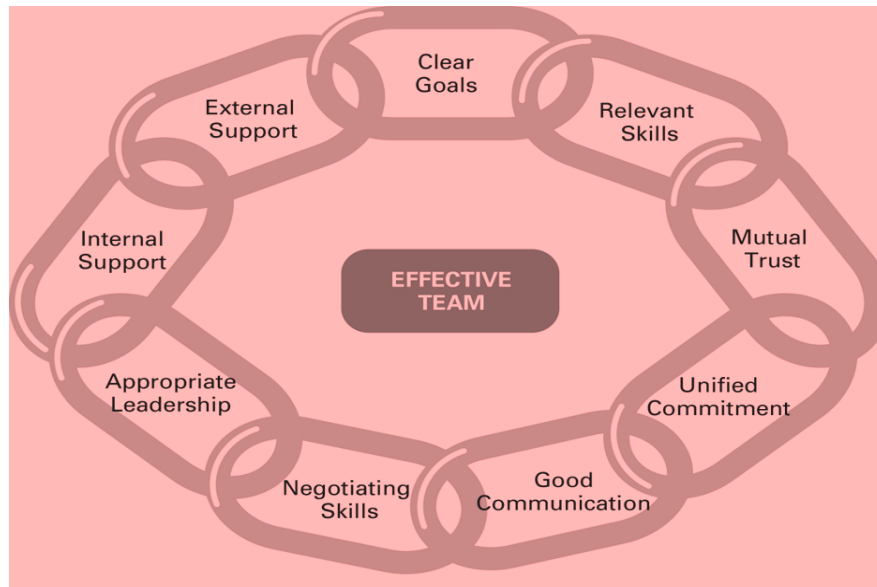

The team is only as good as its members and how they interact with other. How many members should be on a team is largely dependent on the reason the team was established.

Effective Teams

Effective teams do not just happen, they are meticulously put together consisting of a group of highly skilled, highly motivated individuals who have a clear picture of their goals and can receive clear and tangible evidence of their achievements. A highly charged environment will attract high performers who are looking for success. Success builds on success, therefore, a
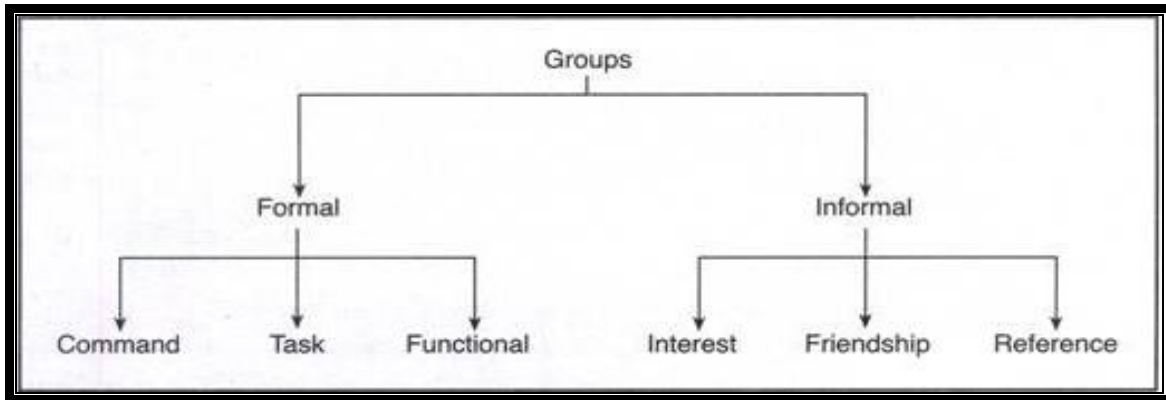
group's reputation is also a major selling point. There must be an opportunity for individual success within the framework of the group's goals. There must be recognition of professionalism from co-workers, peers and the outside world. These are the factors that contribute to winning sports teams and there is no reason to think that other groups will respond any differently.

In organizations, most work is done within groups. How groups function has important implications for organizational productivity. Groups where people get along, feel the desire to contribute to the team, and are capable of coordinating their efforts may have high performance levels, whereas teams characterized by extreme levels of conflict or hostility may demoralize members of the workforce.

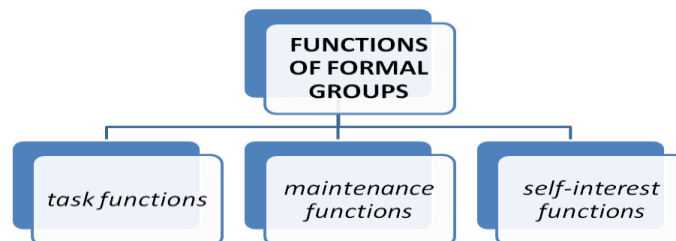*GROUP PRODUCTIVITY = GROUP POTENTIAL - PROCESS LOSS*

Types of groups

- COMMAND GROUP: The command group are formed by subordinates reporting directly to the particular manager and are determined by the formal organizational chart. (e.g an assistant regional transport officer and his two transport supervisors form a command group .

- FORMAL GROUP: It refers to those which are established under the legal or formal authority with the view to achieve a particular end result (e.g people making up the airline flight crew).

- INFORMAL GROUP: It refers to the aggregate of the proposal contacts and the interaction and the network of relationships among the individuals obtained in the formal groups.

- FRIENDSHIP GROUP :The friendship group are formed by people having one or more common features

- INTEREST GROUP : The interest group involves people who come together to accomplish a particular goal with which they are concerned .(e.g office employees)

- MEMBERSHIP GROUP : The membership group is those where the individual actually belongs .

- PRIMARY GROUP :The primary groups are characterized by small size ,face to face interactions and intimacy among the members .The examples are family groups.

- PSYCHOLOGICAL GROUP : It may be defined as one in which the two or more persons who are interdependent as each members nature influences every other person, members share an ideology and have common tasks . (e.g Families , friendship circles).

- REFERENCE GROUP : The reference is one which they would like to belong .

- SECONDARY GROUP : The secondary group are characterized by large size and individuals identification with the values and beliefs prevailing in them rather than actual interactions . (e.g occupational association and ethnic groups)

- SOCIAL GROUP: It may be defined as integrated system of interrelated psychological groups formed to accomplish a defined function or objective .(e.g political party).
- TASK GROUP: The task group are composed of people who work together to perform a task but involve a cross command relationship .

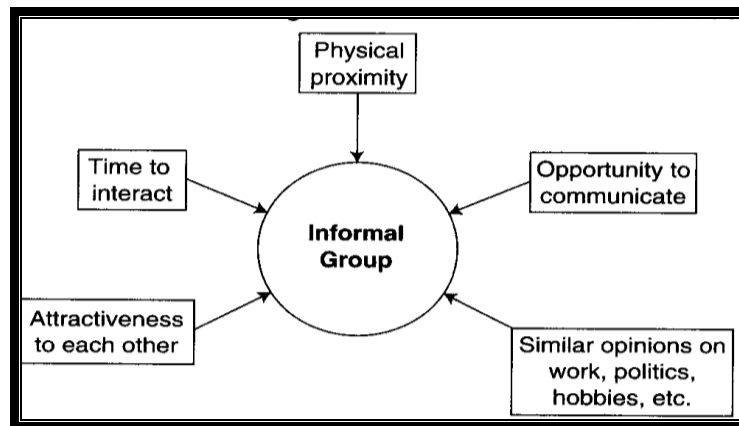## DIFFERENCE BETWEEN FORMAL GROUP AND INFORMAL GROUP

In every organisation along with formal groups there exists informal groups which emerge naturally due to the response and common interests of the members who can easily identify with the goals or independent activities of the informal groups. Sometimes the efforts may be driven by a common goal that may compliment or work against the goals of the formal group. An informal group can be defined as a group that evolves spontaneously, not shown in the organization's structure, with the objective of fulfilling personal and social need of its members.

Formal groups: are work units developed by the organisation either temporarily or permanently to accomplish organisational tasks. Formal groups such as departmental groups, task groups or teams, task forces, committees, and informal organisational groups are going to be discussed. Ex are family, social, special interest, and therapy groups.

Informal groups: evolve naturally as a result of people's interaction within an organisation. They are informal in the sense that they are not part of any organisational design. Ex agroup of people who regularly eat together.

An informal group is a voluntary group of people casually acquainted with each other for their own personal fulfilment because they have some common and shared backgrounds, characteristics and concerns (values / interests / hobbies / friendship). An informal group is the nucleus of informal organization. When an informal group adopts a formally defined structure and group processes, it no longer remains an informal group.

CHARACTERISTICS OF INFORMAL GROUPS

- Creation
- Satisfaction of Needs
- Voluntary Membership
- Multi-Group Membership
- Systems and Processes
- Leadership

REASONS FOR THE EMERGENCE OF INFORMAL GROUPS

- Need satisfaction to belong, to associate, etc.
- People with similar values, beliefs, attitudes, and interests often feel attraction to come together.
- People working together may come together.
- Promotion of other interests and pursuit of goals People join Rotary or Lions Club to expand their contacts which may help them to satisfy their personal goals.
- Removal of monotony of routine tasks to get rid of monotony and psychological fatigue, job-related boredom and frustration provides an opportunity to behave in a natural and relaxed manner.

The benefits of an informal group are as follows:

- Blending with formal group allows people to work for the formal organisation.
- Brings satisfaction and stability to the organisation as a whole.
- Encourages managers to plan and act more carefully.
- Informal work group lightens the workload for the formal manager.

- Provides a useful channel of communication.

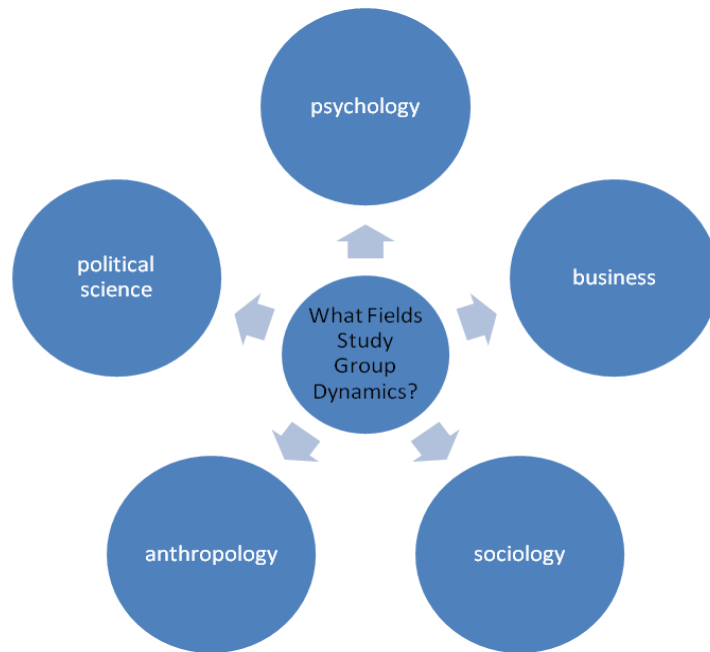**The limitations are as follows:**
- Creativity of group member (s) is restricted because of strong pressure for conformity applied by the group.
- Informal group provides most fertile ground for Rumour Mongering because of maliciousness, lack of proper communication systems and processes and ambiguous circumstances.
- Resistance to Change because they do not want to deviate from existing norms and learn new ways.
- Since a member of an informal group is also a member of a formal group, at times it creates role conflict.

GROUP DYNAMICS

The social process by which people interact face-to-face in a group environment is called Group Dynamics. Group dynamics refers to the study of forces operating within a group.

The group dynamics refers to change which takes place within groups and is concerned with the interaction and forces obtained between group members in social settings. It is study of forces operating within a group. A group doesn't simply mean individuals possessing same identical features. (e.g A collection of students or musicians doesn't form a group. There are two principal types of group interaction, one exists when people are discussing ideas and is generally called a meeting, and the other exists when people perform task together and is called a team.

Group Dynamics is the study of forces operating within a group in social interaction. It can be viewed in terms of the internal nature of groups, their information, structure and process, the way they affect individual members, other groups, and the organization. Supervisor should understand group dynamic forces so as to understand the behaviour of the individual in the group, their influences on the organization. The possible effects of managerial actions on the group and the individuals to be able to handle them properly and make necessary adjustments between the organizations and the groups operating in the organization.

The social process by which people interact and behave in a group environment is called *group dynamics*. Group dynamics involves the influence of personality, power, and behaviour on the group process.

The development of groups is an inevitable part of human activity and, therefore, groups are a fact of life in all organizations. Because staff nurses work in close proximity and frequently depend upon each other to accomplish their jobs, the character or climate or group interaction is extremely important.	*Group dynamics involve the study and analysis of how people interact and communicate with each other in face-to face small groups. The study of group dynamics provides a vehicle to analyse group communications with the intent of rendering the groups more effective.*

IMPORTANCE OF GROUP DYNAMISM:

- Even the attitude, perceptions, and ideas of members depend on group dynamism. For example, the negative thinkers can be converted to positive thinkers with the help of the facilitator.
- Group dynamism can give job satisfaction to the members.
- If the group works as a cohesive group, the cooperation and convergence can result in maximization of productivity.
- The group can also bring team spirit among the members.

- The group can give the effect of synergy, that is, if the group consists of positive thinkers then its output is more than the double every time.

- The group can influence the thinking of its members. The members are always influenced by the interactions of other members in the group.

- Lastly, group dynamism can reduce the labour unrest and labour turnover due to emotional attachment among the group members.

FEATURES OF GROUP DYNAMICS

Group Dynamics refers to the study of forces operating within a group . Following are some of its salient features:

- Group Dynamics is concerned with group .Wherever a group exists the individuals interact and members are continuously changing and adjusting relationship with respect to each other.

- Changes go on occurring like introduction of the new members, changes in leadership, presence of old and new members and the rate of change – fast or slow. The groups may dissolve if the members are not enthusiastic about the goals.

- There may be rigidity or flexibility that influences a group dynamics .If the members get along well there is smooth sailing for the group and if there is conflict it leads to problems

- The group organization is essential .It leads to greater group effectiveness, participation, cooperation and a constructive morale.

- Dynamic groups are always in continuous process of restructuring, adjusting and readjusting members to one another for the purpose of reducing the tensions, eliminating the conflicts and solving the problems which its members have in common .

THEORIES OF GROUP FORMATION

The term Group dynamics can be defined as, "field of inquiry dedicated to advancing knowledge about the nature of groups, the laws of their development, and their interrelations with individuals, other groups, and larger institutions". These are few theories group formation
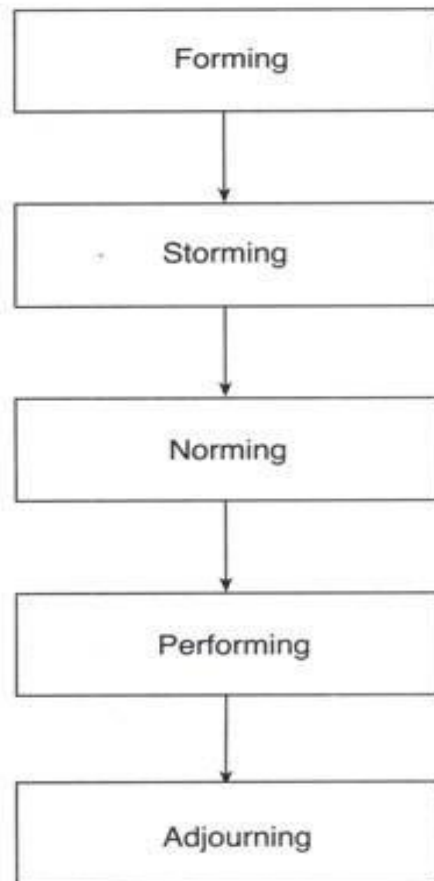
PROPINQUITY	Theory of Propinquity- People associate with one another due to

	geographical proximity. PROPINQUITY is a latin word , which means "nearness", it is one of the main factors leading to interpersonal attraction . Most basic theory is of propinquity which asserts that people tend to affiliate with others because of spatial and geographical closeness.
SOCIAL SYSTEM THEORY	The other theory of importance is "SOCIAL SYSTEM THEORY " given HOMANS . The theory corporate the interrelatedness of elements of activities , interaction , sentiments and the people usually interact to solve problems ,reduce tension ,attain goals and achieve balance .
BALANCE THEORY	Balance Theory- People who have similar attitudes toward certain objects and goals tend to form a group. The BALANCE THEORY given by NEWCOMB says that the groups get formed when the individuals are attracted to each another because of their identical attitude towards the common objects or goals.
EXCHANGE THEORY	Exchange Theory- The reward-cost outcomes of interactions serve as the basis for group formation. The EXCHANGE THEORY is based on reward and its cost. The interaction between members is taken as reward and it any relationship which is not rewarding may be costly enough to cause tensions.

PROCESS/STAGES OF GROUP DEVELOPMENT/EVOLUTION:

Group Development is a dynamic process. How do groups evolve? There is a process of five stages through which groups pass through. The process includes the five stages: forming, storming, forming, performing, and adjourning. The appointment of individuals to a group based on their compatibility, diversity, or expertise does not assure effectiveness in achieving group goals. A group is initially a collection of personalities with different characteristics, needs, and influences. To be effective, these individuals must spend time acclimatizing themselves to their environment, the task, and to each other.

- **Forming:** The first stage in group development, characterized by much uncertainty

- **Storming:** The second stage in group development, characterized by intragroup conflict

- **Norming:** The third stage in group development, characterized by close relationships and cohesiveness

- **Performing:** The fourth stage in group development, when the group is fully functional

- **Adjourning:** The final stage in group development for temporary groups, characterized by concern with wrapping up activities rather than task performance

FACTORS OF GROUP FORMATION

There are various factors, which influence the formation of groups in organizations. Let us learn following important factors of group formation:

- **Cultural Factors:** Individuals come to work from different society and culture. In case the place at which they work are far away from their place of origin , region and culture; they feel like a fish out of water. It may be due to the absence of cultural celebrations. This is one of the reasons for which people coming from same culture, tradition and speaking similar language usually form the group.

- **Economic Factors:** When an individual works in an organisation, he/she gets all types of economic incentives and benefits available within the rules and regulations. Sometimes organisations cannot meet an individual's accidental or obligatory needs like money for marriage, house construction, medical care and other proposes. So he/she gets associated with those people who help him/her at the time of need.

- **Proximity, Interaction, Interest and Influence :** This is one of the common and logical reason for which people form the group in the organisation. Some people have to work together. Due to the similarity of nature of job, they have to interact with each other for this purpose. In course of interaction, interest develops which ultimately influences each other to sit, eat, discuss and share besides working together.

- **Psychological Factors :** After joining the organisation, individual joins a particular group in which he/she finds him/her interest, attitude, personality, perception etc. matching with other individuals within the department or the organisation. As a result, group is formed.

- **Security Factors:** As an individual, sometimes one can feel insecure over unexpected developments such as sudden health problem, termination, suspension, local problems etc., therefore, everyone likes to be in a group to feel secured to work. Especially in a new place, for a new employee, the security need could be one of the major factors for joining a group.

- **Social Factors:** Individuals also form or join the group based upon their social class, caste, and religion to satisfy their social needs. They do it primarily for satisfying their love, affection and care needs, which initially they feel deprived after leaving their families.

STAGES OF GROUP DEVELOPMENT

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TASK FUNCTIONS	MAINTENANCE BEHAVIOUR	SELF-INTEREST BEHAVIOUR
a) *Initiating*: by proposing tasks or goals, defining problems and suggesting procedures for a solution; b) *Information seeking*: by requesting facts, seeking relevant information, and asking for suggestions or ideas; c) *Information giving*: by offering facts, providing information, stating beliefs, and giving suggestions or ideas; d) *Clarifying ideas*: by interpreting and clarifying input, indicating alternatives and giving examples; e) *Bringing closure*: by summarizing, restating, and offering solutions; f) *Consensus testing*: by checking for agreements and sending up 'trial balloons'.	a) *Encouraging*: by showing regard for other members and providing positive response to their contributions; b) *Improving group* by expressing group feelings, sensing moods and relationships, *atmosphere*: and sharing feelings; c) *Harmonizing*: by reconciling differences and reducing group tension; d) *Compromising*: by admitting errors and looking for alternatives; e) *Gate-keeping*: by attempting to keep communications flowing, facilitating the participation of others, and suggesting procedures for sharing discussion; f) *Standard setting*: by reminding members of group norms, rules, and roles.	a) *Dominating and* by displaying lack of respect for others, cutting them off, *controlling*: not listening, and restating other members' suggestions with a different meaning; b) *Blocking*: by stifling a line of thought, and changing the topic either away from the point of view or back to his or her own interest; c) *Manipulating*: by providing self-serving information, or a single point of view designed to achieve a decision that is consistent with their position; d) *Belittling*: through put-downs, sneering at other's point of view, or making jokes about another member's contribution; e) *Splitting hairs*: by nit-picking, searching for insignificant details that delay a solution, or undermining another person's point of view.

ROLE STRUCTURES

A role is the part that an individual plays in a group to reach its goals. Some individuals are leaders, some focus on the group's task; some interact with other groups and so on. Role structure is the set of defined roles and interrelationships among those roles that the group members define and accept. The failure in role development result in role ambiguity, role conflict and role overload. Managers have to take steps to avoid role ambiguity, role conflict and role overload.

TASK ROLES (WHICH HELPS THE GROUP ACCOMPLISH ITS TASK)

- Initiator: proposing tasks or goals; defining a group problem; suggesting ways to solve a problem.
- Information/opinion seeker: requesting facts; asking for expressions of feeling; requesting a statement; seeking suggestions and ideas.
- Information or opinion giver: offering facts; providing relevant information; stating an opinion; giving suggestions and ideas.

TASK ROLES

- Clarifier and elaborator: interpreting ideas or suggestions; clearing up confusion; defining terms; indicating alternatives and issues before the group.
- Summarizor: pulling together related ideas; restating suggestions after the group has discussed them; offering a decision or conclusion for the group to accept or reject.
- Energizer; who stimulates and prods the group to act and raise the level of their actions.
- Coordinator: who clarifies and coordinates ideas, suggestions and activities of the group members.

RELATIONSHIP ROLES

- Harmonizer: who mediates, harmonizes and resolve conflicts.
- Gate keeper: helping to keep communication channels open; facilitating the participation of others; suggesting procedures that permit sharing remarks.
- Encourager; being friendly, warm, and responsive to others; indicating by facial expression or remarks the acceptance of others' contributions.

RELATIONSHIP ROLES

- Compromiser: when one's own idea or status is involved in a conflict, offering a compromise which yields status; admitting error.
- Follower: who accepts the group's ideas and listens to their discussion and decisions

SELF-ORIENTED ROLES (WHICH CONTRIBUTES TO NEITHER GROUP TASK NOR GROUP RELATIONSHIP)

- Dominator: interrupts others; launches on long monologues; is over-positive; tries to lead group and assert authority; is generally autocratic.
- Negativist: rejects ideas suggested by others; takes a negative attitude on issues; argues frequently and unnecessarily; is pessimistic, refuses to cooperate; pouts.

SELF-ORIENTED ROLES

- Aggressor: tries to achieve importance in group; boasts; criticizes or blames others; tries to get attention; shows anger or irritation against group or individuals; deflates importance or position of others in group.
- Playboy: is not interested in the group except as it can help him or her to have a good time.
- Storyteller: likes to tell long "fishing stories" which are not relevant to the group; gets off on long tangents.
- Interrupter: talks over others; engages in side conversations; whispers to neighbour.

There are two kinds of roles present in groups. The first is *assigned roles*. These include titles such as chairperson, secretary, manager, treasurer, etc. The second kind is *emergent roles* and arise as a result of group social or emotional needs. They include confidant, group clown, gossip, mentor, or scapegoat. Two factors that impact the effectiveness of organizational roles are role ambiguity and role conflict. *Role ambiguity* occurs when a person is unclear of what is expected of him or her, instructions about performance are not clear, tasks are assigned without context or if a supervisor's actions and instructions send contradictory messages. *Role Conflict* occurs when a group member feels his or her job overlaps with others, or if the job description is unclear.

- Roles: "Sets of behaviours that persons expect of occupants of a position."
- Role overload: "Occurs when the sum total of what role senders expect of the focal person far exceeds what he or she is able to do."

- Role conflict: "Experienced when different members of the role set expect different things of the focal person." (Knowing what to do but not being able to do it.)
- Role ambiguity: "Occurs when members of the role set fail to communicate to the focal person expectations they have or information needed to perform the role, either because they do not have the information or because they deliberately withhold it." (Not knowing what to do.)

EIGHT CS FOR TEAM BUILDING

To show business results and profitability, ways are explored by the executives to improve their productivity. Successful team building, that creates effective, focused work teams, requires attention to each of the following**:**

8C's of Team building	1. Clear Expectations 2. Commitment 3. Competence 4. Control 5. Collaboration 6. Communication 7. Creativity 8. Coordination

GROUPS PROCESSES AFFECTED BY 3 THINGS:

1. TASK
2. NORMS
3. SIZE

According to handy (1981), for best participation and for the highest all-round involvement, the optimum size is between five and seven. But to achieve the requisite breadth of knowledge the group may have to be considerably larger, this makes greater demands on the skills of the leader in getting participation. Thus the bigger the group the greater the diversity of talent, skills and knowledge.

NORMS

Norms are the informal rules that groups adopt to regulate members' behaviour. Norms refer to what should be done and represent value judgments about appropriate behaviour in social situations. They are a fundamental aspect of group structure as they provide direction and motivation, and organize the social interactions of members.

GROUP NORMS

Norms on the other hand are unwritten rules and regulations, which govern the behaviour and actions of its members. It is the acceptable standards of behaviour of a group which is commonly shared by its members. Norms develop when members in a group share a common idea of acceptable behaviour, which, monitor each other's behaviour in the group. Many norms develop because several members bring their past experiences from other groups and from other organisations.

The first and the most commonly used criteria for conformity of the group norms is compliance. It is assenting to a norm in order to attain rewards or avoid punishment. A realisation is developed among them that the compliance of norm will bring certain benefits and ignoring it will bring certain costs. Groups put tremendous pressure on the members to change their attitude and behaviour for the conformity of group norms.

Following are the advantages of norms for a group:
1. Norms enables a group to accomplish its goals.
2. Norms help the group to control and regulate the behaviour of its members without external influence.
3. Norms enable a group to survive in the face of threat and competition from other groups. They protect the group and its members from outside pressure and interference.
4. Norms help the group and its member to express group's value and give the group a unique identity of its own.
5. Norms of the group enhance the predictability of group members in terms of performance, appearance etc.

There are various types of norms, including: prescriptive, proscriptive, descriptive, and injunctive.

- *Prescriptive Norms*: the socially appropriate way to respond in a social situation, or what group members are supposed to do (e.g. saying thank you after someone does a favour for you)
- *Proscriptive Norms*: actions that group members should not do; prohibitive (e.g. not belching in public)
- *Descriptive Norms*: describe what people usually do (e.g. clapping after a speech)
- *Injunctive Norms*: describe behaviours that people *ought* to do; more evaluative in nature than a descriptive norm

Group Norms:

Norms define the acceptable standard or boundaries of acceptable and unacceptable behaviour, shared by group members. They are typically created in order to facilitate group survival, make behaviour more predictable, avoid embarrassing situations, and express the values of the group. Each group will create its own norms that might determine from the work performance to dress to making comments in a meeting. Groups exert pressure on members to force them to conform to the group's standards and at times not to perform at higher levels. The norms often reflect the level of commitment, motivation, and performance of the group.

BEHAVIOURAL NORMS

Although informal groups do not have any specific goals to accomplish, but they must have some goals over a period of time. These goals are temporary and can be changed in accordance with the needs of the group members. The goals can be achieved effectively depending on the following factors:

- The extent of cooperation with management.
- Maintenance of an efficient communication system.
- Satisfaction of the needs of group members.

Formal and Informal Leaders

- Formal Leader
  - A type of leader who is usually a manager and is recognized as one with a position and a title that reflect the individual's status.

- Informal Leader
    - A type of leader who exhibits many characteristics of the formal leader but is not recognized as a leader by an organization and holds no title or authority.

INFORMAL LEADERSHIP

Each informal group has one or more leaders. These leaders come forward on the basis of acceptance of all the group members. Every informal group has one primary leader apart from the secondary leaders. The primary leader has more influence on the group members than the secondary leaders.

INFORMAL LEADER

Informal leadership is the ability of a person to influence the behaviour of others by means other than formal authority conferred by the organization through its rules and procedures.

Informal leadership is basically any type of leadership that is not based upon formal authority. Informal leaders have several bases of power. They are able to use referent power; in other words, they lead by example. An informal leader can also use expert power: others seek them out for knowledge and skills no one else in the organization possesses. They can also use reward power where they may praise and recognize members of the organization for a job well done.

MEMBER STATUS AND INFORMAL LEADERS

Members of work group have identifiable characteristics that distinguish them from one another and give rise to status differences. The causes of informal status are nearly numberless.

The Employee with the largest amount of status in the informal organization usually becomes its informal Leader. This Person emerges from within the group, often acquiring considerable informal power. Informal leader may help socialize new members on to organization, and they may called upon by the group to perform senior partner.

Key roles of informal leaders:

The informal leader plays several useful roles for a work unit. For example, the informal

leader is expected to model and explain the key norms (informal standards of behaviour) of the informal group for new members. And if someone fails to comply with the groups norms, the informal leader will likely play a dominant role in applying sanctions- various forms and degrees of punishment- to the individual to induce the desired behaviour in the future. In addition, the informal leader often engages in a range of behavioural to help build and sustain the informal group's level of cohesiveness. For example, the leader may assume responsibility for recognizing the daily achievements of works, for organizing after- hour's social events, or for initiating a modest level of teasing and bantering among employees.

Multiple Informal Leaders:

Informal groups overlap to the extent that one person may be a member of several different groups, which means that there is not just one leader but several of varying importance. The group may look to one employee on matters pertaining to wages and to another to lead recreational plans. In this way several people in a department may be informal leader of some type. There might be an experienced person who is looked upon as the expert on job problems, listeners who serves as counselor, and a communicator who is depended upon to convey key problems to the managers.

Identifying and Rewarding Informal Leaders:

Informal leader often exhibit distinct behaviours that allow them to identify. To some workers informal leadership is form job enrichment, providing them with Varity in their workday and a feeling of greater significant. Other find that it helps satisfy their social needs by dramatically increasing their interpersonal contacts during the day. By recognition these rewards for informal leadership, managers can better understand the behaviours of some individuals.

Benefits of informal leader
Informal leaders are working towards achieving the same vision and goals as the formal leaders (and the organization itself), they can take a tremendous burden from the backs of managers and formal leaders. Informal leaders possess strong self-motivation, possess positive attitude, motivates others and puts effort to drive organizational goals.

COHESIVENESS

Cohesiveness is the degree to which members are attracted to the group. Cohesiveness is also related to homogeneity of interests, values, attitudes, and background factors. According to Rcnsis Likert, *"cohesiveness is the attractiveness of the members towards the group or resistance of the members leaving it".* It refers to the attachment of members with the group. According to **Cartwright,** there are four principal consequences of cohesiveness are:

> o Ability of a group to retain its members.
>
> o Power of the group to influence its members.
>
> o Degree of participation and loyalty of members.
>
> o Feeling of security on the part of the members.

FEATURES OF COHESIVE GROUPS:

Groups in high cohesion are likely to exhibit the following characteristics

- They have relatively few members.
- Members have similar interests and backgrounds.
- They enjoy a high degree of status within the organization.
- Leader of such groups rewards co-operative behaviour.
- They are pressured or threatened by some common outside force.
- They enjoy a history of past success.

Increasing group cohesiveness:

1. Make the group smaller.
2. Encourage agreement with group goals.
3. Increase time members spend together.
4. Increase group status and admission difficultly.
5. Stimulate competition with other groups.
6. Give rewards to the group, not individuals.
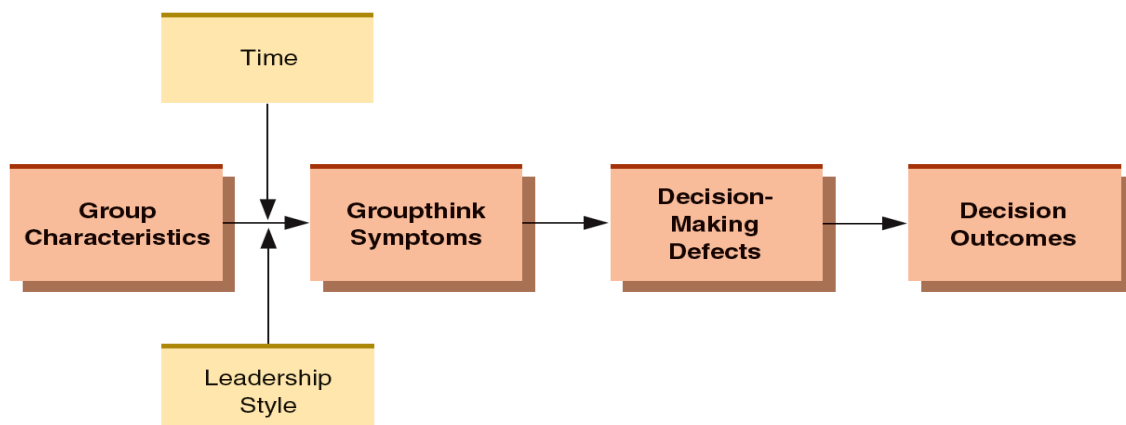7. Physically isolate the group.

GROUP DECISION MAKING

- ❖ Also known as collaborative decision making. It is a situation faced when individuals collectively make a choice from other alternatives before them.

❖ This decision is no longer attributable to any single individual who is a member of the group. This is because all the individuals and social groups' processes such a social influence contribute to the outcome.

❖ The decisions made by groups are often different from those made by individuals.

❖ Group polarization is one clear example: groups tend to make decisions that are more extreme than those of its individual members, in the direction of the individual inclinations

Groupthink is defined as "*the deterioration of mental efficiency, reality testing, and moral judgement in the interest of group solidarity.*" As groups function and interact with other groups, they develop their own unique set of characteristics including structure, cohesiveness, roles, norms and processes. As a result, groups may cooperate or compete with other groups, and intergroup competition can lead to conflict.

The Groupthink Process

```
                    ┌──────────────┐
                    │     Time     │
                    └──────┬───────┘
                           │
                           ▼
┌──────────────┐   ┌──────────────┐   ┌──────────────┐   ┌──────────────┐
│    Group     │──▶│  Groupthink  │──▶│  Decision-   │──▶│   Decision   │
│Characteristics│   │   Symptoms   │   │    Making    │   │   Outcomes   │
│              │   │              │   │   Defects    │   │              │
└──────────────┘   └──────────────┘   └──────────────┘   └──────────────┘
                    ▲
                    │
             ┌──────────────┐
             │  Leadership  │
             │    Style     │
             └──────────────┘
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In Summary

The groups operate on a common tasks and common attitudes. The group dynamics is concerned with the interaction between the group members in social situation. This is concerned with the gaining in the knowledge of the group, how they develop and their effect on the individual members and the organization in which they function. The group dynamics is essential to study since it helps to find how the relationships are made within a group and how the forces act within the group members in a social setting. This helps to recognize the formation of the group and how a group should be organized, lead and promoted.

QUESTIONS

1. Compare two models of group development.
2. Contrast the effectiveness of interacting, brainstorming, nominal and electronic meeting groups.
3. Contrast the strengths and weaknesses of group decision making.
4. Define *group* and differentiate between types of groups.
5. Define social loafing and its effect on group performance.
6. Demonstrate how norms and status exert influence on an individual's behaviour.
7. Describe how norms exert influence on an individual's behaviour.
8. Differentiate between formal and informal groups.
9. Distinguish between formal team and informal team.
10. Distinguish between storming and norming.
11. Enumerate five most suitable process of team building.
12. Enumerate the process of development of group.
13. Evaluate evidence for cultural differences in group status and social loafing as well as the effects of diversity in groups.
14. Explain how role requirements change in different situations.
15. Explain what determines status
16. How is group different from team? Explain the features of different types of formal work group.
17. Identify the benefits and disadvantages of cohesive groups.
18. Identify the five stages of group development.
19. List and define the five properties of groups.
20. List the strengths and weaknesses of group decision making.
21. What are some common characteristics of groups?
22. What assumptions guide researchers in their studies of groups and their
23. What do you mean by group development? Explain different stages of the development of a group.
24. What fields and what topics are included in the scientific study of group dynamics?
25. Why do people form groups in organisation? Do you think that formation of group serve their purpose. Discuss.
26. What is Group? Distinguish between group and team?
27. What is Group Cohesiveness?

UNIT-VI

ORGANIZATIONAL CHANGE

Today, teams and organizations face rapid change like never before. Globalization has increased the markets and opportunities for more growth and revenue. Organisational Change is the alteration of work environment in organisation. It implies a new equilibrium between different component of the organisation-technology, structural arrangements, job design and people. Understanding and effectively implementing change allows transformation of strategy, business process, technology, and people into achieving performance and enhancing continual improvement in a dynamically changing environment. Organisational change refers to relatively enduring alteration of the present state of an organisation or its components or interrelation amongst the components and their differential and integrated functions in totality in order to attain greater viability in line context of the present and anticipated future environment. The ability to manage change, while continuing to meet the needs of stakeholders, is a very important skill required by today's leaders and managers in this era of globalization.

INTRODUCTION

"It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change." – Charles Darwin

Change management refers to three significant areas – engineering (a process in systems engineering), organization and people (an organized approach to change in human beings, teams, groups, organizations and societies). At its core, the creation of readiness for change involves changing individual cognitions across a set of employees…it is a precursor to either resistance or support for change."
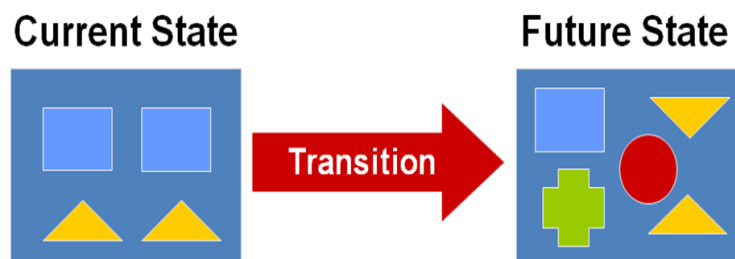
Organizational change: the process by which organizations move from their present state to some desired future state to increase their effectiveness. Goal is to find improved ways of using resources and capabilities in order to increase an organization's ability to create value.

ORGANIZATIONAL CHANGE

It refers to a modification or transformation of the organization's structure, processes or goods. Organizational change is both the process in which an organization changes its structure, strategies, operational methods, technologies, or organizational culture to affect change within the organization and the effects of these changes on the organization. Organizational change can be continuous or occur for distinct periods of time.

Change is the process of moving from one state (current state) to another (future state)

An organisation that is not able to change will become increasingly dysfunctional, unproductive and irrelevant. An organisation in which change is not managed well will suffer greater costs-in terms of finances, opportunity, productivity and reputation-than necessary when trying to change.

- *Organizational change* is the adoption of a new idea or behavior by an organization. *Organizational innovation* is the adoption of an idea or behavior that is new to the organization's industry, market, or general environment.

- *Change process* within organizations comes from innovation and new ideas regardless of timing. Successful change includes ideas and creativity, need, decision to adopt, implementation, and resources

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DRIVING FORCES TOWARD ACCEPTANCE OF CHANGE

"It is not necessary to change. Survival is not mandatory"-W. Edwards Deming

1. Driving forces:

    o   Anything that increases organization to implement change.

    o   Vary in intensity depending on situation.

2. Dissatisfaction with present situation.

3. External pressures toward change.

4. Momentum toward change.

5. Motivation by management.

6. Dissatisfaction with present situation.

    o   Intense dissatisfaction with present situation provides motivation.

    o   Some members are aware of need for improvement.

    o   Being average not good enough.

    o   Stockholder demands for change.

7. External pressures toward change.

    o   Forces outside of organization (example: market conditions).

    o   New technologies and methods implemented to remain competitive.

    o   New legal requirements.

8. Momentum toward change.

    o   Once change underway, forces push it along.

    o   Those involved tend to become committed.

    o   Money previously already spent on change provides motivation.

    o   Change in one part of organization may set off chain reaction.

9. Motivation by management.

    o   Manager or advocate of change becomes motivating force.

    o   Top management's encouragement can motivate change.

TYPES OF ORGANISATIONAL CHANGE

Organisational change is the process of moving from established to new ways of thinking, behaving or working. There are three main types of organisational change. Each requires different types of effort and leadership actions, and each carries different risks:

1. **Developmental:** improvement, refinement or enhancement of what already exists

2. **Transitional change:** moving from an old to a new state with activities oriented towards creating the new and 'switching off' the old. This type of change lends itself to a planned project approach. Most change management literature focuses on this type of change

3. **Transformational:** Transformational change is often the hardest to achieve because it requires staff to change aspects of who they are. It also requires leaders to change their own identity, worldview and mindset. Many people, including organisational leaders, have little willingness (or incentive) to adopt radically different ways of making sense of, and interacting with, the world around them.

Planned change	Unplanned change	Radical Change	Transformational change
It is a change resulting from a deliberate decision to alter the organization. Companies that wish to move from a traditional hierarchical structure to one that facilitates self-managed teams must use a proactive, carefully orchestrated approach. Not all changes are planned.	It is imposed on the organization and is often unforeseen. Changes in government regulations and changes in the economy, for example, are often unplanned. Responsiveness to unplanned change requires tremendous flexibility and adaptability on the part of the organizations. Managers must be prepared to handle both planned and unplanned forms of change in organizations.	It is a process by which firms regain competitive advantage after it has been lost or threatened significantly. The type and extent of change undertaken depends upon the firm's resources and capabilities; its competitive environment; and its leadership. Radical change is divergent, meant to fundamentally change the firm's processes, systems, structures, strategies, and core values."	Transformational change occurs when organizations incur drastic changes and must essentially transform themselves. This can occur when an organization faces different technologies, significant changes in supply and demand, unexpected losses etc.

FACTORS AFFECTING CHANGE PROCESS ORGANIZATIONAL LEVEL

There are a number of factors both internal and external which affect organizational functioning. Any change in these factors necessitates changes in an organisation. The more important factors are as follows:
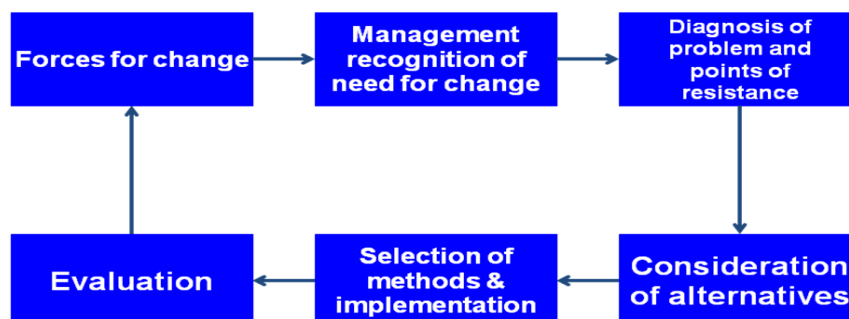
External Forces

Every organization exists in some context; no organization is an island in itself. Each must continually interact with other organizations and individuals- the consumers, suppliers, unions, shareholders, government and many more. Changes in social, political, economic, technology, and legal environment force organizations to change themselves. Such changes may result in organizational changes like major functions production process, labour-management relations, nature of competitions, economic constraints, organizational methods etc. In order to survive in the changing environment, organization must change.

It is not only the changes in external factors, which may necessitate organizational changes; any change in organization's internal factors may also necessitate changes. Such a change is required because of two reasons: changes in managerial personnel and deficiency in existing organizational practices.
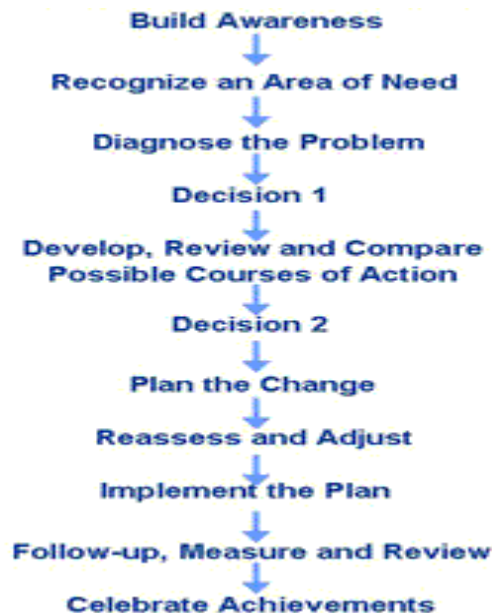
- **Nature of the work force**
- **To avoid developing inertia**

THE CHANGE PROCESS

Creating the multiple and interwoven changes throughout an organisation that are necessary to delivering high level business strategies requires discrete and specialised effort and

attention. Organisational Change Management (OCM) empowers leaders and change champions to create, adapt and meet the demands of the anticipated future – within the organisation's processes, systems and environment – and achieve sustained, productive and positive growth.

Build Awareness
↓
Recognize an Area of Need
↓
Diagnose the Problem
↓
Decision 1
↓
Develop, Review and Compare Possible Courses of Action
↓
Decision 2
↓
Plan the Change
↓
Reassess and Adjust
↓
Implement the Plan
↓
Follow-up, Measure and Review
↓
Celebrate Achievements

CHECKLIST TO LEAD SUCCESSFULLY THROUGH ANY ORGANIZATIONAL CHANGE:

1. **Business case:** Next, create your business case to justify the need for this change. This is critical and should also describe what the consequences would be if you don't make the change.

2. **Change:** That's the whole point, right? Make the change happen while communicating with your employees. An open dialogue will help make the process smoother.

3. **Check in:** How is the change process going in the organization? Get a pulse for your people, your business, and your surroundings.

4. **Communicate, Communicate, Communicate:** By keeping people in the loop, you reduce the fear of the unknown and put people in a much more respective place.

5. **Communicate/paint the picture for change**: This step occurs throughout the change process and it is one of the most important. Let people in the organization know what is happening. People have a much easier time dealing with change when they know what is changing, what is staying the same, what they can expect during the

process, and what things will look like after. We emphasize communication so much because it's absolutely critical to any successful change initiative.

6. **Communicate:** Make sure that everyone on your executive team understands the business case and the need for change. Communicate a clear and consistent message from all members of the executive team.

7. **Enlist stakeholders:** Ask and answer the following questions: Who are the people who will be directly and indirectly impacted by this change? Where do they stand in this process? Are they aware that the change is needed? Did they suggest it? After you have answered these questions, determine where you need them to be in this process. Are they going to be directly involved in the change implementation? Will you need their consent to do something?

8. **Follow through:** Make sure the change actually happens. Many organizations start a change, begin to implement it, and then lose momentum as other tasks take priority. If this happens too often, people stop getting behind change because they think they will be wasting their effort.

9. **Identify:** Your first step is to identify what is being changed or what needs to be changed.

10. **Put together a change team**: This is the team that will help develop the change program and ensure its success. This team should include a mix of people from across the organization and does NOT need to be run by a member of your executive team.

11. **Reinforce the change:** This is where many companies drop the ball. You have already worked so hard on this change. Don't forget to remind your people of how far they have come and what has been accomplished. You can do this at a major event—in person or virtually—or through a series of communications, depending on your resources and organizational structure. Recognizing and celebrating what's been accomplished is critical to sustain the momentum.

12. **Training:** Are there extra training or development opportunities that can be included in this process? If people are being moved around and new responsibilities are being **assigned**, offer training to these people. Spend extra time working with managers and supervisors on how to identify employees who are having a hard time with the change.

Technological changes are often introduced as components of larger strategic changes, although they sometimes take place on their own. An important aspect of changing

technology is determining who in the organization will be threatened by the change. To be successful, a technology change must be incorporated into the company's overall systems, and a management structure must be created to support it. Structural changes can also occur due to strategic changes—as in the case where a company decides to acquire another business and must integrate it—as well as due to operational changes or changes in managerial style. For example, a company that wished to implement more participative decision making might need to change its hierarchical structure.
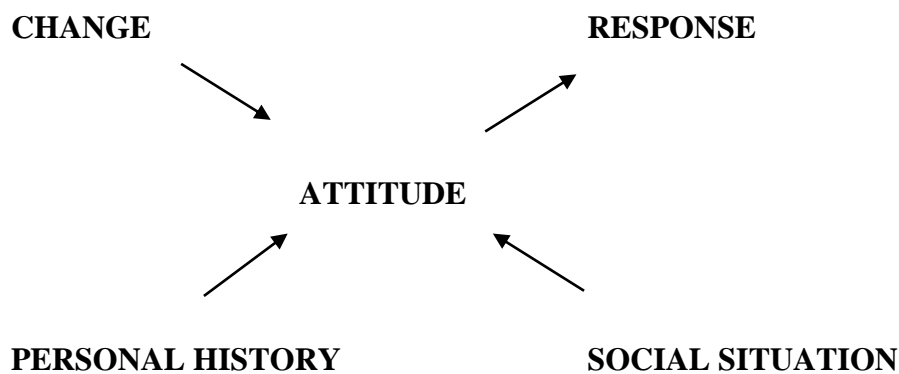
FORCES DRIVING THE NEED FOR MAJOR ORGANIZATIONAL CHANGE

People changes can become necessary due to other changes, or sometimes companies simply seek to change workers' attitudes and behaviours in order to increase their effectiveness or to stimulate individual or team creativeness. Almost always people changes are the most difficult and important part of the overall change process.

UNDERSTANDING CHANGE AGENT AND MANAGEMENT

Change management is a structured approach to shifting individuals, teams and organisations from a current state to a desired future state. It is an organisational process aimed at helping employees to accept and embrace changes in their current business environment.

Psychologist Fritz Roethlisberger developed a theory that each change situation is interpreted by each individual according to their attitude. He developed this into a diagram known as Roethlisberger's X chart:

CHANGE   **RESPONSE**

ATTITUDE

PERSONAL HISTORY   **SOCIAL SITUATION**

In effect our attitude to change and the response we make is heavily influenced by the way we "see" the situation – in effect the "psychological advantage" (or not) within any given situation.

Goal of change management is to minimize the change impacts on workers and avoid distractions.

Change Management Process

<u>Input:</u>

A change to how the business operates (project or initiatives) that requires employees to do their jobs differently

Phase 1:
Preparing for change

Phase 2:
Managing change

Phase 3:
Reinforcing change

<u>Output:</u>

Employees adopt the change
Employees utilize the solution
Employees are proficient
=
Business results are achieved

WHAT ARE CHANGE AGENTS?

Change agents are the agents who assume the responsibility for managing change activities.Change agents can be managers or non manager's people inside the organization or outside consultants. Examples:

- *Bill gates -Microsoft.*
- *Mikio Kitamo-Toyota.*

Forces/factors of organisational change

External factors:-

1. **Competition** is changing. Competitors are as likely to come from across the ocean as from across town. Ex: increased government regulation of commerce.
2. **Economic shocks:** rise and fall of global housing market, financial sector collapse, global recession.
3. **Globalisation**:- Global economy refers that competitors ae likely to come from different countries. Organisations will encounter a wide variety of dynamic changes – merger, acquisition, down rising etc.

4. **Marketing conditions**:- The need, wants, appreciations, liking, disliking and preferences of customers are changing frequently. Consumer is emerging as a 'king' who is a actually deciding factor of market forces.

5. **Nature of the workforce:** Almost every organization must adjust to a multicultural environment, demographic changes, immigration and outsourcing.

6. **Political forces**:- As long as currencies fluctuate and some economies outperform other, assets will flow across borders.

7. **Social changes**:- After globalisation there is a radical change shift In one value placed on higher education, lifestyle, views on marriage, joint family system and shopping preferences.

8. **Social trends** don't remain static. Companies must continually adjust product and marketing strategies to be sensitive to changing social trends. *The State Bank of India did the same when it started a zero-balance bank account program for villagers.*

9. **Technology** is continually changing jobs and organization. Ex: faster, cheaper and more mobile computers and handheld devices. The adoption of new technologies, such as computers, telecommunication systems, robotics and flexible. Manufacturing operations have a profound impact on organisations that adopt them.

Internal forces:-

1. **Changes is managerial personnel**:- Changes in the functioning of top level professional manager bring changes in one organisation in terms of organisation design, delegation of authority, allocation of work, firing responsibility and installation of supervision and contact etc.

2. **Shift in social cultural values**:- workers are more educated, less conservative and more women are joining the work force. They place greater emphasis on human values, such as dignity recognition, social status, equality etc.

3. **To have a dynamic environment**:- if one organisation is not moving forward, then it will not survive and grow. Flexibility, specialisation, standardisation, modernisation and automation are the necessities of the time. Required changes should be incorporated so that employees modify their attitude towards changes.

4. **Deficiency in the existing structures**:- Changes may be required in the present setup of the organisation to meet the challenges imposed by the workforces and technology. These deficiencies may be in the form of more no of levels, lack of cooperation and coordination, poor system of committee, lack of uniform policy decisions, multiplicity of committee autocracy in decision making, centralisation and so on.

JOHN P KOTTER'S 'EIGHT STEPS TO SUCCESSFUL CHANGE'

By improving their ability to change, organizations can increase their chances of success, both today and in the future. Realizing that change is difficult, John Kotter has outlined an eight-step model for successful change efforts. Steps 1–4 help unfreeze the status quo, Steps 5–7 introduce new practices, and Step 8 grounds the changes in a new culture to ensure sustainability (Kotter, 1996). Because we know that implementing and sustaining change is difficult, it requires a comprehensive strategy. Briefly, the steps are:

KOTTER'S 8 STEP CHANGE MODEL

Step 1: Create a Sense of Urgency. Help others see the need for change and the importance of acting immediately.

Step 2: Pull Together the Guiding Team. Pull together the guiding team. Make sure there is a powerful group guiding the change—one with leadership skills, credibility, communications ability, authority, analytical skills, and a sense of urgency.

Step 3: Develop the Change Vision and Strategy. Clarify how the future will be different from the past, and how you can make that future a reality.

Step 4: Communicate for Understanding and Buy-in. Make sure as many others as possible understand and accept the vision and the strategy.

Step 5: Empower Others to Act. Remove as many barriers as possible so that those who want to make the vision a reality can do so.

Step 6: Produce Short-Term Wins. Create some visible, unambiguous successes as soon as possible.

Step 7: Don't Let Up. Press harder and faster after the first successes. Be relentless with instituting change after change until the vision becomes a reality.

Step 8: Create a New Culture. Hold onto the new ways of behaving and make sure they succeed until they become a part of the very culture of the group.

Significant advantages to the model are:

- The process is an easy step-by-step model.

- The focus is on preparing and accepting change, not the actual change.

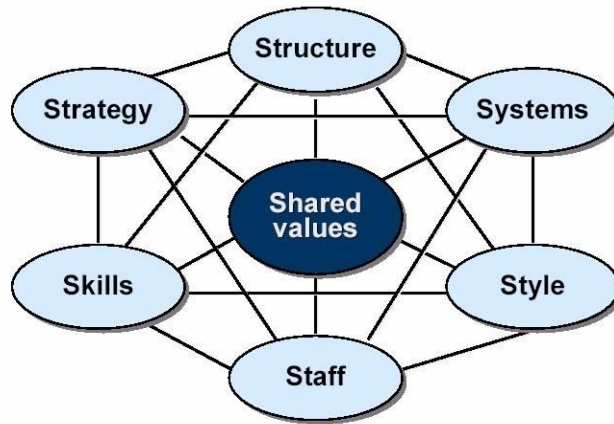- Transition is easier with this model.

There are some disadvantages offered by this model:

- Steps can't be skipped.

- The process takes a great deal of time.

The main problem in all eight stages proposed by Kotter is changing people's behaviour, not strategy, not systems, not culture. These elements are extremely important, but the core issue is the behavior - what people do and that is how they need to be changed significantly react.

MCKINSEY 7-S MODEL

The McKinsey 7-S model offers a holistic approach to organization. This model, created by Robert Waterman, Tom Peters, Richard Pascale, and Anthony Athos during a meeting in 1978, has 7 factors that operate as collective agent of change:

1. Shared values

2. Strategy

3. Structure

4. Systems

5. Style

6. Staff

7. Skills

The McKinsey 7-S Model offers four primary benefits:

1. It offers an effective method to diagnose and understand an organization.

2. It provides guidance in organizational change.

3. It combines rational and emotional components.

4. All parts are integral and must be addressed in a unified manner.

The disadvantages of the McKinsey 7-S Model are:

- When one part changes, all parts change, because all factors are interrelated.

- Differences are ignored.

- The model is complex.

- Companies using this model have been known to have a higher incidence of failure.

RESISTANCE TO CHANGE

WHY PEOPLE RESIST CHANGE

1. CULTURAL ASSUMPTIONS AND VALUES: Sometimes cultural assumptions and values can be impediments to change, particularly if the assumptions underlying the change are alien to employees. This form of resistance can be very difficult to

overcome, because some cultural assumptions are unconscious. Some cultures tend to avoid uncertainty may be met with great resistance.

2. DISRUPTION OF INTERPERSONAL RELATIONSHIPS: Employees may resist change that threatens to limit meaningful interpersonal relationships on the job Librarians facing the automation effort described previously feared that once the computerized system was implemented, they would not be able to interact as they did when they had to go to another floor of the library to get help finding a resource. In the new system, with the touch of a few buttons on the computer, they would get their information without consulting another librarian.

3. FEAR OF FAILURE: Some employees fear changes because they fear their own failure. Introducing computers into the workplace often arouses individuals' self – doubts about their ability to interact with the computer. Resistance can also stem from a fear that the change itself will not really take place. In one large library that was undergoing a major automation effort, employees had their doubts as to whether the vendor could really deliver the state – of – the – art system that was promised. In this case, the implementation never became a reality – the employees' fears were well founded

4. FEAR OF LOSS: When a change is impending, some employees may fear losing their jobs, particularly when an advanced technology like robotics is introduced. Employees also may fear losing their status because of a change. Computer systems experts, for example, may feel threatened when they feel their expertise is eroded by the installation of a more user – friendly networked information system. Another common fear is that changes may diminish the positive qualities the individual enjoys in the job. Computerizing the customer service positions at South-western Bell, for example, threatened the autonomy that representatives previously enjoyed.

5. FEAR OF THE UNKNOWN: Change often brings with it substantial uncertainty. Employees facing a technological change, such as the introduction of a new computer system, may resist the change simply because it introduces ambiguity into what was once a comfortable situation for them. This is especially a problem when there has been a lack of communication about the change.

6. INTERNAL AND EXTERNAL POLITICS: Organizational change may also shift the existing balance of power in the organization. Individuals or groups who hold power under the current arrangement may be threatened with losing these political advantages in the advent of change.

7. LACK OF TRUST: Trust plays a big role in running a successful organization. When organization members feel they cannot trust each other or key decision makers, it becomes difficult for them to accept organizational changes. They may ascribe the changes to some negative underlying reason or even assume they will eventually lose their jobs.

8. PERSONALITY CONFLICTS: When the change agent's personality engenders negative reactions, employees may resist the change. A change agent who appears insensitive, to employee concerns and feelings may meet considerable resistance, because employees perceive that their needs are not being taken into account.

9. POOR COMMUNICATION: Changes within an organization start with key decision makers. It is up to them to pass along the details to team members and ensure all questions and complaints are handled before changes go into effect. Unfortunately, as news of a change spreads through the hierarchy, details are sometimes skewed and members end up receiving inaccurate, second-hand information. Poor communication can therefore cause resistance to change.

10. SELF INTEREST : Ego often interferes with the ability to adapt to change. Some want to maintain the status quo to better advance their own personal agendas; others have different motivations. In the end, employees acting in their own self-interest, instead of the organization's greater good, will resist change.

BENEFITS OF RESISTANCE AS BENEFIT

It may signal the need for more effective communication about the meaning and purpose of a change or need to rethink precisely how a proposed change will affect one org. and its members. It also highlights real inadequacies in one proposed change and suggests better ways for developing and introducing change.

WIPRO SUCCESS MANTRA-BUSINESS CASE

Wipro implemented the *change* in its organization by innovation which is defined   as "implementation of an new idea and resulting into a marketable product or service." The top management at Wipro developed a framework for innovation and tried to foster the innovation. The innovation process at Wipro is represented by Innovation clock.

- This would take an estimated time of 6-18 months which would not only cover the costs but also bring in revenues for the company.
- To boost up employee satisfaction with his ideas the innovation centre provided the necessary funds and the infrastructure.
- The change in the organization with the innovation process was an huge plus to the company which enabled them with a strong portfolio and good revenue streams.

- Wipro shifted its change by implementing the consulting services rather than the traditional software services business.

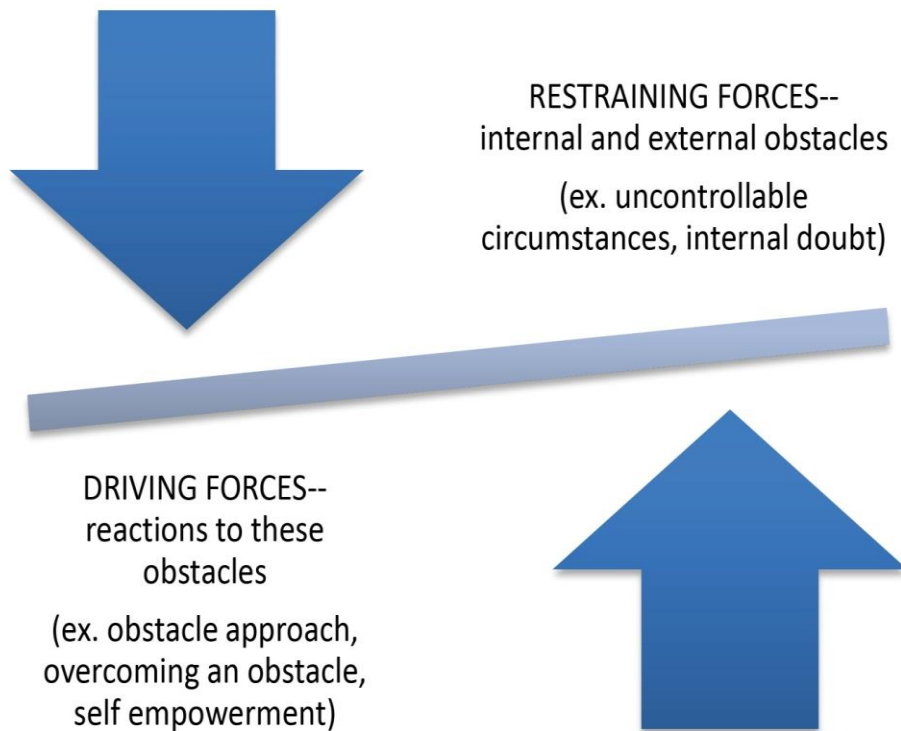| REASONS FOR RESISTANCE	
Employees: • Lack of awareness of why change is needed • Uncertainty (creating stress…fear) • Impact on current job role • Lack of visible support and commitment from managers, leaders • Fear of job loss • Organization's past performance with change	Managers: • Lack of awareness about and involvement in the change • Loss of control or negative impact on job role • Increased work load (lack of time) • Culture of change resistance and past failures

MAJOR REASONS FOR RESISTANCE

- Inertia: The tendency to remain unchanged. The old way of doing things are comfortable and easy, so people do not want to change or try something new.

- Timing: Poor timing may cause resistance. When employees and managers are in bad relations, the time to introduce change is not fit.

- Surprise: Resistance may occur when the change is unexpected or sudden for employees. .

- Peer pressure: Individuals may resist a change when the team resists, even if the individual does not strongly oppose the change.

- Self interest: Individuals may resist a change if they feel it will cause them to lose something.

- Misunderstanding: Employees may resist a change because they do not fully understand its purpose or benefits even if it will benefit them.

- Different assessment : Employees and management may see the change and its advantages in a different way.

- Management may the change as increased efficiency while employees may see only the costs of it.

MORE REASONS WHY CHANGE INITIATIVES FAIL:

- **COMMUNICATION:** Lack of communication
- **EFFICACY**: The program doesn't work
- **ENGAGEMENT:** People not adequately engaged in the organization
- **FEAR**: A culture of trust is not fostered, so fear persists
- **MANAGMENT**: Program doesn't have the support of top management or, conversely, the program is top-down, packaged program
- **PERCEPTION**: Solution offered doesn't resonate with people
- **REALITY**: The solution doesn't address the "real" problems
- **RESISTANCE**: Change initiative is resisted by managers, supervisors, others
- **RESOURCES**: Not properly resourced with time, money, and/or people
- **SUSTAINABILITY**: Innovation works, but organization cannot figure out how to implement and sustain it as an organizational change
- **TRAINING**: Not provided or is inadequate

HOW TO OVERCOME RESISTANCE TO CHANGE?

- Many organizations being forced to change radically.
- Organizations face major challenge in managing change.
- Organizations need capacity to adapt quickly.
- People focus of most serious challenges.
- Large scale changes incur significant problems and challenges.

RESTRAINING FORCES--
internal and external obstacles

(ex. uncontrollable
circumstances, internal doubt)

DRIVING FORCES--
reactions to these
obstacles

(ex. obstacle approach,
overcoming an obstacle,
self empowerment)

TECHNIQUES FOR CHANGE IMPLEMENTATION

1. Establish a sense of urgency for change
2. Establish a coalition to guide the change
3. Create a vision and strategy for change
4. Find an idea that fits the need
5. Develop plans to overcome resistance
6. Create change teams
7. Foster idea champions

Successful change management is more likely to occur if the following are included: Benefits management and realization to define measurable stakeholder aims, create a business case for their achievement (which should be continuously updated), and monitor assumptions, risks, dependencies, costs, return on investment, dis-benefits and cultural issues affecting the progress of the associated work.

A CHANGE CHECKLIST

Employees will progress through the stages - from awareness to understanding to acceptance to commitment - at different paces. It is vital that leaders use the most effective and appropriate communication media to complement what's required of employees at each stage. The process is not linear, and iteration or recycle is essential to get full understanding. For example if you want to inform employees of a change which will not require their involvement, (i.e. a change to a process which does not directly concern them, but is important to the organisation) then use a newsletter or bulletin to advise them. The following checklist for change is adapted from "Human Resource Champions" by Dave Ulrich. It provides an effective benchmark against which to assess progress:

Key Success Factors for Change	Questions to Assess and Accomplish the Key Success Factors for Change

Leading change (*who* is responsible)	Do we have a leader . . .
	  Who owns and champions the change?
	  Who publicly commits to making it happen?
	  Who will acquire the resources necessary to sustain it?
	  Who will put in the personal time and attention needed to follow
	   through?

Creating a shared need (*why* do it)	Do employees . . .
	  See the reason for the change?
	  Understand why the change is important?
	  Understand what will happen if we *don't* change?
	  See how it will help them and/or the university in the short and long-
	   term?
	 How do we *know* that employees see the reasons for change? What
	   feedback and checking has been done?

Shaping a vision (*what* will it look like when we are done)	Do employees . . .
	
	  See the outcomes of the change in behavioural terms? (that is, in terms of what they will do differently as a result of the change)?
	
	  Get excited about the results of accomplishing the change?
	
	  Understand how the change will benefit customers and other stakeholders?
	
	How do we *know* that employees see and share a common vision? How has this been checked?

Mobilizing commitment (*who else* needs to be involved)	Do the sponsors of the change . . .
	
	  Recognise who else needs to be committed to the change to make it happen?
	
	  Know how to build a coalition of support for the change?
	
	  Have the ability to enlist support of key individuals in the organisation?
	
	  Have the ability to build a responsibility matrix to make the change happen?
	
	How do they *know* that the people who need to be committed to change actually are?

Modifying systems and structures (how will it be institutionalised)	Do the sponsors of the change . . .
	
	  Understand how to link the change to other systems, for example, staffing, training, structure, communication, and so on?
	
	  Recognise the implications of change on systems?
	
	  Recognise the criticality of "taking the best of the past forward with us"?

Monitoring progress (*how* will it be measured)	Do the sponsors of the change . . .
	
	  Have a means of measuring the success of the change?
	
	  Plan to benchmark progress on both the results of the change and the process of implementing the change?
	
	  Plan to celebrate success at the appropriate time?

Making it last (*how* will it get started and last)	Do the sponsors of the change . . .
	
	  Recognise the first steps in getting started?
	
	  Have a short- and long-term plan to keep attention focused on the change?
	
	  Have a plan to adapting the change over time?
	
	  Have a plan to keep employees engaged and listen /react to feedback?

SUMMARY

"If you're in a bad situation, don't worry it'll change. If you're in a good situation, don't worry, it'll change." John A Simone, Sr

People generally hold to the *status quo* and resist change. Once change has been accepted, people resist turning back. Internal and external changes are inevitable. External changes...Technology, speed in movement of people/things, increased information and access to it ...lead to internal changes. People need more education, and must continue education throughout life; lives are longer because of advances in medicine. Change is inevitable and is taking place more rapidly than ever before. People resist change for a variety of reasons, many of which have to do with miscommunication or misunderstanding. Organizations undergo three basic types of changes: in structure, in work process, and in organizational culture. Change is managed by establishing trust, using leadership effectively, making good decisions, and maintaining positive communication. Employees should be given support and assistance to cope with the stress of change in the workplace.

> Communicate, Communicate, Communicate!
> It's important to talk in order to:
> - Announce a Change
> - Provide New Information and Clarification
> - Give people the opportunity for support and a forum to express their feelings
> - Involve employees in the planning and the implementation of that change
> - Provide feedback on how things are going

In this era of globalization, Organizations need to cope up with the dynamic and inevitable changes, which take place very often. Because of these changes the competition among firms is becoming intense and every organization should be flexible enough to implement the changes whenever required for its survival. "There is no permanent organizational chart for the world… It is of supreme importance to be ready at all times to take advantage of new opportunities"-Roberto C. Goizueta, Former Chairman and CEO, Coca-Cola Company.

STUDENT EXERCISE –CASE STUDY

Mr. Deepak smith was the president of a business association which included multiple businesses. These businesses had their own condominiums in a single large office complex. Maintenance of that office complex was one of the responsibilities of Smith. One day Smith felt that that the parking lot of the office complex needed resurfacing and new stripping. So he hired a local construction contractor for the job. On the following day, the construction company showed up at the office complex and blocked off the parking lot to complete the job. *Problem* As the business owners started showing up, they faced resistance while parking their cars. They had no idea what was going on and confronted the construction workers. Dissatisfied with the uninformed answers from the contractor, the business owners instructed the contractor and his men to pack their equipments and leave. The contractor had to abandon the job since Smith was not there to resolve the conflict. After Smith intervened into the matter later that day, business owners conveyed their annoyance regarding the whole incident and their concern about the unknown financial impact. In the above case, the president Mr. Smith knew what was necessary, took the leadership and tried to complete it. The change he planned was small and he was doing the right thing in terms of maintenance. But he did not engage other people who could be affected by this change in his decision. He should have made the business owners about the construction work and the possible financial benefit it would have. Mr. Smith also did not communicate the business owners how and when the work will be done and what they need to do to support the venture. As a result, there was a strong resistance from the business owners who had enough power to stop the initiative. The project failed completely because Mr. Smith completely neglected the people side of the change.

Case study questions

(1). What is the nature of problem related change management concept?

(2). What are the root cause for the problem?

(3). Prepare checklist for the change management

QUESTIONS

- Define the term organizational change. Give suitable examples.
- What are driving forces of change?
- List the basic reasons for change adoption.

- What are the types of organisational change?

- What are the challenges in the workplace?

- What are the factors affecting change process at organizational level?

- Explain in detail the change process and model with illustrations.

- Explain the nature and purpose of organisational change and its management.

- How do you identify the areas of organizational change?

- List the checklist for the successful organizational change.

- What are change agents? Give examples.

- What are change agents?

- Why organizations change?

- What organizations can change

- Explain in detail lewin's change model. State its and demerits.

- Explain kotter's 'eight steps of successful change' model with suitable example

- Elaborate ADKAR model

- Draw a clear sketch of Mckinsey 7-S model.

- What are the basic reasons for resistance to change

- Define the term inertia?

- What are the sources of organizational resistance to change

- List any five reasons why change initiatives fail in an organisation

- Critically explain how to overcome resistance to change

- What are the strategies for managing resistance to change?

- What are the techniques for change implementation?

ORGANIZATIONAL DEVELOPMENT

Organisational Development is concerned with the planning and implementation of programmes designed to enhance the effectiveness with which an organisation functions and responds to change. Organization Development (OD) is the systematic application of behavioural science to bring about planned change in organizations. Its objectives are improved adaptability, productivity, effectiveness and a higher quality of work-life.

> **Organization Development is…**
>
> *A system wide application and transfer of behavioral science knowledge to the planned development, improvement, and reinforcement of the strategies, structures, and processes that lead to organization effectiveness.*

NATURE OF OD

OD is a general strategy or approach to organizational change and is employed to analyze and diagnose the sources of organizational problems and to develop and implement action plans for their solution. According to Bennis, OD has the following characteristics:

1. It is an educational strategy for bringing planned change.
2. It relates to real problems of an organization.
3. Laboratory training methods based on experienced behaviour are primarily used to bring change.
4. Change agent applying OD technique for change is external to the forms of consultants.
5. There is a close working relationship between change agents and the people who are being changed. The relationships involve mutual trust, joint goals, means, and mutual influence.
6. The change agents share social philosophy about human value. They are humanists seeking to get a humanistic philosophy in organization.

WHY IS OD IMPORTANT?

Organizations are increasingly challenged by change. The world is moving faster and faster. Competitive pressures are becoming more and more demanding. Rapid technological change

and the globalizing economy both confuse us and open new doors. In the midst of this, employees seek more satisfaction and meaning from their work lives, and more balance in their lives as a whole. Whether the organizations are private, public or non-profit, they must adapt to this new world if they are to survive and thrive. They need to become more lively, more customer-driven, more innovative and more effective. They need to attract and retain competent and committed employees. This will require more flexible organizational structures, new types of leadership, and new ways of managing. OD can help organizations navigate this difficult terrain.

WHAT IS ORGANIZATIONAL DEVELOPMENT?

OD is concerned with how people react to change, and how their needs have to be considered if change efforts are to be effective. One of the common issues is to understand and work with the resistance to change that usually occurs in organizations undergoing change. "Change management" is a term that is sometimes used interchangeably with OD.

In summary,

1. It is a system-wise process
2. It is value-based
3. It is collaborative
4. It is based on behavioral science knowledge
5. It is concerned with strategies, structures, processes, people and culture
6. It is about organizational effectiveness

OD is a systemic learning and development strategy intended to change the basics of beliefs, attitudes, and relevance of values and structure of the current organization to better absorb disruptive technologies, market opportunities, and ensuing challenges and chaos.

ORGANISATION DEVELOPMENT DEFINED

Organisational Development is a long-term process led and supported by top management to improve an organisation's visioning, learning and problem solving through an ongoing, collaborative management of organisational culture. *According to Middlemist and Hitt define "organizational development is a systematic means for planned change that involves the entire organization and is intended to increase organizational effectiveness."*

THE FOUR KEY ORIENTATIONS OF OD

OD is a complex behavioural science that has four key orientations:

- **A systemic orientation**: The understanding that all parts of an organization (structure, technology, processes, people) are highly connected. Problems can occur at one or more levels and have far reaching consequences throughout the organization;

- **A problem-solving orientation**: A focus on problem identification, data gathering, option generation, cost/benefit analysis, decision-making, action planning, monitoring, review and adaptability - in the light of subjective experience;

- **A humanistic orientation**: A positive belief about the potential of people, their rights, their need for autonomy and support in varying measures, and the value of their subjective experience;

- **An experiential learning orientation**: An acceptance that training, development and organizational learning should be based on the subjective experiences of all those involved.

THE SEVEN SS CONCEPT OF OD

OD also influences a wide range of organizational factors. To illustrate this, Peters and Waterman (1982) developed an analytical tool termed 'The Seven Ss'' - more latterly referred to as the 7-S Model. By way of an outline:

- **STRUCTURE**: The framework in which the activities of the organization's members are coordinated. The four basic structural forms are the functional form, divisional structure, matrix structure, and network structure;

- **STRATEGY :** The route that the organization has chosen for its future growth and to gain a sustainable competitive advantage;

- **SYSTEMS:** The formal and informal procedures, including, management information systems, capital allocation systems, reward systems, quality systems and innovation systems;

- **SKILLS:** What the company does best; the distinctive capabilities and competencies that reside in the organization;

- **SHARED VALUES**: The guiding concepts and principles of the organization - values and aspirations, often unwritten - that go beyond the conventional statements

of corporate objectives; the fundamental ideas around which a business is built; the things that influence a group to work together for a common aim;

- **STAFF**: The organization's human resources and the ways they are developed, trained, socialized, integrated, motivated, and managed;

- **STYLE:** The leadership approach of top management and the organization's overall operating approach, including the way in which the organization's employees present themselves to the outside world, to suppliers and customers.

"Organization transformation can occur in response to or in anticipation of major changes in the organization's environment or technology. In addition these changes are often associated with significant alterations in the firm's business strategy, which, in turn, may require modifying corporate culture as well as internal structures and processes to support the new direction. Such fundamental change entails new paradigm for organizing and managing organizations. It involves qualitatively different ways of perceiving, thinking, and behaving in the organizations."

HOW TO BUILD AN OD STRATEGY?

An OD strategy is a comprehensive plan based on a thorough analysis of organizational needs and goals. It is designed to bring about specific changes and to ensure that appropriate steps are taken to secure those changes:

- A monitoring, review and evaluation system.
- Desired objectives;
- Specific interventions aimed at achieving objectives;
- Time scales;

The strategy must specify contingencies as well as primary interventions and take into account the power and influence dynamics of the organization. Specific interventions, such as team building and job redesign, are not strategies. Interventions, unlike strategies, are simple activities with limited end objectives. Because circumstances vary between organizations, organizational-change strategies will vary as well. Likewise, the steps to strategy-building may differ from organization to organization.

However, it is possible to identify six general steps in this process.

Step 1: Defining the change (OD) problem

Step 2: Determining appropriate OD objectives

Step 3: Determining the systems and subsystem's readiness and capacity to change

Step 4: Determining key subsystems

Step 5: Assessing one's own resources

Step 6: Selecting an approach and developing an action plan for reaching objectives

WHAT OD PRACTITIONERS DO?

Following is a representative list of specific services or techniques that might be offered or used by OD practitioners:

- Appreciative inquiry
- Career management or counselling
- Change management
- Coaching
- Collaborative solutions
- Conflict resolution
- Creative problem solving
- Future search conferences
- Goal setting

- Group facilitation
- High involvement work teams
- Human resource management
- Interpersonal communication
- Large-group interventions
- Large-scale system change
- Leadership development
- Managing workforce diversity
- Organizational restructuring
- Socio-technical systems design
- Strategic planning
- Team building
- Total quality management
- Vision and mission development
- Work process improvement

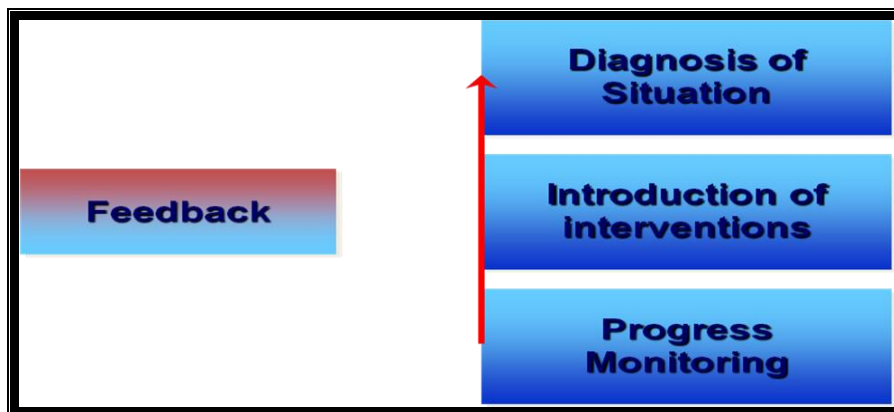## BENEFITS AND LIMITATIONS OF OD

- Organizational development is a useful organizational intervention. Although it has some benefits there some limitations as well.
- **OD benefits in summary are as follows:**

  -Better quality of work

  -Better resolution of conflict

  -Change throughout organization

  -Commitment to objectives

  -Creation of learning individuals and groups

  -Greater motivation

  -Higher job satisfaction

  -Improved teamwork

  -Increased productivity

  -Increased willingness to change

  -Lower turnover

  -Reduced absences

LIMITATIONS OF OD:

-Cultural incompatibility

-Delayed payoff period

-Difficulty in evaluation

-Emphasis on group processes rather than performance

-Major time requirement

-Possible conceptual ambiguity

-Possible failure

-Possible invasion of privacy

-Possible psychological harm

-Potential conformity

-Substantial expense

Finally, all managers should accept their roles as being responsible for OD, since organizational improvement is almost universally needed.

BASIC ORGANIZATION DEVELOPMENT MODEL

FIVE STEMS OF OD PRACTICE

OBJECTIVES OF OD

The number of OD interventions is large. But they vary in the range and depth of their penetration into the organisational system and in the purpose they serve. No two interventions are alike and there is no single OD method capable of serving all the likely objectives of an organisation. Sometimes several methods of OD are used together. The objectives are:
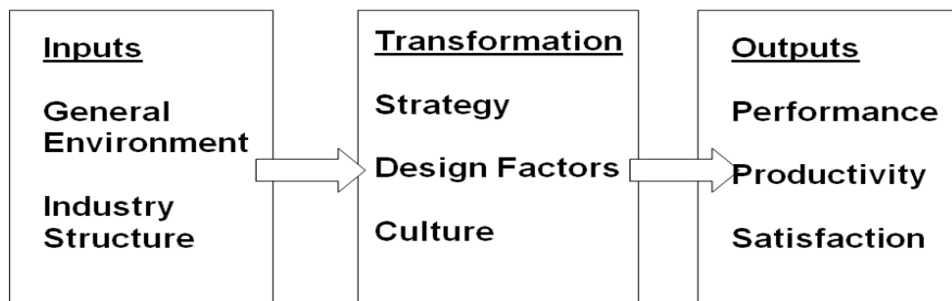
- To increase the level of inter-personal trust among employees.
- To increase employee's level of satisfaction and commitment.
- To confront problems instead of neglecting them.
- To effectively manage conflict.

- To increase cooperation among the employees.

- To increase the organization problem solving.

- To put in place process that will help improve the ongoing operation of the organization on a continuous basis.

- To improve the ability of the organization to plan and manage changes.

- To identify and allocate the precious resources of the organization in the most productive manner.

POTENTIAL CONFLICTS WITH OD

- Conflict with profit making
- Conflict with managerial prerogatives

Organizational Level Diagnosis

Inputs	Transformation	Outputs
General Environment	Strategy	Performance
Industry Structure	Design Factors	Productivity
	Culture	Satisfaction

Group Level Diagnosis

Inputs	Transformation	Outputs
Organization Design Factors	Group Design Factors	Team Effectiveness
Culture		Productivity, Satisfaction
Strategy		

Individual Level Diagnosis

Inputs	Transformation	Outputs
Group Design Factors	Job Design Factors	Individual Effectiveness
Personal Characterist-ics		Productivity, Satisfaction

MEASURING EFFECTIVENESS OD:

- More impact on organizational than individual outcomes

- Works better for white collars than blue collars
- Works better if multiple techniques are used
- Technological change shows more positive outcomes

IMPLICATIONS:

For Individuals: Most individuals believe in their personal growth. Even today, training and development, promotion to the next higher position dominates the organization philosophy. Majority of the people are desirous of making greater contributions to the organizations they are serving. Achievements of organizational goals are however, subject to limitations or environmental constraints. It is for the organizations to tap the skills that are available in abundance.

This leads to adopt the following organization strategy for development:

- Accept challenge.
- Ask questions to resolve doubts.
- Empower employees.
- Give additional responsibility to subordinates.
- Initiate suitable reward system that should be compatible, if not more than the industry norms.
- Leaders to encourage creativity and promote risk taking.
- Listen to superior's advice.
- Set high standards of quality.
- Support employees in their venture.

For Groups: One of the most important factors in the organization is the 'work group' around whom the organization functions. This includes the peer group and the leader (boss)

- More people prefer to be part of the group because the group accepts them.
- Most people are capable of making higher contributions to the group's effectiveness.

FOR ORGANIZATIONS

a) Create learning organization culture.
b) Adopt win-win strategy for sustained growth.

c) Create cooperative dynamics rather than competitive organizational dynamics in the organization.

d) Needs and aspirations of the employees in the organization must be met. This leads to greater participation of the employees. Organizations should adopt developmental outlook and seek opportunities in which people can experience personal and professional growth. Such orientation creates a self-fulfilling prophecy.

e) People must be treated with due respect and considered important. The credit of success must be given to the employees unconditioned.

f) Promote organizational citizenship.

ASSUMPTIONS AND VALUES OF OD

The assumptions and values of OD were that:

- Most individuals are driven by the need for personal growth and development as long as their environment is both supportive and challenging.

- The work team, especially at the informal level, has great significance for feelings of satisfaction and the dynamics of such teams have a powerful effect on the behaviour of their members.

- Organizations can be more effective if they learn to diagnose their own strengths and weaknesses.

- Managers often do not know what is wrong and need special help in diagnosing problems. Although the outside 'process consultant' ensures that decision making remains in the hands of the client.

INDIVIDUALS:

- People want to grow and mature.
- Employees have much to offer (e.g. creativity and energy) that is not being used at work.
- Most employees desire the opportunity to contribute (they desire, seek and appreciate empowerment).

GROUPS:

- Groups and teams are critical to organizational success and individual need satisfaction.

- Groups have powerful influences on individual behaviour.
- The complex roles to be played in groups require skill development.

VALUES

Top values associated with O. D. today:

1. Increasing effectiveness and efficiency
2. Creating openness in communication
3. Empowering employees to act
4. Enhancing productivity
5. Promoting organizational participation

There are critical core values that have to be considered as will be discussed as follows:

- Teamwork – building blocks of organisations. Central to accomplishing desired results
- Respect for people – individuals are perceived as being responsible and therefore should be treated with respect
- Trust and support and teamwork among members of the organisation for effective team work and service delivery
- Power equalization- effective organisations de-emphasize hierarchical autonomy
- Problems and challenges are dealt with in timely manner
- Participatory/collaboration – the more the people will be affected by change are involved in making decisions surrounding change, the more they will be committed to implementing the decisions

VALUES CONSIDERED TO BE MOST IMPORTANT

1. Empowering employees to act
2. Creating openness in communication
3. Facilitating ownership of process and outcome
4. Promoting a culture of collaboration
5. Promoting inquiry and continuous learning

WHAT ARE THE VALUES OF OD?

Since the beginning, OD values have generally been described as humanistic and democratic. They have to do with how people treat each other, and how decisions are made. A key concern is how satisfied employees are in the workplace. Employee participation and collaboration are key concepts associated with OD. More recently OD has also become

concerned with productivity and organizational effectiveness. There is more of an explicit focus on business issues and bottom-line results.

Organizational Development is planned change in the organizational context. In this context of change it is necessary to refer to Kurt Lewin.

He has provided two principle ideas viz.

1. What is occurring at any point of time is a resultant in a field of opposing forces e. g. production level at a particular point of time is the resultant equilibrium of some forces pushing towards higher levels of production and other forces pushing towards lower levels of production. The production levels tend to remain at the same levels as the field of forces remains constant. Another example could be the level of morale.

2. The second contribution is the change itself. He has described a three- stage process viz.

    (a Unfreezing the old behaviour

    (b)Moving to a new level of behaviour

    (c)Refreezing the behavior at the new level

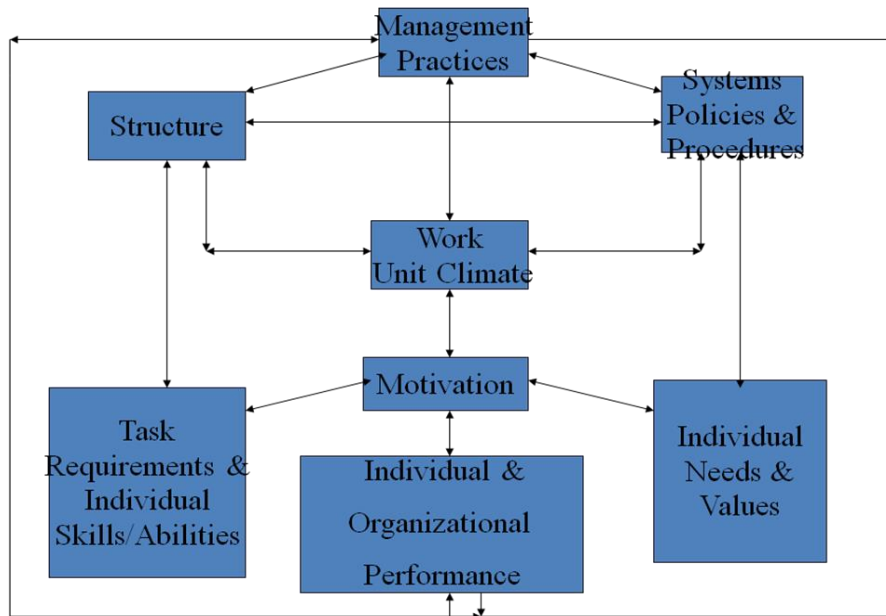## KURT LEWIN'S THREE –STAGE MODEL: AS MODIFIED BY LIPPITT & OTHERS

1. Developing a need for change.
2. Establishing a change relationship. In this phase a client system in need of help and a change agent from outside the system establish a working relationship
3. Clarifying or diagnosing the clients system's problem
4. Examining alternative routes and goals; establishing goals and intentions of actions
5. Transforming intentions into actual change efforts. Phases 3, 4 and 5 correspond to Lewin's moving phase
6. Generalizing and stabilizing change. This corresponds to Lewin's refreezing phase
7. Achieving a terminal relationship, that is, terminating the client-consultant relationship
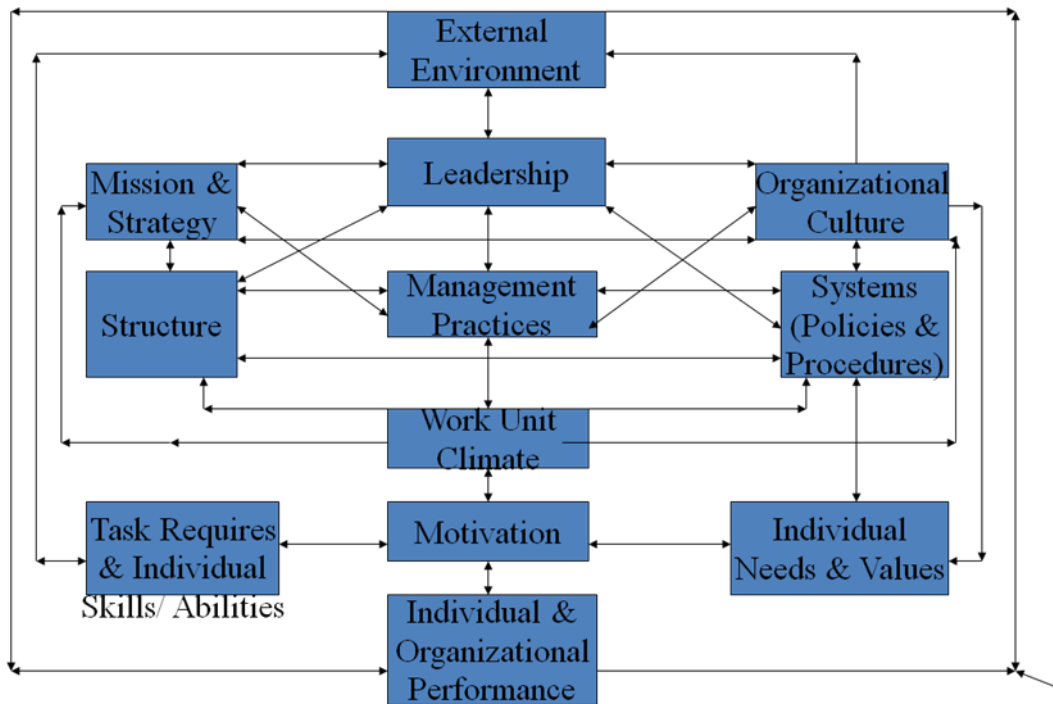
THE BURKE-LITWIN MODEL OF ORGANIZATIONAL CHANGE

(a) First-order change- transactional, evolutionary, adaptive, incremental, or continuous change

(b) Second-order change- transformational, revolutionary, radical, or discontinuous change

O. D. programs are directed toward both first-order and second order change with an increasing emphasis on second –order transformational change.
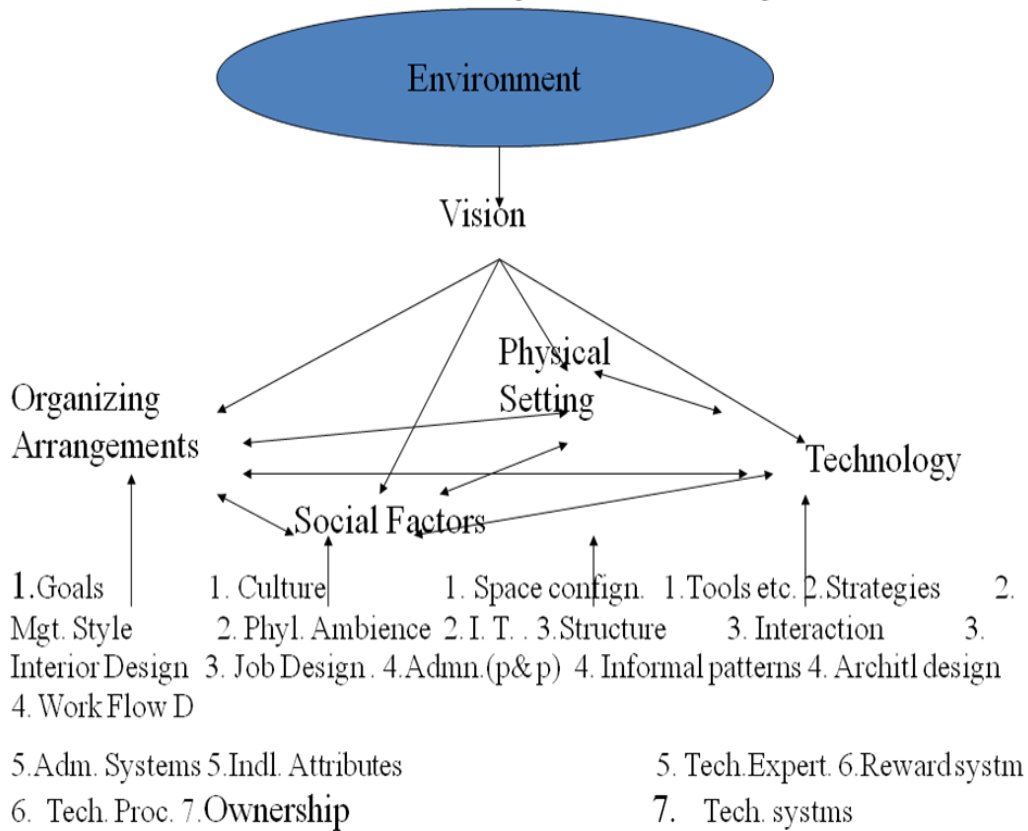
First-Order	**Second-Order**
1. Structure	1. Mission and Strategy
2. Management Practices	2. Leadership
3. Systems	3. Organizational Culture
(Transactional)	(Transformational)

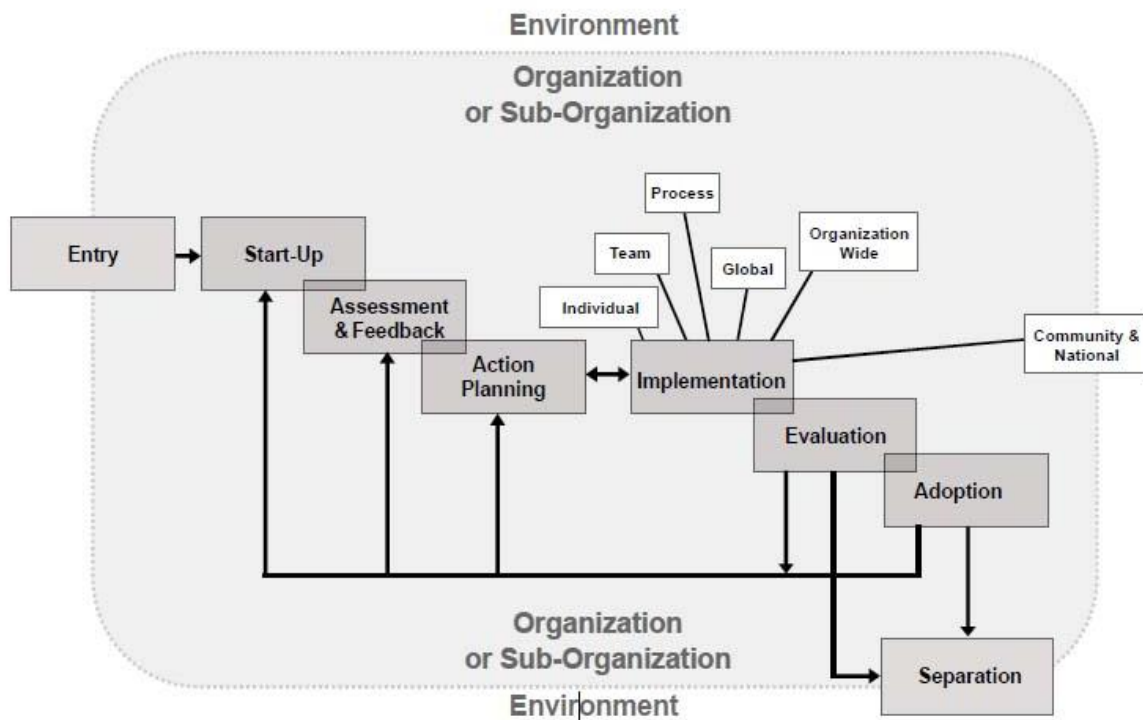## The Burke-Litwin Model of Organizational Performance and Change

External Environment

Leadership

Mission & Strategy

Organizational Culture

Structure

Management Practices

Systems (Policies & Procedures)

Work Unit Climate

Task Requires & Individual Skills/ Abilities

Motivation

Individual Needs & Values

Individual & Organizational Performance

Porras & Robertson Model of Organizational Change

Environment

Vision

Organizing Arrangements

Physical Setting

Technology

Social Factors

1.Goals   1. Culture   1. Space config.   1.Tools etc. 2.Strategies   2.
Mgt. Style   2. Phyl. Ambience 2.I. T. . 3.Structure   3. Interaction   3.
Interior Design 3. Job Design . 4.Admn.(p& p) 4. Informal patterns 4. Architl design
4. Work Flow D

5.Adm. Systems 5.Indl. Attributes   5. Tech.Expert. 6.Reward systm
6. Tech. Proc. 7.Ownership   7. Tech. systms

PROCESS OF OD

The OD Process is based on the action research model which begins with an identified problem or need for change. The process proceeds through assessment, planning of an intervention, implementing the intervention, gathering data to evaluate the intervention, and determining if satisfactory progress has been made or if there is need for further intervention. The process is cyclical and ends when the desired developmental result is obtained.
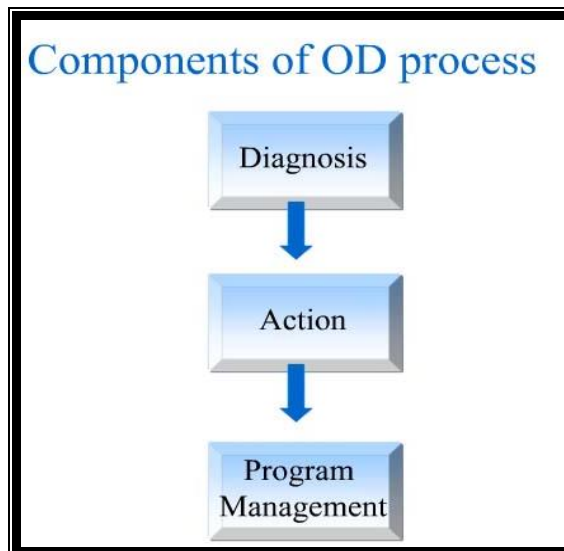

(Source adopted fromMcLean (2005). Organization Development: Principles, Processes, Performance. San Francisco, USA: Berrett-Koehler).

WHAT IS AN ORGANIZATIONAL DEVELOPMENT PROCESS?

A systematic way where a company defines organizes and implements its operations through the stages of the product life cycle.

The stages includes:

- ❖ Diagnosis
- ❖ Intervention
- ❖ Evaluation

Components of OD process

(Source:http://www.authorstream.com/Presentation/Bharathisunagar)

The O. D. process consists of three components-diagnosis, action and program management. Diagnosis component consists of continuous collection of data about the total system, its sub-units its processes, and its culture. The action component consists of all the activities and interventions designed to improve the organization's functioning. The program management component is designed to ensure success of the program.
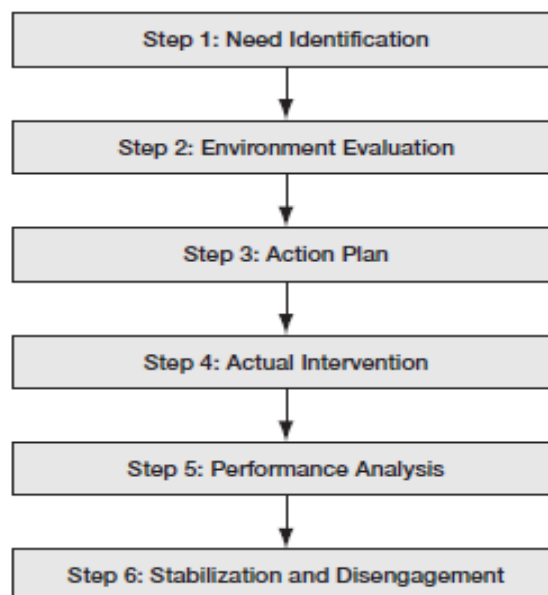
TYPE OF INTERVENTIONS USED IN AN ORGANISATION

STRATEGIES	INDIVIDUAL	TEAM	INTERGROUP	TOTAL ORGANIZATIONAL SYSTEM
Behavioral	Career planning	Team building Goal setting	Intergroup development	Goal setting Survey feedback
	Goal setting Stress management	Quality control	TQM	TQM Action Research
Structural	Job enrichment	Job enrichment	Job enrichment Goal setting	Restructuring Survey feedback
	Stress	Team building	TQM	TQM

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	management			
Technological	Job design	Job design	Job design	Survey feedback Action research
		Quality control	TQM	TQM Reengineering

A normal OD process can be phased in following manner:

.

- Problem identification: The first step in OD process involves understanding and identification of the existing and potential problems in the organization. The awareness of the problem includes knowledge of the possible organizational problems of growth, human satisfaction, the usage of human resource and organizational effectiveness.

- Data Collection: Having understood the exact problem in this phase, the relevant data is collected through personal interviews, observations and questionnaires.

- Diagnosis: OD efforts begin with diagnosis of the current situation. Usually, it is not limited to a single problem. Rather a number of factors like attitudes, assumption, available resources and management practice are taken into account in this phase.

There are four steps in organizational diagnosis:

- Structural analysis: Determines how the different parts of the organization are functioning in terms of laid down goals.

- Process analysis: Process implies the manner in which events take place in a sequence. It refers to pattern of decision making, communication, group dynamics and conflict management patterns within organization to help in the process of attainment of organizational goals.

- Function analysis: This includes strategic variables, performance variables, results, achievements and final outcomes.

- Domain analysis: Domain refers to the area of the organization for organizational diagnosis.

- Planning and implementation: After diagnosing the problem, the next phase of OD, with the OD interventions, involves the planning and implementation part of the change process.

- Evaluation and feedback: Any OD activity is incomplete without proper feedback. Feedback is a process of relaying evaluations to the client group by means of specific report or interaction

However, OD Process is complicated and takes time to complete the process. As mentioned there are other approaches for the OD Process but the one chosen, consists of the seven steps is typical. An organization needs to always evaluate its OD programs as to evaluate the effectiveness. All the steps need to be adhered in order to derive full range of OD benefits.
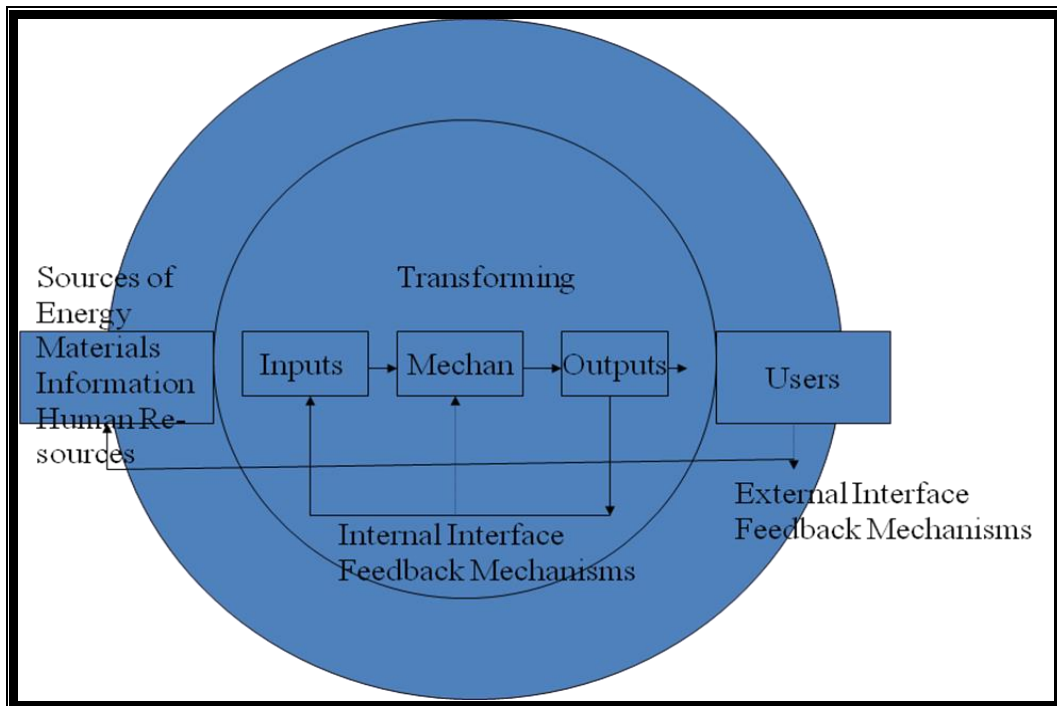
MANAGING THE OD PROCESS

Three basic components of OD programs:

Diagnosis	Continuous collection of data about total system, its subunits, its processes, and its culture
Action	All activities and interventions designed to improve the organization's functioning
Program management	All activities designed to ensure success of the program

SYSTEMS THEORY-FOUNDATION OF OD

This theory views organizations as open systems in active exchange with their environments. Systems theory is one of the most powerful conceptual tools available for understanding the dynamics of organizations and organizational change. **Definitions of Systems:** A system is a "set of objects together with relationships between the objects and between their attributes."A System is a set of "elements standing in interaction.
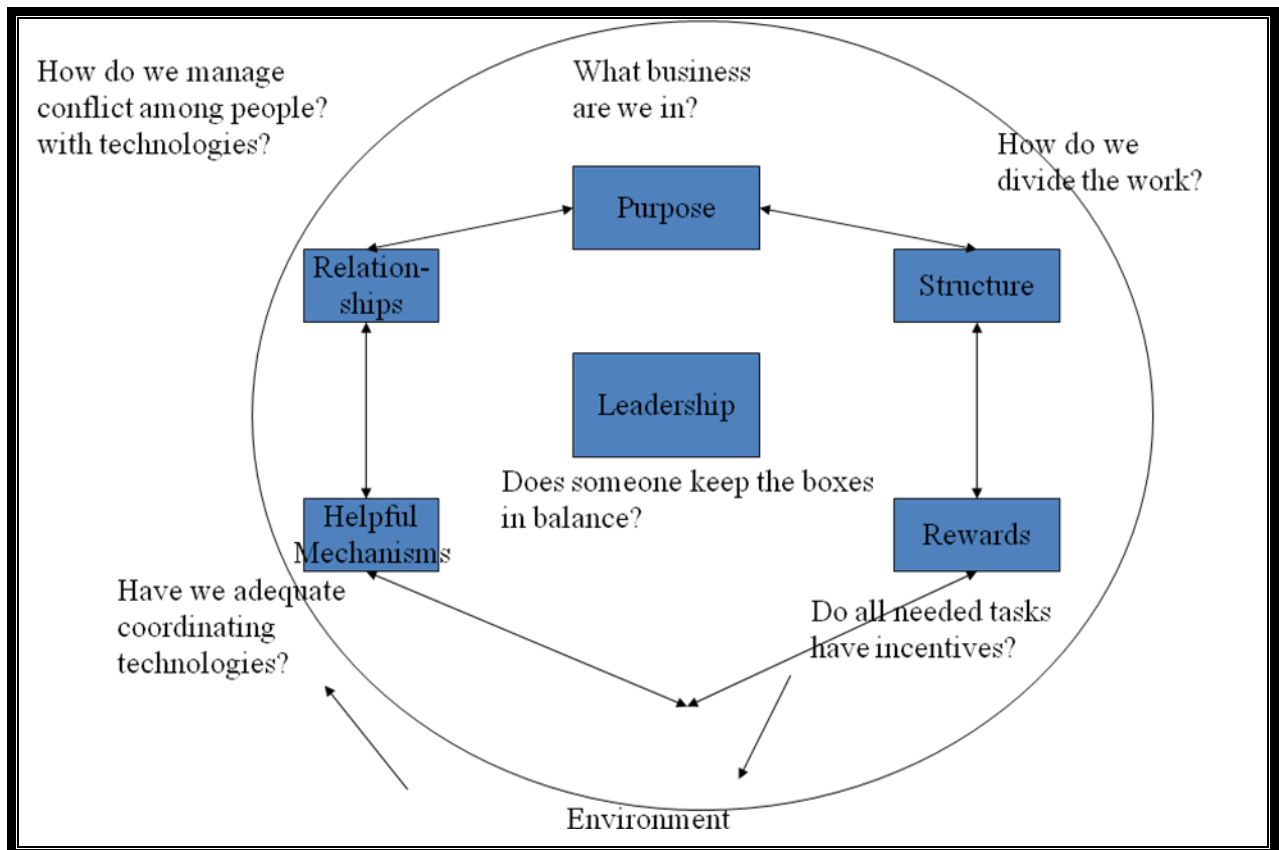
SYSTEM IN INTERACTION WITH ITS ENVIRONMENT

CONGRUENCE MODEL SHOWING ORGANISATIONAL AS A SYSTEM

THE SIX-BOX MODEL-a diagnostic tool(Marvin Weisbord)

O. D. INTERVENTIONS

OD interventions are sets of structured activities in which selected organizational units engage in a series of tasks which will lead to organizational improvement. Interventions are actions taken to produce desired changes.

"Interventions" are principal learning processes in the "action" stage of organization development. Are structured activities used individually or in combination to improve their social or task performance. Introduced by a change agent as part of an improvement program. "Structured activities" mean such diverse procedures as experiential exercises, questionnaires, attitude surveys, interviews, relevant group discussions, and even lunchtime meetings between the change agent and a member of the client organization. Every action that influences an organization's improvement program in a change agent-client system relationship can be said to be an intervention. Interventions range from those designed to improve the effectiveness of individuals through those designed to deal with teams and groups, intergroup relations, and the total organization. There are interventions that focus on task issues (what people do), and those that focus on process issues (how people go about doing it). Finally, interventions may be roughly classified according to which change mechanism they tend to emphasize: for example, feedback, awareness of changing cultural norms, interaction and communication, conflict, and education through either new knowledge or skill practice.
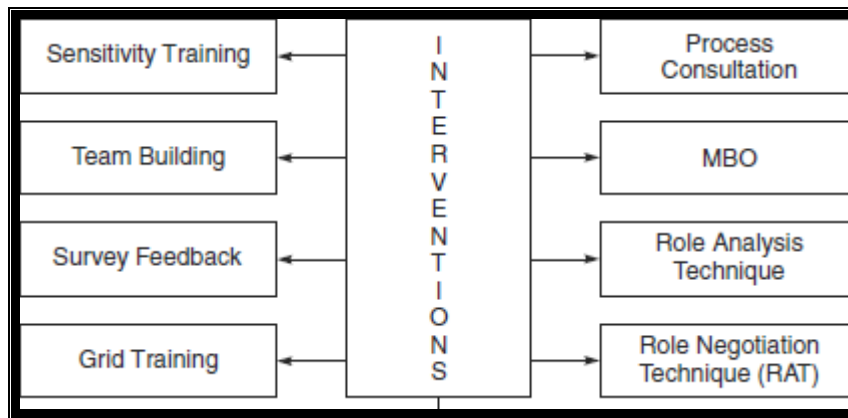
There is one of four reasons why there is need for OD interventions:

1. The organization has a problem- something is "broken", and corrective actions need to be taken i.e. it needs to be "fixed".

2. The organization sees an unrealized opportunity: something it wants is beyond its reach. Enabling actions- interventions- are developed to seize the opportunity.

3. Features of the organization are out of alignment: parts of the organization are working at cross-purposes. Alignment activities- interventions- are developed to get things back in tune.

4. The vision guiding the organizational changes: yesterday's vision is no longer good enough. Actions to build the necessary structures, processes, and culture to support the new vision- interventions- are developed to make the new vision a reality.

Generally OD interventions follow a well-planned overall OD strategy and get revealed as events unfold and are answers to the following questions:

1. What are the change/improvement goals of the program?
2. What parts of the organization are most receptive to the OD program?
3. What are the key leverage points(individual or group) in the organization
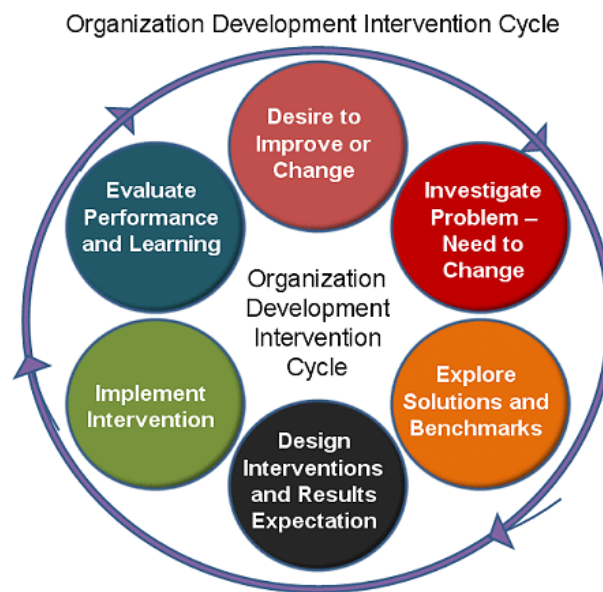4. What are the most pressing problems in the client organization?

5. What resources are available for the program in terms of client time and energy and internal and external facilitators?

Types of Interventions				
Category	**Individual**	**Team**	**Intergroup**	**Total Organizational System**
Behavioral	Laboratory learning Career planning Managerial Grid (Phase 1) Stress management Biofeedback Management by objectives	Team building Process consultation Quality control Role negotiation Role analysis Grid OD (Phase 2) Goal setting Third-party intervention	Intergroup development Third-party intervention Organization mirror Process consultation Grid OD (Phase 3) Total quality management	Goal setting Grid OD (Phases 4, 5, 6) Survey research and feedback Action research Likert's System 4 Total quality management High-performing systems Reengineering
Structural	Job enrichment Stress management Management by objectives	Job enrichment Team building Role negotiation Self-managed work teams Role analysis Grid OD (Phase 2)	Job enrichment Goal setting Total quality management	Grid OD (Phases 4, 5, 6) Survey research and feedback Action research Likert's System 4 Total quality management High-performing systems Reengineering
Technological	Job design	Job design Quality control Grid OD (Phase 3)	Job design Grid OD (Phase 3) Total quality management	Grid OD (Phases 4, 5, 6) Survey research and feedback Action research Likert's System 4 Total quality management High-performing systems Reengineering

NATURE OF OD INTERVENTIONS

- All the OD interventions have a dual purpose i.e. educational and accomplishing-a-task.
- They focus on real problems central to each organization's needs rather than hypothetical.
- They use several learning models e.g. "learning how to do" may precedes the "doing" part and it also be the other way round.
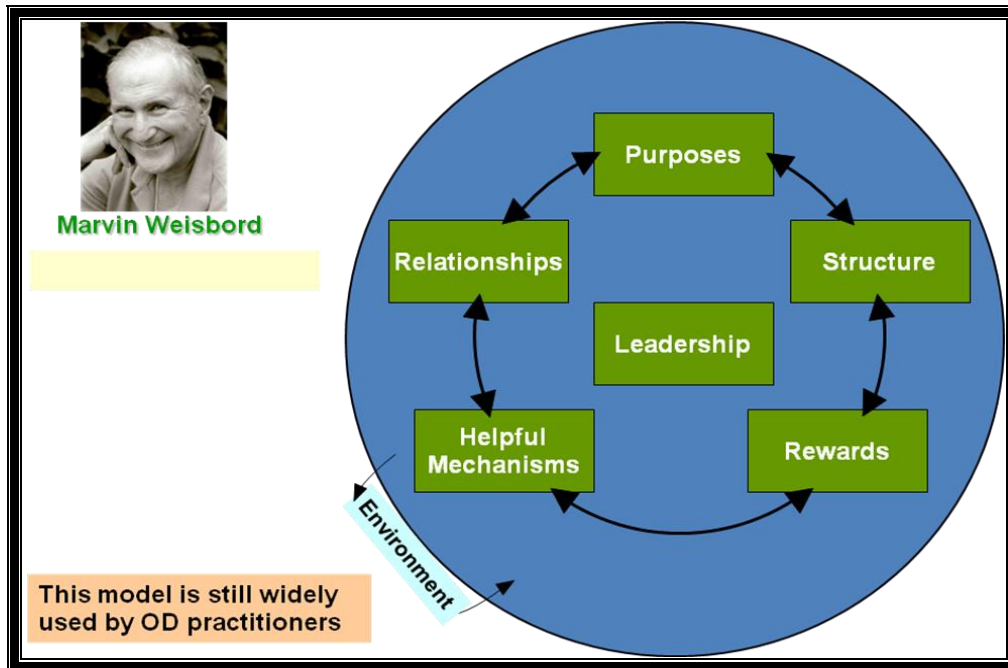

Organization Development Intervention Cycle

DIAGNOSIS – THE SIX-BOX MODEL

Weisbord identifies six critical areas where things must go right if organisation is to be successful. According to him, the consultant must attend to both formal and informal aspects of each box. Weisbord presents a six-box model for understanding organization:

1. Purposes: The organization members are clear about the organization's mission and purpose and goal agreements, whether people support the organization' purpose.
2. Structure: How is the organization's work divided up? The question is whether there is an adequate fit between the purpose and the internal structure.
3. Relationship: Between individuals, between units or departments that perform different tasks, and between the people and requirements of their jobs.
4. Rewards: The consultant should diagnose the similarities between what the organization formally rewarded or punished members for.

5. Leadership: Is to watch for blips among the other boxes and maintain balance among them.

Helpful mechanism: Is a helpful organization that must attend to in order to survive which as planning, control, budgeting, and other information systems that help organization member accomplish

All OD programs follow a logical progression of events: Warner Burke describes the following phases of OD:-

1. Entry
2. Contracting
3. Diagnosis
4. Planning change
5. Intervention
6. Evaluation

Third-Wave Consulting

● Weisbord wrote an article in which he mentioned the third wave.
● 1st wave= agricultural revolution
● 2nd wave= industrial revolution
● 3rd wave= technological revolution
● He no longer looks at the "sickness" model of OD but concentrates on the "wellness" model which talks about creating workplace that have meaning.
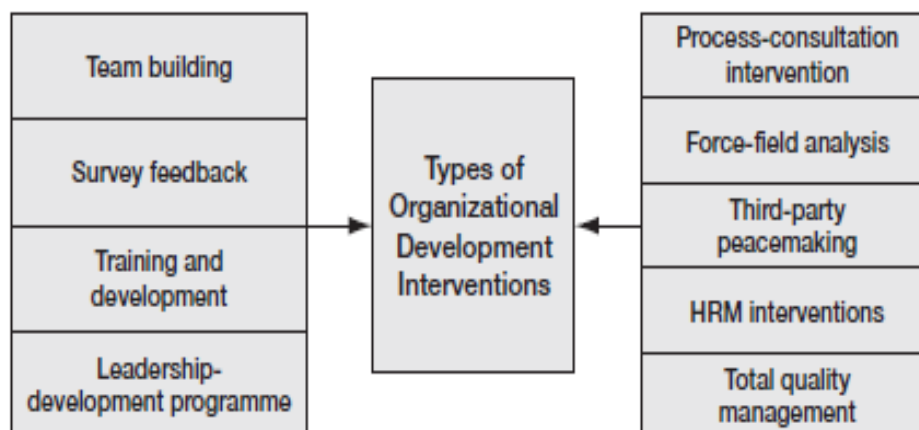
ACTION COMPONENT

Interventions are the actions taken to produce desired changes. Four conditions that give rise to the need for OD interventions:

1. The organisation has a problem (corrective action – to fix it)

2. Organization sees an unrealized opportunity (enabling action – to seize the opportunity)

3. Features of organization are out of alignment (alignment action – to get things back 'in sync')

4. Yesterday's vision is no longer good enough (action for new vision – actions to build necessary structures, processes and culture to make new vision a reality)

TYPES OF OD INTERVENTION PROGRAMMES

- Team-building
- Survey feedback
- Training and development
- Leadership development
- Process consultation interventions
- Force-field analysis
- Third-party peacemaking
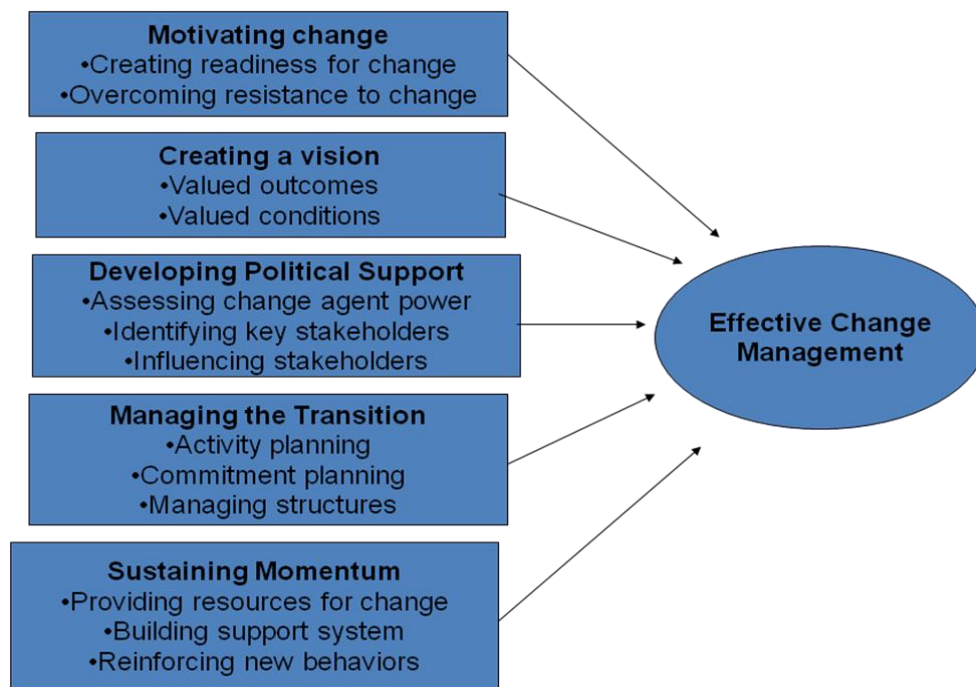- Human resource management
- Total quality management

BENEFITS OF OD INTERVENTION PROGRAMMES

- Better interaction among the members of the organization.

- Employees' skills enhancement in the changing environment.
- Systematization of the change management process.
- Employee evaluation and feedback.
- Prevention rather than correction.

A MODEL FOR MANAGING CHANGE

TEAM BUILDING

Objectives

- To review and improve the team's effectiveness.
- To provide an opportunity for the team to analyse its processes, performance, strengths and weaknesses.
- To identify problem areas of team behaviour and corrective actions to be taken.

Developmental Focus

- Team performance.
- Individual contributions to performance.
- Team goals, long and short term strategies, goal-setting processes.
- Specific plans for individuals connected to team goals.
- Team composition, structure, operating procedures and efficiency.

- Team norms, culture and feedback processes.

Benefits

- The process provides a setting for a realistic self-appraisal of team processes and team member relationships.

- The use of anonymous, topic-related information facilitates problem-centred rather than person-centred analysis.

- The team leader has an opportunity to model the type of behaviour preferred for effective team working.

- Teamwork is enhanced as team members get to know each other better, particularly with regard to work-style preferences and in the context of current work pressures and priorities.

Model of organization development

Typical for companies in industries with moderate growth over a long time period; companies in faster growing industries tend to experience all five phases more rapidly, while those in slower growing industries encounter only two or three phases over many years.

Age of Organization

SUCCESSFUL ORGANIZATION DEVELOPMENT

1. Group members know each other well. This characteristic, which provides a means of team and community building within an organization, is the keystone on which all of the remaining characteristics are built. It must be present and continuously renewed if the organization is to function effectively.

2. Members are involved in defining organizational purposes. The level of motivation of group members to work for group goals is increased in proportion to the level of involvement by members in establishing these goals.

3. Members are utilized to help generate ideas. While it may be quite simple for a few group leaders to produce ideas for special programs, this does little to develop a sense of ownership and participation among other group members.

4. There is a commitment to group decision making. We firmly believe in the adage that "people support programs they help to create" and the full participation by the membership in generating ideas, coupled with group decision making, works to ensure a full measure of group participation and support.

5. Skills, resources, and liabilities of the group and community are identified. Many groups are often rich in natural resources and skills available through members. Likewise, the university campus and the community in which it is located are the source of additional resources.

6. Systematic problem solving techniques are used. Resolve conflicts when they appear. Do not wait for them to fester.

7. The group effectively communicates itself and its projects to its members and to the community. The timeline with which the group communicates itself to others outside the group and members inside the group has implications for such important factors as recruitment of new members and attendance at functions sponsored by the group.

8. The group participates in periodic evaluation and assessment. Groups need to become accustomed to routinely evaluating a variety of aspects of group life, ranging from the way meetings are handled to assessing the success of a particular project or program.

(Source: Characteristics of a Successful Organization" Western Oregon University).

WHEN AND WHY SHOULD AN ORGANIZATION USE OD?

The field of OD is extremely broad- one of the problems in communicating clearly what the field entails. OD is not a technique or a group of tools, though some OD professionals

practice as if it were. Rather, OD can be applied any time an organization wants to make planned improvements using the OD values. OD might be used in any of the following situations:

1. To develop or enhance the organization's mission statement (statement of purpose) or vision statement for what it wants to be
2. To help align functional structures in an organization so they are working together for a common purpose
3. To create a strategic plan for how the organization is going to make decisions about its future and achieving that future
4. To manage conflict that exists among individuals, groups, functions, sites, and so on, when such conflicts disrupt the ability of the organization to function in a healthy way
5. To put in place processes that will help improve the ongoing operations of the organization on a continuous basis
6. To create a collaborative environment that helps the organization be more effective and efficient
7. To create reward systems that are compatible with the goals of the organization
8. To assist in the development of policies and procedures that will improve the ongoing operation of the organization
9. To assess the working environment, to identify strengths on which to build and areas in which change and improvement are needed
10. To provide help and support for employees, especially those in senior positions, who need an opportunity to be coached in how to do their jobs better
11. To assist in creating systems for providing feedback on individual performance and, on occasion, conducting studies to give individuals feedback and coaching to help them in their individual development

This will give you some idea of the range of activities for which OD professionals might be called on. OD as a field has thrived because of the value-added concepts and tools that it has brought to organizations and its stakeholders, including customers, stockholders, employees, management, the community, and even the nation.

QUESTION
- What do you understand by the term organizational development?

- Explain the process of organizational development.
- List the various approaches to organizational development.
- Explain organizational development interventions.
- Explain the benefits of organizational development interventions.
- Discuss typical proceeds to an OD intervention.
- Explore the motives and expectations that may be associated with OD
- Explain approaches to managing motivations and expectations.

UNIT -VIII
ORGANIZATIONAL CULTURE, CONFLICT AND EFFECTIVENESS

Organizational culture provides meanings for routine organizational events, thereby reducing the amount of cognitive processing and energy members need to expend throughout the day.

In Search of Excellence by Tom Peters: Research showed that successful organizations, including schools, had a consistent theme: "the power of values and culture in these corporations rather than procedures and control systems, provides the glue that holds them together, stimulates commitment to a common mission, and galvanizes the creativity and energy of their participants."

"ORGANIZATIONAL CULTURE" FOCUS-WHY?
- *Changes in Global Marketplace*
- *Inequities and Oppressive Circumstances*
- *Intense Competition*
- *Reconsider Traditional Management Practices*
- *Shift from traditional, highly rationale theories to more fluid and irrational*
- *Societal consciousness-raising regarding oppressive atmosphere in organizations for workers. women. and minorities.*

ORGANIZATIONAL CULTURE

Organizational culture refers to a system of shared assumptions, values, and beliefs that show people what is appropriate and inappropriate behaviour. These values have a strong influence on employee behaviour as well as organizational performance. Organizational culture is still a relatively new concept. Even though it affects all employee behaviours, thinking, and behavioural patterns, individuals tend to become more aware of their organization's culture when they have the opportunity to compare it to other organizations.

WHY ORGANIZATIONAL CULTURE IS SO IMPORTANT?

Organizational culture encompasses values and behaviours that "contribute to the unique social and psychological environment of an organization. According to Needle, organizational culture represents the collective values, beliefs and principles of organizational members and is a product of such factors as history, product, market, technology, and strategy, type of employees, management style, and national culture. Culture includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits. *Thus, organizational culture affects the way people and groups interact with each other, with clients, and with stakeholders. In addition, organizational culture may affect how much employees identify with an organization. It is* an ideology and a set of values that guide the behavior of organization members it includes ceremonies, rituals, heroes, and scoundrels in the organization's history. The key aspects of organizational culture

- Sharing of values
- Structuring of experiences
- Different sets of values can coexist
- Although values differ, members of each group can share a set of values

HOW CULTURES ARE EMBEDDED IN ORGANIZATIONS?

- Explicit rewards, promotion criteria
- Formal/public statements
- Mentoring, modeling
- Physical Layout
- Processes and outcomes, measurement
- Slogans
- Stories, legends, myths
- Workflow and systems

FACTORS INFLUENCING CULTURE OF AN ORGANISATION

- Attitude of organisation to risk-taking & innovation
- Employee & management reward structures (e.g. pay, bonuses, individual v team rewards)
- External environment (e.g. legal, economic, social)
- Influence of the founder **("shadow of the leader")**
- Leadership & management style

- Market /industries in which it operates

- Organisational structure, policies & practices

- Sector: e.g. service, manufacturing

- Size & development stage of the business (e.g. start-up, multisite, multinational)

- Working environment & nature of tasks (e.g. physical, office, remote working, flexible working)

CHARACTERISTICS OF AN ORGANIZATIONAL CULTURE

- **Aggressiveness.** The degree to which people are aggressive and competitive rather than easygoing.

- **Attention to detail.** The degree to which employees are expected to exhibit precision, analysis, and attention to detail.

- **Innovation and risk taking.** The degree to which employees are encouraged to be innovative and take risks.

- **Outcome orientation.** The degree to which management focuses on results or outcomes rather than on technique and process.

- **People orientation.** The degree to which management decisions take into consideration the effect of outcomes on people within the organization.

- **Stability. T**he degree to which organizational activities emphasize maintaining the status quo in contrast to growth.

- **Team orientation.** The degree to which work activities are organized around teams rather than individuals.

WHERE DO ORGANIZATIONAL CULTURES ORIGINATE?

"In large part, culture is a product of compensation."-Alec Haverstick

- Three historical design factors: the personality and values of the founder, the historic period in which the company was founded, and the historic size of the company

- The norms and values that typify organizations of different sizes

- The business the company is in and the national and regional cultures in which the company is embedded.
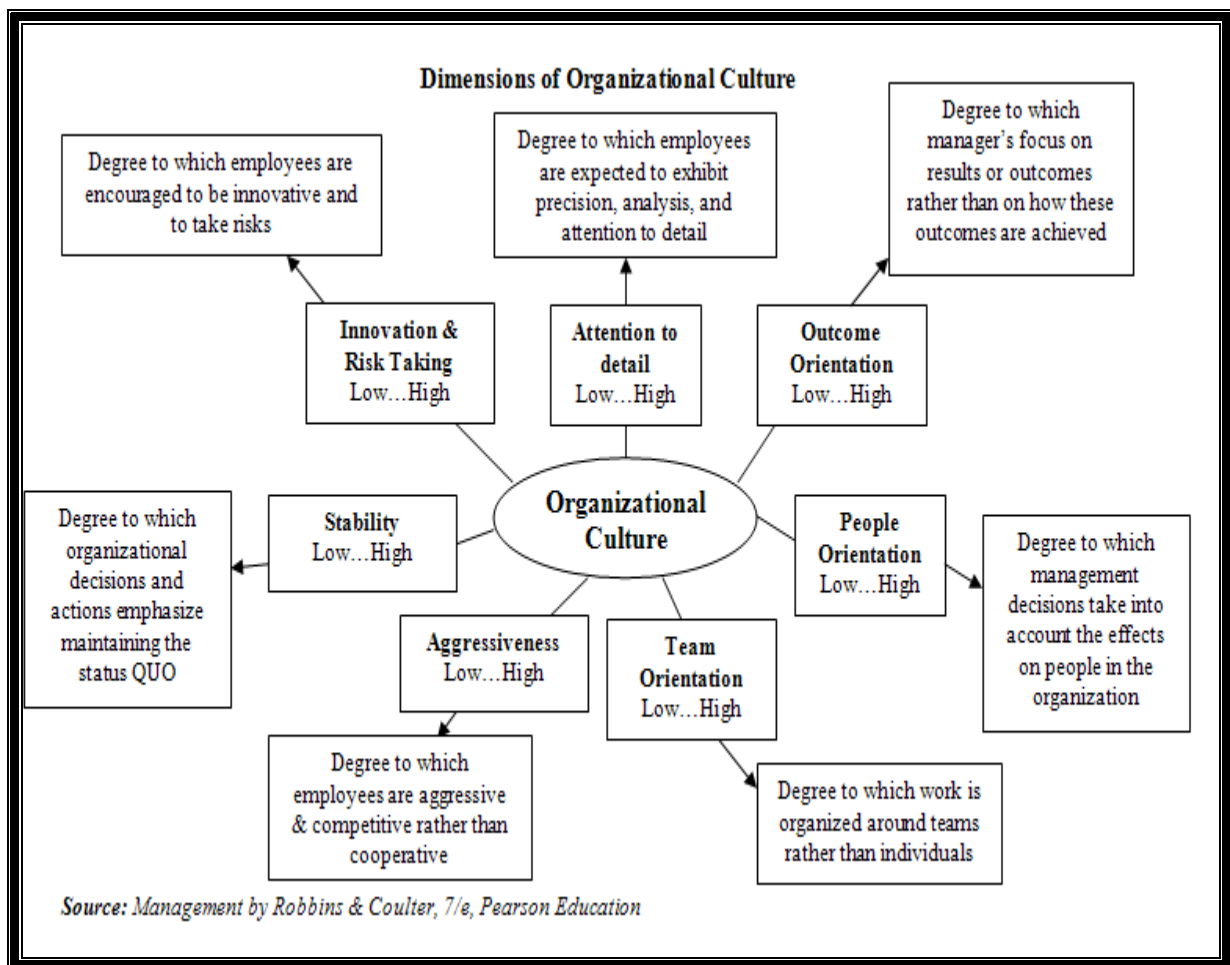
CULTURE VS ORGANIZATIONAL CULTURE

The concept of organizational culture is similar to the concept of culture, it is important to make a distinction between the two concepts. There may be a few ways in which these concepts may be different. *Organizational culture may be more formal than culture*. *Organizational culture reflects the values, beliefs, and norms that characterize an organization as a whole.* This definition suggests that organizational culture reflects what is common, typical, and general for the organization. Values, beliefs, and behaviours that are uncommon in the organization, or specific to a particular subgroup within an organization, would not be considered to be part of the culture of the organization.

Culture may not be immediately observable; identifying a set of values that might be used to describe an organization's culture helps us identify, measure, and manage culture more effectively. O*rganizational culture profile* (OCP), in which culture is represented by seven distinct values.

- o *Culture is SHARED:*
    - ▪ *Frameworks of understanding and interpreting organizational phenomena*
- o *Culture is INTANGIBLE*
    - ▪ *Consists of values, assumptions, norms, and frameworks*
- o *Culture AFFECTS HUMAN BEHAVIOR*
    - ▪ *Construction of human interaction that affects and is affected by the behavior of all members of the organization*

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Dimensions of Organizational Culture

Degree to which employees are encouraged to be innovative and to take risks

Degree to which employees are expected to exhibit precision, analysis, and attention to detail

Degree to which manager's focus on results or outcomes rather than on how these outcomes are achieved

Innovation & Risk Taking
Low...High

Attention to detail
Low...High

Outcome Orientation
Low...High

Organizational Culture

Stability
Low...High

People Orientation
Low...High

Degree to which organizational decisions and actions emphasize maintaining the status QUO

Degree to which management decisions take into account the effects on people in the organization

Aggressiveness
Low...High

Team Orientation
Low...High

Degree to which employees are aggressive & competitive rather than cooperative

Degree to which work is organized around teams rather than individuals

Source: *Management by Robbins & Coulter, 7/e, Pearson Education*

TYPES OF ORGANIZATION CULTURE

Organizational culture is a system of shared assumptions, values, and beliefs that governs how people behave in organizations. The major types of organisation culture are:

1. **Dominant culture:** manifests the values shared by a majority of the organization's members. The *dominant* culture expresses the core values that are shared by a majority of the organization's members.

2. **Subculture:** shares the dominant culture's core values as well as other values that characterize their own department, geographical unit, etc. A group of individuals with a unique pattern of values and philosophy that is not inconsistent with the organization's dominant values and philosophy. *Subcultures* tend to develop in large organizations to reflect common problems, situations, or experiences of members. Subcultures mirror the dominant culture but may add to or modify the core values.

3. **Counterculture:** its values are in opposition to those of the dominant culture. Groups where the pattern of values and philosophies outwardly reject those of the larger organization or social system.

Let us understand the various types of organization culture:

1. **Academy Culture:** Organizations following academy culture hire skilled individuals. The roles and responsibilities are delegated according to the back ground, educational qualification and work experience of the employees.

2. **Baseball team Culture:** A baseball team culture considers the employees as the most treasured possession of the organization. The employees are the true assets of the organization who have a major role in its successful functioning. In such a culture, the individuals always have an upper edge and they do not bother much about their organization. Advertising agencies, event management companies, financial institutions follow such a culture.

3. **Bet your company Culture:** Organizations which follow bet your company culture take decisions which involve a huge amount of risk and the consequences are also unforeseen. The principles and policies of such an organization are formulated to address sensitive issues and it takes time to get the results.

4. **Club Culture:** Organizations following a club culture are very particular about the employees they recruit. The individuals are hired as per their specialization, educational qualification and interests. Each one does what he is best at. The high potential employees are promoted suitably and appraisals are a regular feature of such a culture.

5. **Fortress Culture:** There are certain organizations where the employees are not very sure about their career and longevity. Such organizations follow fortress culture. The employees are terminated if the organization is not performing well. Individuals suffer the most when the organization is at a loss. Stock broking industries follow such a culture.

6. **Normative Culture:** The norms and procedures of the organization are predefined and the rules and regulations are set as per the existing guidelines. The employees behave in an ideal way and strictly adhere to the policies of the organization. No employee dares to break the rules and sticks to the already laid policies.

7. **Pragmatic Culture:** More emphasis is placed on the clients and the external parties. Customer satisfaction is the main motive of the employees in a pragmatic culture.

Such organizations treat their clients as Gods and do not follow any set rules. Every employee strives hard to satisfy his clients to expect maximum business from their side.

8. **Process Culture:** As the name suggests the employees in such a culture adhere to the processes and procedures of the organization. Feedbacks and performance reviews do not matter much in such organizations. The employees abide by the rules and regulations and work according to the ideologies of the workplace. All government organizations follow such a culture.

9. **Tough Guy Culture:** In a tough guy culture, feedbacks are essential. The performance of the employees is reviewed from time to time and their work is thoroughly monitored. Team managers are appointed to discuss queries with the team members and guide them whenever required. The employees are under constant watch in such a culture.

ORGANISATION CULTURE –REAL WORLD EXAMPLES

- *Aggressive Cultures: Microsoft, the company that Bill Gates cofounded, has been described as having an aggressive culture. Companies with aggressive cultures value competitiveness and outperforming competitors: By emphasizing this, they may fall short in the area of corporate social responsibility. For example, Microsoft Corporation is often identified as a company with an aggressive culture.*

- *Detail-Oriented Cultures: Organizations with detail-oriented cultures are characterized in the OCP framework as emphasizing precision and paying attention to details. Such a culture gives a competitive advantage to companies in the hospitality industry by helping them differentiate themselves from others. For example, Four Seasons Hotels Ltd*

- *Innovative Cultures: According to the OCP framework, companies that have innovative cultures are flexible and adaptable, and experiment with new ideas. These companies are characterized by a flat hierarchy in which titles and other status distinctions tend to be downplayed. For example, W. L. Gore & Associates Inc. is a company with innovative products such as GORE-TEX*

- *Outcome-Oriented Cultures: The OCP framework describes outcome-oriented cultures as those that emphasize achievement, results, and action as important values.*

A good example of an outcome-oriented culture may be Best Buy Co. Inc.

- **People-Oriented Cultures:** *People-oriented cultures value fairness, supportiveness, and respect for individual rights. These organizations truly live the mantra that "people are their greatest asset." In addition to having fair procedures and management styles, these companies create an atmosphere where work is fun and employees do not feel required to choose between work and other aspects of their lives. In these organizations, there is a greater emphasis on and expectation of treating people with respect and dignity.*

- **Safety Culture:** *Some jobs are safety sensitive. For example, logger, aircraft pilot, fishing worker, steel worker, and roofer are among the top ten most dangerous jobs in the United States. For example, British Petroleum experienced an explosion in their Texas City, Texas, refinery in 2005, which led to the death of 15 workers while injuring 170.*

- **Service Culture:** *Service culture is not one of the dimensions of OCP, but given the importance of the retail industry in the overall economy, having a service culture can make or break an organization. Some of the organizations we have illustrated in this section, such as Nordstrom, Southwest Airlines, Ritz-Carlton, and Four Seasons are also famous for their service culture.*

- **Stable Cultures:** *Stable cultures are predictable, rule-oriented, and bureaucratic. These organizations aim to coordinate and align individual effort for greatest levels of efficiency. When the environment is stable and certain, these cultures may help the organization be effective by providing stable and constant levels of output. These cultures prevent quick action, and as a result may be a misfit to a changing and dynamic environment. Public sector institutions may be viewed as stable cultures.*

- **Team-Oriented Cultures:** *Companies with team-oriented cultures are collaborative and emphasize cooperation among employees. For example, Southwest Airlines Company facilitates a team-oriented culture by cross-training its employees so that they are capable of helping each other when needed.*

CORPORATE CULTURE

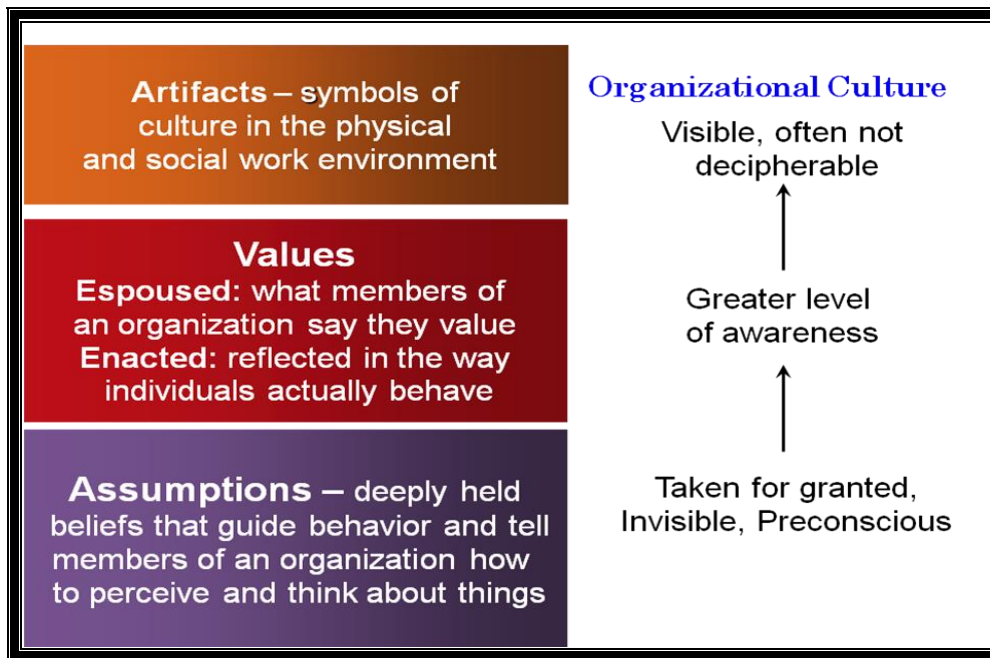*The culture of a business is reflected in many ways which includes the following:*

- How contracts are negotiated and agreed?

- How employees are recruited -the cultural factors that make one applicant more suitable than another?
- How long new employees stay in a business?
- How staffs call each other (e.g. first name)?
- How the working space is organised?
- The degree of delegation & individual responsibility
- The methods used for communication
- The nature and style of marketing materials
- The number of layers in the management hierarchy
- The personality and style of the sales force
- The responsiveness of communication
- The speed with which decisions are taken
- The way that visitors and guests are looked after

LEVELS OF ORGANIZATIONAL CULTURE

Organizational culture is both the glue holding the system together and the motor moving it toward its goals.

- **Artifacts:** behavior, language, architecture, attire, décor. High visibility
- **Values:** guides to behavior. Hard for newcomer to see, but can learn them
    - **Espoused values:** what people say
    - **In-use values:** what people do
- **Basic assumptions:** like values but often unconscious to veteran members
- Adaptation to the organization's external environment
    - Consensus about mission
    - Identify with the organization
    - Clear vision
    - Consistent image to markets, customers, clients
- Coordination of internal systems and processes
    - Measurement of results
    - Rewards and sanctions
    - Common language
    - Social relationships
    - Status relationships (stratification)
    - Ideology: heroes, folklore

STRENGTH OF CULTURE

A strong culture is one that is shared by organizational members. In other words, if most employees in the organization show consensus regarding the values of the company, it is possible to talk about the existence of a strong culture. A culture's content is more likely to affect the way employees think and behave when the culture in question is strong. For example, cultural values emphasizing customer service will lead to higher quality customer service if there is widespread agreement among employees on the importance of customer service-related values.

ORGANISATION CULTURE = ASSET OR LIABILITY
▇
CORPORATE PERFORMAMCE

It is important to realize that a strong culture may act as an asset or liability for the organization, depending on the types of values that are shared. For example, imagine a company with a culture that is strongly outcome oriented. If this value system matches the organizational environment, the company outperforms its competitors. A strong outcome-oriented culture coupled with unethical behaviours and an obsession with quantitative

performance indicators may be detrimental to an organization's effectiveness. *An extreme example of this dysfunctional type of strong culture is Enron.*

STRONG CULTURE

Strong cultures have core values and beliefs that are intensely held, more widely shared and more ordered than weak cultures. **An organizational culture with a consensus on the values that drive the company and with an intensity that is recognizable even to outsiders. Strong cultures, where the shared values and norms are clear, consistent and comprehensive and values are intensely held and widely shared have a modest positive relationship to performance. They create a high level of motivation because of shared values by the members. They provide control without the oppressive effects of bureaucracy.**

Let's explore what elements make up an organization's culture.

STRONG CULTURES FACILITATE PERFORMANCE	Characteristics of Strong Cultures
	- Easily identified dominant values - Selection process targets people who fit the culture - Socialization and training teach newcomers "the ropes" - Employees who don't fit are fired - Rewards for acting in accordance with cultural values - Leaders and managers send clear signals about desired values and norms.

Advantages

- Clear sense of purpose
- Employee commitment
- High performance under certain conditions
- Loyalty
- More value-driven decision making

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- Pride

Disadvantages
- Pressure for conformity
- Resistance to change

STRONG VS WEAK CULTURE

When you visit a range of businesses you soon get a sense of the strength of the business culture. If a culture can be measured as **"strong" or "weak"** then how might this show itself?. **Signs of a strong organisational culture include:**
- Consistent behaviour
- Culture is embedded
- Little need for policies and procedures
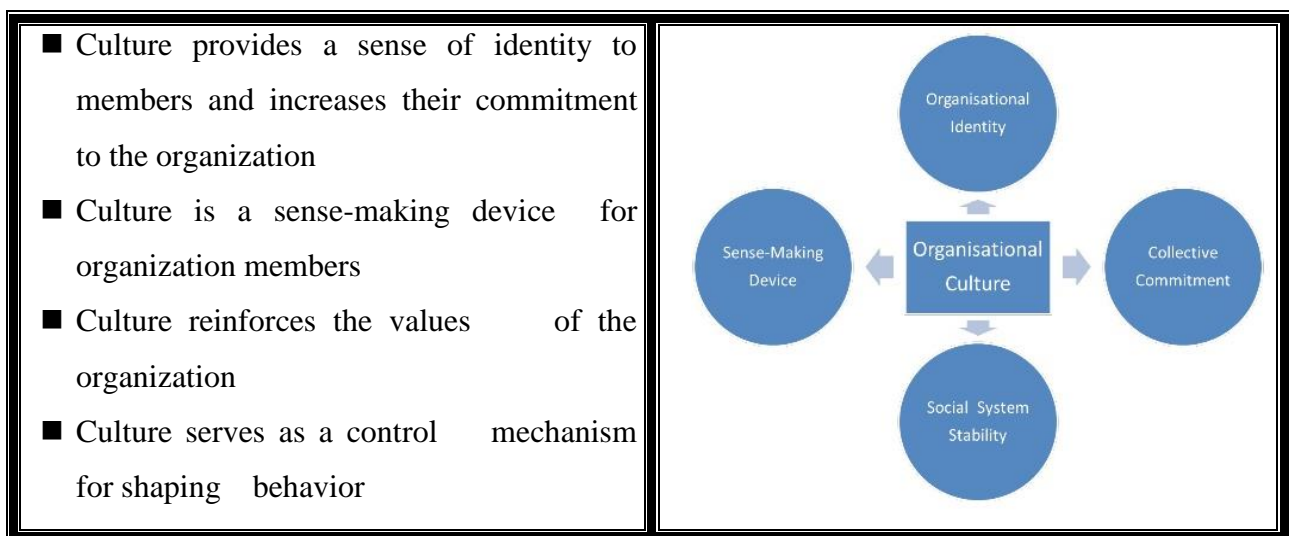- Staff understand and respond to culture

Evidence that points to a weak organisational culture include:
- Little alignment with business values
- Inconsistent behaviour
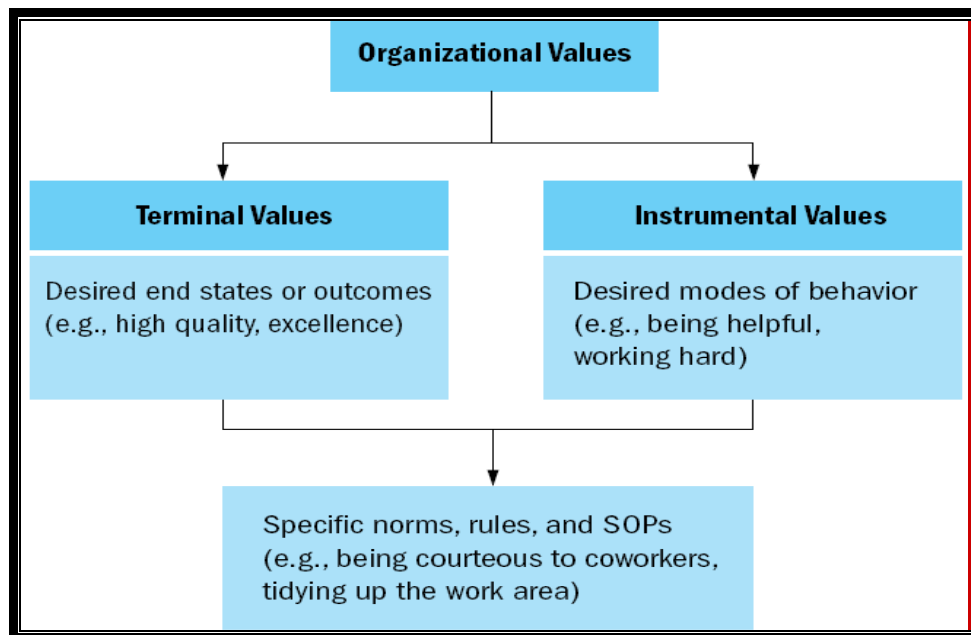- A need for extensive bureaucracy & procedures

How does organizational culture enhance corporate branding?
- Corporate branding: the process by which a distinct identity is created for a company
- Employer branding: creating the same experience for employees that a company promises to its customers
- Cause branding: a company is associated with supporting particular social causes

FUNCTIONS OF ORGANIZATIONAL CULTURE

■ Culture provides a sense of identity to members and increases their commitment to the organization
■ Culture is a sense-making device for organization members
■ Culture reinforces the values of the organization
■ Culture serves as a control mechanism for shaping behavior

UNDERSTANDING ORGANIZATIONAL CULTURE-AN ORGANISATION PERSPECTIVE

WHAT ARE THE ELEMENTS OF ORGANIZATIONAL CULTURE?

Elements of Organizational Culture:

There are many possible elements of organizational culture. The above definition includes three of the elements of organizational culture.

- ➢ **Organizational Values**. Values reflect what we feel is important. Organizations may have core values that reflect what is important in the organization. These values may be guiding principles of behaviour for all members in the organization. The core values may be stated on the organization's website. For example, an organization could state that their core values are creativity, humour, integrity, dedication, mutual respect, kindness, and contribution to society.

- ➢ **Organizational Beliefs**. Beliefs that are part of an organization's culture may include beliefs about the best ways to achieve certain goals such as increasing productivity and job motivation. For example, an organization may convey the belief that the expression of humour in the workplace is an effective way to increase productivity and job motivation.

- ➢ **Organizational Norms**. Norms reflect the typical and accepted behaviours in an organization. They may reflect the values and beliefs of the organization. They may reflect how certain tasks are generally expected to be accomplished, the attributes of

the work environment, the typical ways that people communicate in the organization, and the typical leadership styles in the organization. For example, the work environment of a company may be described as relaxed, cheerful, and pleasant.

ORGANIZATIONAL CULTURES AND PERFORMANCE AND SATISFACTION

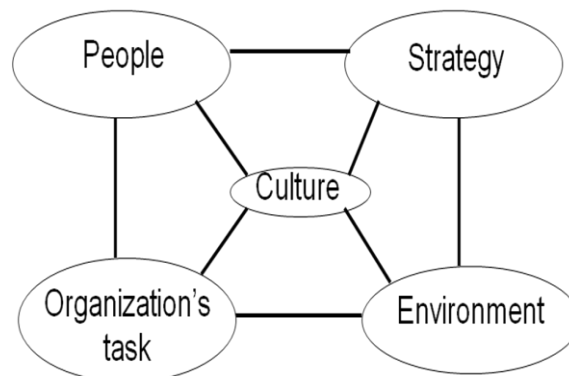*"Organizational culture is civilization in the workplace." -Alan Adler*

corporate culture is shown in the form of :

    (1) The ways the organization conducts its business, treats its employees, customers, and the wider community,

    (2) The extent to which freedom is allowed in decision making, developing new ideas, and personal expression,

    (3) How power and information flow through its hierarchy, and

    (4) How committed employees are towards collective objectives. It also extends to production-methods, marketing and advertising practices, and to new product creation.

BENEFITS OF STRONG CORPORATE CULTURES AND ITS *IMPLICATIONS FOR MANAGERS*

    "Culture is how organizations 'do things'."-Robbie Katanga

Strong organizational cultures do not always result in higher organizational performance because: Culture content might be misaligned with the organization's environment. Strong cultures may focus on mental models that could be limiting. Strong cultures suppress dissenting values from subcultures.

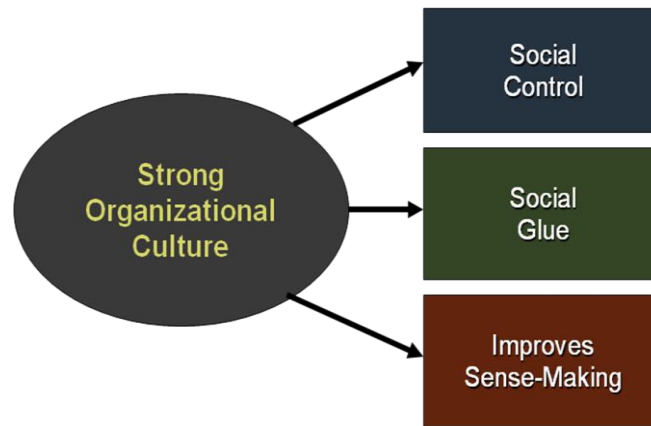## THE IMPORTANCE OF THE ORGANIZATIONAL CULTURE CONCEPT

"Culture is the organization's immune system." — Michael Watkins

"Organizational culture defines a jointly shared description of an organization from within." — Bruce Perron

Organizational culture may be an important concept for a few reasons.

    A. Understanding the culture of an organization may be helpful for applicants. They may have a better idea about whether they would like to work for a company.

    B. Understanding the culture of an organization may help in training new employees.

    C. Understanding organizational culture may help leaders to identify possible sources of problems in the organization.

For managerial effectiveness, it is helpful to analyze organizational cultures in order to coordinate activities or change them; Understand what levels of culture can be influenced and how; Know how national culture and organizational culture can interact to influence management philosophy and employee behaviors. Person-culture fit for individual career success.

STRENGTHENING ORGANIZATIONAL CULTURE

"Organizational culture the main culture of the society we live in, albeit with greater emphasis on particular parts of it." -Elizabeth Skringar

A strong organizational culture is the ultimate competitive asset. Once established, it is self-perpetuating and nearly impossible for competitors to duplicate. It is the "operating system" of an organization.

- ▷ Characteristics of Organizations that Develop High Ethical Standards
  - – High tolerance for risk
  - – Low to moderate in aggressiveness
  - – Focus on means as well as outcomes
- ▷ Managerial Practices Promoting an Ethical Culture
  - – Being a visible role model
  - – Communicating ethical expectations
  - – Providing ethical training
  - – Rewarding ethical acts and punishing unethical ones
  - – Providing protective mechanisms

DIMENSIONS OF ORGANIZATIONAL CULTURE

1. **Centralized versus decentralized decision making:** relating to the degree to which decision making is centralized in the organization.

2. **Conformity versus individuality:** the degree to which distinctive and idiosyncratic behavior is tolerated.

3. **Cooperation versus competition:** the degree to which cooperative behavior is emphasized and rewarded.

4. **External versus internal emphasis:** the degree to which the organization focuses on customer/client satisfaction versus internal activities, such as reports and committee meetings.

5. **High versus low loyalty:** the degree of loyalty to the work organization versus other relevant groups.

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6. **Ignorance versus knowledge of organizational expectations:** focusing on the degree to which organizations communicate performance expectations to employees and gain their commitment to organizational goals.

7. **Individual versus collective decision making:** the degree to which decisions are made in a collegial manner with broad input from those affected.

8. **Informal versus formalized procedures:** the degree of emphasis on detailed rules and procedures versus informal discussions and flexible work rules.

9. **Risk averse versus risk seeking:** a tendency to be cautious in adopting innovations versus being willing to take risks especially when confronted with new challenges and opportunities is tolerated.

10. **Simple versus complex organization:** relating to the complexity of the formal and informal structures and the political processes within an organization.

11. **Stability versus innovation:** the tendency of the organization to innovate and change versus emphasizing stability and well-established procedures.

12. **Task versus "worker" or "human resource" focus:** whether the organizational emphasizes task accomplishment versus the social needs of the employees.

ORGANIZATIONAL CULTURE AND ORGANIZATIONAL CLIMATE

Organizational climate and culture are important to social welfare administration because they provide the critical links between organizational characteristics and service outcomes.

According to Watkin and Hubbard organizational climate is 'how it feels to work in a particular environment and for a particular boss, more precisely it is a measure of employees' perception of those aspects of their environment that directly impact how well they can do their jobs''.

"Organizational climate is a shared perception of what the organization is like in terms of practices, policies, procedures, routines, and rewards- what is important and what behaviors are expected and rewarded- and is based on shared perceptions among employees within formal organizational units"- Bowen and Ostroff
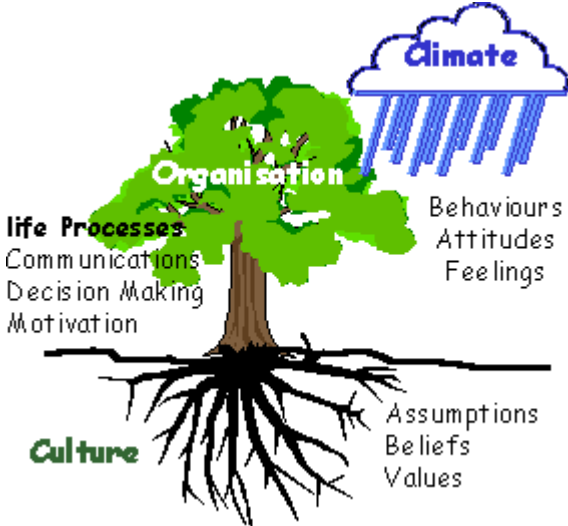
Organizational climate and organizational culture are closely related, but are certainly not the same. Both deal with how individuals try to make sense of their environments, and are

learned through interaction among persons belonging to a certain group. Fundamental differences between these two phenomena exist.

Denison identified several differences between organizational climate and culture. According to him, organizational culture refers to the underlying structure of an organization, embedded in the values, beliefs, and assumptions of organizational members. Organizational climate, on the other hand, is reflected in practices and procedures that are observable at the surface of the organization. Organizational climate is emphasized to be temporary, subject to direct control, and limited to aspects that are consciously perceived by members of an organization.

WHAT IS THE DIFFERENCE BETWEEN CULTURE AND CLIMATE?

Climate refers to organizational members' perceptions of an organization's policies, practices and procedures. Researchers are still figuring out precisely how organizational climate differs from organizational culture. Perhaps the two concepts cannot really be differentiated

ORGANIZATIONAL CULTURE	ORGANIZATIONAL CLIMATE

Culture "*refers to the behavioral norms, assumptions, and beliefs of an organization.*"
 	
"*the way things are done around here*".
 	
With perhaps culture being the most powerful determinant.
R*oots of organizational culture are in Kurt Lewin's work: B= f(p x e).*
 	
	Climate "*refers to perceptions of persons in the organization that reflect those norms, assumptions, and beliefs.*"
	Organizational climate is created by the dynamic interaction of:
	
	  ■ *Ecology*
	  ■ *Milieu*
	  ■ *Organizational Structure*

WHAT IS EMPLOYEE MORALE?

Employee Morale refers to an attitude of satisfaction with a desire to continue and strive for attaining the objectives of a factory. Morale is purely emotional. It is an attitude of an employee towards his job, his superior and his organization. Morale may range from very high to very low. High Morale is evident from the positive feelings of employees such as enthusiasm; desire to obey orders, willingness to co-operate with co-workers. Poor or low Morale becomes obvious from the negative feelings of employees such as dissatisfaction, discouragement or dislike of the job. Employee morale is the relationship that a particular employee or a group of employees have with their work and the organization they work for. High employee morale means that employees are happy, and this is reflective in the kind of work they produce. On the other hand, low employee morale results in less productivity and pessimism among employees. It is important for every organization to continually keep employee morale high.

IMPORTANCE OF EMPLOYEE MORALE

Employee Morale plays vital role in the origination success. High Morale leads to success and low Morale brings to defeat in its wake. The plays of morale is no less important for an industrial undertaking. The success of failure of the industry much depends up on the Morale of its employees. Morale is an important part of organizational climate. It is a vital ingredient of organization success because it reflects the attitudes and sentiments of organizational members towards the organization, its objectives, and policies. Morale is the total satisfaction that employees derive from their job, their work group, their boss, their organization and their environment.

HOW TO INCREASE THE EMPLOYEES MORALE?

1. Be a respectful manager
2. Get to know your employees,
3. Have one-on-one meetings with employees
4. Invest in your employees
5. Recognize employees

Benefits of High Morale:

Morale of employees must be kept high to achieve the following benefits:

- o Good discipline—voluntary conformity to rules and regulations
- o Happy employees are productive employees

- o High degrees of employees' interest in their jobs and organization
- o Loyalty to the organization and its leadership or management
- o Pride in the organization
- o Reduction of rates of absenteeism and labour turnover
- o Willing cooperation towards objectives of the organization.

NATURE OF EMPLOYEE MORALE

Morale represents a composite of feelings, attitudes, and sentiments that contribute to general feelings of satisfactions. It is a state of mind and spirit affecting willingness to work, which, in turn, affects organizational and individual objectives. It describes the overall group satisfaction.

1. High morale and low morale: If the enthusiasm and willingness to work of a group is high, we can say morale is high and vice versa. Just as good health is essential for an individual, high morale is necessary for an organization. High morale represents an attitude of satisfaction with desire to continue and willingness to strive for the goals of the group. Under conditions of high morale, workers have few grievances, frustrations, and complaints. They are clear about the goals—individual and organizational—and are satisfied with human relations in the organization.2. Morale versus motivation: Morale should be distinguished from motivation. Although both are cognitive concepts, they are quite different. Morale is a composite of feelings, attitudes and sentiments that contribute to general feeling of satisfaction at the workplace. But motivation is something that moves a person to action. It is a process of stimulating individuals to action to accomplish the desired goal. It is a function of drives and needs. Motivation is concerned with 'mobilization of energy', whereas morale is concerned with 'mobilization of sentiments'.

3. Morale affects productivity: Morale has a direct effect on productivity. High morale leads to high productivity and low morale leads to low productivity.

4. Measurement of morale: It is hard to measure morale directly as it is an intangible state of mind of the workers.

There are four methods which can be used for measuring the morale of the employee indirectly:

a. Observation: The managers can measure the morale of the employees by keenly observing and studying their activities and behaviour. Since the manager is close to the scene of action, they can always find out unusual behaviours and report promptly. Observation is not a very reliable way of measuring morale.

b. Attitude or morale survey: Survey helps to know the opinion of the employees either by direct interview or by questionnaires. Efforts are made to find out the view of employees about their job, co-workers, supervisors, and the organization.

c. Morale indicators: Employee morale can be measured by examining company records regarding absenteeism, labour turnover, fluctuations in output, quality records, excessive waste and scrap, training records, accident rate, and the number of grievances filed.

d. Suggestion boxes: Employees can be asked to put in their complaints, protests, and suggestions in suggestion boxes even without disclosing their identity. Morale generates long-term benefits such as improving the goodwill and increasing the productivity for the organization, and a satisfied employee is an asset to the organization.

TYPES OF MORALE OF EMPLOYEE

I. High Morale: It will lead to enthusiasm among the workers for better performance. High Morale is needed a manifestation of the employees strength, dependability pride, confidence and devotion.

Advantages:

- Willing cooperation towards objectives of the organization.
- Loyalty to the organization and its leadership.
- Good Leadership.
- Sound superior subordinate relations.
- High degree of employee's interest in their job and organization.
- Bribe in the organization
- Reduction in absenteeism and labour turnover.
- Reduction in grievance.
- Reduction in industrial conflict.
- Team building.
- Employee empowerment.

II. Low Morale:

Low Morale indicates the presence of mental unrest. The mental unrest not only hampers production but also leads to ill health of the employees. Low Morale exists when doubt in suspicion are common and when individuals are depressed and discouraged i.e., there is a lot of mental tension.

Disadvantages:

     1. High rates of absenteeism and labour turnover.

     2. Decreased quality.

     3. Decreased Productivity.

     4. Excessive Complaints and Grievances.

     5. Frustration among the workers.

     6. Lack of discipline.

     7. Increase errors, accidents or injuries.

INDICATORS OF LOW MORALE:

Low morale indicates the presence of mental unrest. Such a situation will have the following adverse consequences;

     1. High rates of absenteeism and labour turnover

     2. Excessive complaints and grievances

     3. Frustration among the workers

     4. Friction among the workers and their groups

     5. Antagonism towards leadership of the organization

     6. Lack of discipline

FACTORS AFFECTING MORALE:

Employee Morale is a very complex phenomenon and is influenced by many factors on the shop floor. Several criteria seem important in the determinants of levels of workers Morale such as:

     1. Compatibility with fellow employees

     2. Good Leadership and Supervision

     3. Job Satisfaction

     4. Objectives of the organization

     5. Opportunity to share profit

     6. Organizational design

     7. Personal Factors

     8. Rewards

     9. Work Environment

MEASUREMENT OF MORALE

Morale is basically a psychological concept. As such the measurement of morale is a very difficult task to measure it directly. However the following methods are more commonly used to study employee morale. The following methods of the measurement of the employees present only the tendencies or the attitude of the employee morale. The statistical measurement of morale is not possible because it relates to the inner feelings human beings. We can say that morale is increasing or decreasing, but cannot measured how much it increased or increased.

1. Attitude Surveys
2. Company Records and Reports
3. Counselling
4. Observation Method

HOW TO BUILD EMPLOYEE MORALE?

In order to achieve high morale among the employees the following suggestion may be followed.

1. Two-Way Communication	There should be a two-way communication between the management and the workers as if exercises a profound influences on morale.
2. Show Concern	Large or small every business should have names on desks work stations or cubicles to show that a real person with worth works there not just a machine.
3. Job Enrichment	This involves a greater use of the factors which are intended to motive the worker rather than to ensure his continuing satisfaction with the job he performs the idea is to reduce employee discontent by changing or improving a job to ensure that he is better motivated.
4. Modifying the work environment	This involves the use of teams of work groups developing social contacts of the employees the use of music regular rest breaks.
5. Rotation of Jobs	This is also one of important techniques to increase employee morale. Job rotation helps to reduce an employee's boredom.
6. Incentive System	There should be a proper incentive system in the organization to ensure monetary and non-monetary rewards of the employees to motivate them.
7. Welfare Measures	Management must provide for employees welfare measures like

	canteens credit facilities sport clubs, education for their children etc.,
8. Social Activities	Management should encourage social group activities by the workers. This will help to develop greater group cohesiveness which can be used by the management for building high morale.
9. Training	There should be proper training of the employees so that they may do their work efficiently and avoid frustration when the worker are given training they get psychological satisfaction as they feel that management is taking interest in them.
10. Workers Participation	There should be industrial democracy in the organization management should allow workers participation in management. Whenever a change to be introduced which effects the workers they must be consulted and taken into confidence workers must be allowed to put forward their suggestion and grievance to the top management.
11. Offers recognition of the employee efforts:	It takes but a few seconds to say "Nice Job" "Well done", "Marked improvement", "You 're' on the right road" or any number of other phrases that communicate to the employee that you care about the job and about them and that you recognize an improvement in productivity.

WHAT IS CONFLICT?

"The most intense conflicts, if overcome, leave behind a sense of security and calm that is not easily disturbed. It is just these intense conflicts and their conflagration which are needed to produce valuable and lasting results."- Carl Jung

"Any situation in which interdependent people have apparently incompatible interests, goals, principles or feelings" **Craig E Runde and Tim A Flanagan**

*"A condition between two interdependent people in which one or both feel angry with the other and perceives the other as being at fault" **Daniel Dana***

*"A perceived divergence of interest or a belief that the parties current aspirations cannot be achieved simultaneously" **Jeffrey Rubin, Dean G Pruitt and Sung Hee Kim***

*"Conflict is the gadfly of thought. It stirs us to observation and memory. It instigates invention. It shocks us out of sheep-like passivity, and sets us at noting and contriving conflict is a 'sine qua non' of reflection and ingenuity."-**John Dewey***

WHETHER THE CONFLICT GOOD OR BAD?

NEGATIVE OUTCOMES

- Less information sharing
- Higher stress/dissatisfaction/turnover
- More organizational politics
- Wasted resources
- Lower team cohesion when conflict is internal

POSITIVE OUTCOMES

- Better decision making
- More responsive
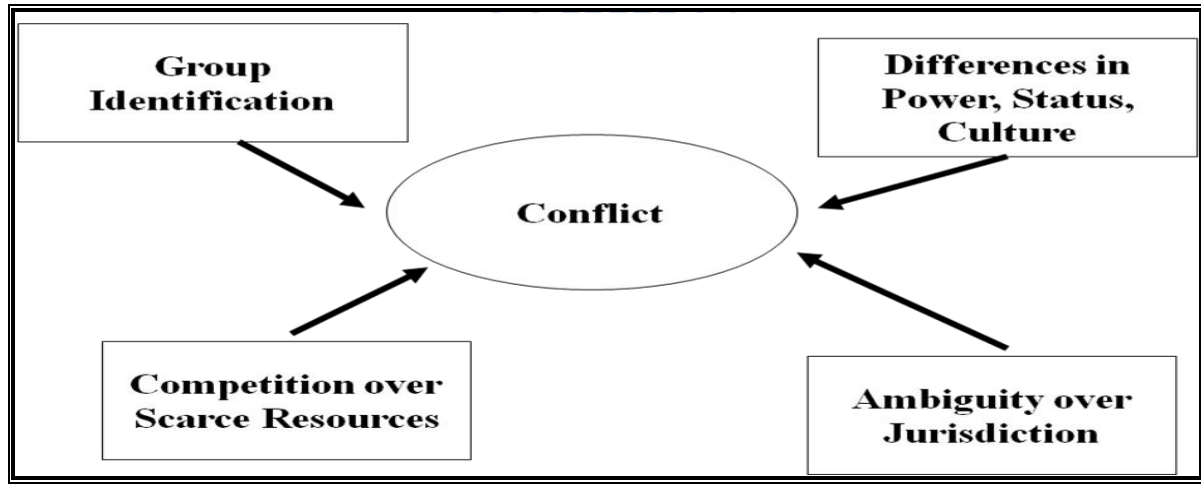
Stronger team cohesion when conflict is external.

What elephant?

- Avoiding a problem is not likely to make it go away
- More likely to grow out of control if not addressed

Workplace conflict : The conflicts that arise in workplaces may be shaped by the unique aspects of this environment, including the long hours many people spend at their workplace, the hierarchical structure of the organization, and the difficulties (e.g. financial consequences) that may be involved in switching to a different workplace. However, workplace conflict may not involve the employer as a party; a workplace conflict may be between two or more employees.

ORGANISATIONAL SOURCE OF CONFLICT

Group Identification → Conflict

Differences in Power, Status, Culture → Conflict

Competition over Scarce Resources → Conflict

Ambiguity over Jurisdiction → Conflict

Main "Ingredients" of Conflict

The main "ingredients" of conflict include:

   –   Desires

   –   Needs

   –   Perceptions

   –   Power

   –   Values

   –   Feelings

Anger is defined as a feeling of great displeasure, hostility, indignation, or exasperation, wrath, trouble or affliction.

Conflict is defined as discord, a state of disharmony, open or prolonged fighting, strife or friction.

Why conflict?

We define conflict as a disagreement resulting from individuals or groups that differ in:

   –   Opinions

   –   Attitudes

   –   Beliefs

   –   Needs

   –   Values

   –   Perceptions

Conflict is natural and inevitable part of all human social relationships. It occurs at all levels of society – intra-psychic, interpersonal, intra-group, intergroup, intra-national and

international. Conflict may be either healthy or unhealthy. Conflict is the root of personal and social change. Hence, the organizations have conflict because of its ever changing environment. Conflict prevents stagnation. It stimulates interest and curiosity. The role of the administrator or a manager in an organization is to handle day to day conflict in the allocation of limited resources.

FUNCTIONAL VERSUS DYSFUNCTIONAL CONFLICT

Functional conflict is healthy, constructive disagreement between two or more individuals. By contrast, **dysfunctional conflict** is a destructive disagreement. Many of the high-profile conflict situations are examples of dysfunctional conflict. Functional conflict is a healthy, constructive disagreement that can improve relationships and produce innovation

AIM OF CONFLICT MANAGEMENT

The aim of conflict management is to enhance learning and group outcomes, including effectiveness or performance in organizational setting. Properly managed conflict can improve group outcomes. It is actually a signal that change is needed and possible.

FIVE CONFLICT RESPONSE STYLES

Conflict Management Styles

Conflicts happen. How an employee responds and resolves conflict will limit or enable that employee's success. Here are five conflict styles that a manager will follow according to Kenneth W. Thomas and Ralph H. Kilmann:

- *An **accommodating** manager is one who cooperates to a high degree. This may be at the manager's own expense and actually work against that manager's own goals, objectives, and desired outcomes. This approach is effective when the other person is the expert or has a better solution.*

- ***Avoiding** an issue is one way a manager might attempt to resolve conflict. This type of conflict style does not help the other staff members reach their goals and does not help the manager who is avoiding the issue and cannot assertively pursue his or her own goals. However, this works well when the issue is trivial or when the manager has no chance of winning.*

- ***Collaborating** managers become partners or pair up with each other to achieve both of their goals in this style. This is how managers break free of the win-lose paradigm and seek the win-win. This can be effective for complex scenarios where managers*

need to find a novel solution.

- *Competing: This is the win-lose approach. A manager is acting in a very assertive way to achieve his or her own goals without seeking to cooperate with other employees, and it may be at the expense of those other employees. This approach may be appropriate for emergencies when time is of the essence.*

- *Compromising: This is the lose-lose scenario where neither person or manager really achieves what they want. This requires a moderate level of assertiveness and cooperation. It may be appropriate for scenarios where you need a temporary solution or where both sides have equally important goals.*

THERE ARE SEVERAL CAUSES OF CONFLICT. CONFLICT MAY OCCUR WHEN:

- A party holds behavioural preferences, the satisfaction of which is incompatible with another person's implementation of his or her preferences.

- A party is required to engage in an activity that is incongruent with his or her needs or interests.

- A party possesses attitudes, values, skills, and goals that are salient in directing his or her behaviour but are perceived to be exclusive of the attitudes, values, skills, and goals held by the other.

- A party wants some mutually desirable resource that is in short supply, such that the wants of all parties involved may not be satisfied fully.

- Two parties are interdependent in the performance of functions or activities.

- Two parties have partially exclusive behavioural preferences regarding their joint actions.

OTHER COMMON CAUSES OF CONFLICT

- Feelings of being undervalued
- Impractical expectations
- Internal conflict
- Lack of communication
- Overworked employees
- Poor management/leadership
- Poor use of managerial criticism

- Preferential treatment

- Stress

- Undefined/not clearly defined roles

CONFLICT BETWEEN INDIVIDUALS AND GROUPS AT WORK INCLUDE:
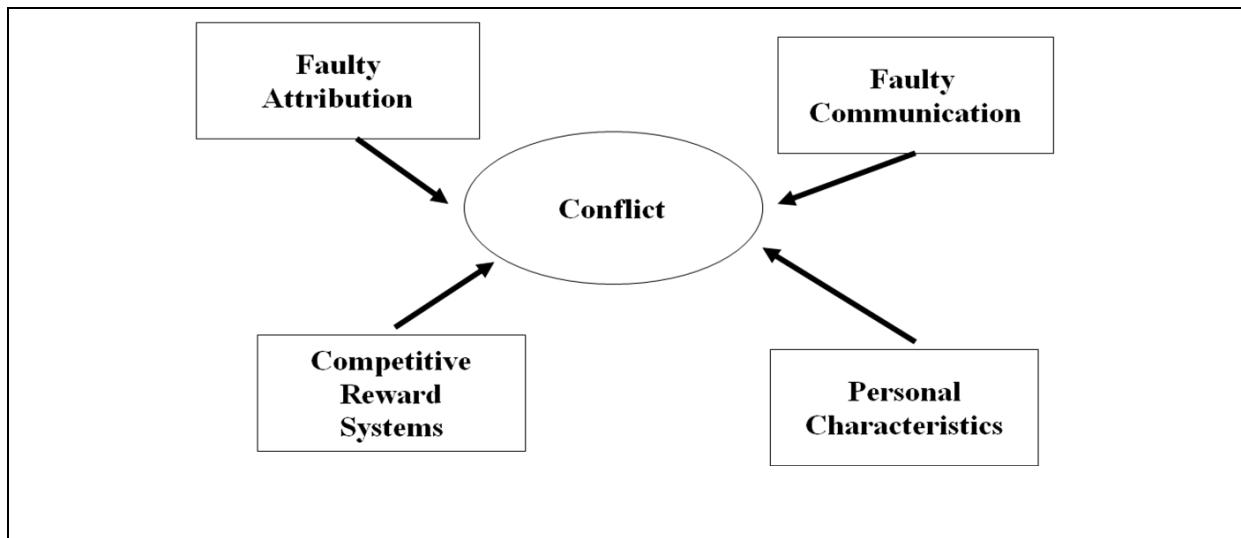
- Bullying and harassment

- Inadequate training

- Lack of equal opportunities

- Poor communications

- Poor management

- Poor work environment

- Unclear job roles

- Unfair treatment

SIGNS AND SYMPTOMS OF CONFLICT

Some signs of conflict may be visible such as a heated exchange between colleagues or a meeting between management and employee representatives that turns into a "stand-off". However, not all forms of conflict are so obvious. Some individuals might hide their feelings as a way of coping with a problem; while a team might react to pressure by cutting itself off from the rest of the organisation.

- **Motivation** drops: fewer people volunteer to take on new tasks and there is little employee input at team meetings or briefings.

- **Behaviour** changes: people start to make derogatory remarks towards each other and there are fewer social events organised.

- **Productivity** falls: there are likely to be more queries and complaints if people are not cooperating with each other.

- **Sickness absence** increases: unhappiness may lead to depression or stress.

- **Responses to staff attitude surveys** or questionnaires: indicate underlying dissatisfaction.

INTERPERSONAL CONFLICT

What Is Interpersonal Conflict?

*"Interpersonal conflict is a **pervasive**, **inevitable** and **normal** part of our lives. Academics and practitioners have contributed substantial research and literature to help us understand the causes of interpersonal conflict and its impact on us, those around us and in the organisations within which we work.*

Interpersonal conflict occurs when a person or group of people frustrates or interferes with another person's efforts at achieving a goal. According to some researchers, conflict can consist of three different components.

The behavioural component of conflict involves someone interfering with the objectives of another person. For example, a co-worker and you may be competing in a sales contest, and he constantly bugs you during your sales calls to trip up your sales pitch. .

The cognitive component involves a disagreement between the parties that illustrates the differences between the interests and objectives of the conflicting parties. For example, as the vice president of research and development, you may have a disagreement with the vice president of production over the allocation of company resources because you each have different goals and objectives that relate to your particular division.

The affective component relates to the negative emotional states of the conflicting parties. For example, conflict with a co-worker may make you feel anger, stressed, and frustrated.
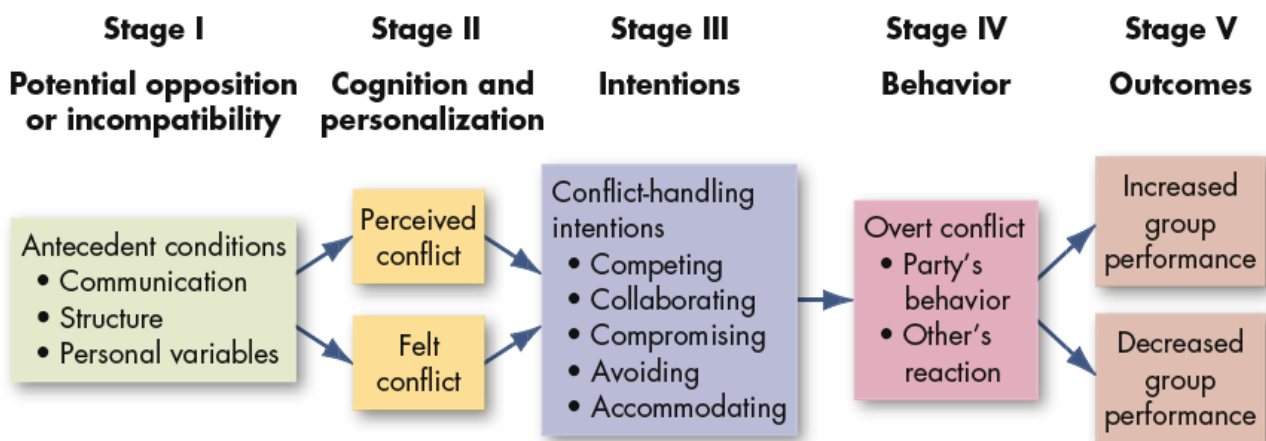
CONFLICT PROCESS

The conflict process deals with five steps that help alleviate disagreement, problems or fighting within organizations. The five steps are potential opposition or incompatibility, cognition and personalization, intentions, behaviour and outcomes. A **conflict process** deals with five steps that help alleviate friction, disagreement, problems or fighting. The five steps are:

- Potential opposition or incompatibility
- Cognition and personalization
- Intentions
- Behaviour
- Outcomes

THE CONFLICT PROCESS

The conflict process can be seen as comprising five stages: potential opposition of incompatibility, cognition and personalization, intentions, behavior, and outcomes. The process is diagrammed in table.

The potential oppositions or incompatibility relates to the conditions necessary for conflicts to arise. Communication, or rather the lack of it, is seen as one of the major obstacles, serving as an opposing force, which creates a level of misunderstanding. The structure of the organization is also viewed as a possible opposition block as conflicts evolve between departments. Personal variables are probably the most likely to cause conflict on and individual bases, as there are invariably clashes in personality types within an organization. The first step in the conflict process is the presence of conditions that create opportunities for conflict to arise. They need not lead directly to conflict, but one of these conditions is

necessary if conflict is to arise. For simplicity's sake, these conditions have been condensed into three general categories: communication, structure, and personal variables.

Communication: A review of the research suggests that differing word connotations, jargon, insufficient exchange of information, and noise in the communication channel are all barriers to communication and potential antecedent conditions to conflict. The potential for conflict increases when either too little or too much communication takes place. The channel chosen for communicating can have an influence on stimulating opposition. The filtering process that occurs as information is passed among members and the divergence of communications from formal or previously established channels offer potential opportunities for conflict to arise.

Structure: The size and specialization act as forces to stimulate conflict. The larger the group and the more specialized its activities, the greater the likelihood of conflict. Tenure and conflict have been found to be inversely related. The potential for conflict tends to be greatest when group members are younger and when turnover is high.

Groups within organizations have diverse goals. For instance, purchasing is concerned with the timely acquisition of inputs at low prices, marketing's goals concentrate on disposing of outputs and increasing revenues, quality control's attention is focused on improving quality and ensuring that the organization's products meet standards, and production units seek efficiency of operations by maintaining a steady production flow. This diversity of goals among groups is a major source of conflict.

Personal Variables: The personality types -- for example, individuals who highly authoritarian and dogmatic, and who demonstrate low esteem—lead to potential conflict. Value differences, are the best explanation of such diverse issues as prejudice, disagreements over one's contribution to the group and the reward one deserves.

STAGE II: COGNITION AND PERSONALIZATION

In this phase, the potential for conflict becomes actualized. Perceived conflict relates to the individual or group actually seeing the conflict arise and affect them. It creates the awareness of the problem. A 'felt conflict' arises when individuals become emotionally charged due to the conflict, creating hostility with the opposing party. It is in this phase that the conflict is defined and each party envisions what they believe to be the solution.

If the conditions cited in Stage 1 negatively affect something that one party cares about, then the potential for opposition or incompatibility becomes actualized in the second stage. The antecedent conditions can only lead to conflict when one or more of the parties are affected by, and aware of, the conflict.

First, Stage 2 is important because it's where conflict issues tend to be defined. This is the place in the process where the parties decide what the conflict is about. And, in turn, this 'sense making' is critical because the way a conflict is defined goes a long way toward establishing the sort of outcomes that might settle it. The second point is that emotions play a major role in shaping perceptions. For example, negative interpretations of the other party's behavior. In contrast, positive feelings have been found to increase the tendency to see potential relationships among the elements of a problem, to take a broader view of the situation, and to develop more innovative solutions.

STAGE III: INTENTIONS

Intentions intervene between people's perceptions and emotions and their overt behavior. These intentions are decisions to act in a given way. Using two dimensions-cooperativeness (the degree to which one party attempts to satisfy the other party's interests) and assertiveness (the degree to which one party attempts to satisfy his or her own concerns)-five conflict handling intentions can be identified. The schedule below shows the position of each conflict handling intention on the cooperativeness and assertiveness dimensions.

Assertive

Competing	Collaborating
Compromising	
Avoiding	Accommodating

Unassertive

        Uncooperative   **Cooperative**

Competing: When one party seeks to satisfy his or her own interests, regardless of the impact on the other parties to the conflict, he or she is competing. This means overpowering other groups in the conflict and promoting the concerns of one's own group at the expense of the other group. One way to accomplish this aim is by resorting to authority to satisfy the concerns of one's own group. Thus, the head of a group of a group of account executives may

appeal to the director of advertising to protect the group's turf from the intrusions by other account execs.

Collaborating: This strategy attempts to satisfy the concerns of all groups of all groups by working through differences and seeking solutions so that everyone gains as a result. A marketing department and a manufacturing department that meets on a regular basis to plan mutually acceptable production schedules are collaborating.

Avoiding: This approach requires staying neutral at all costs or refusing to take an active role in conflict resolution procedures. The finance department that sticks its head in the sand and hopes that dissension about budgetary allocations will blow over is exhibiting avoidance.

Accommodating: This allows other groups to satisfy their own concerns at the expense of one's own group. Differences are smoothed over to maintain superficial harmony. A purchasing department that fails to meet budgetary guidelines because it deliberately overspends on raw materials to satisfy the demands of production groups is trying to use accommodation to cope with the conflict.

Compromising: It is in the mid-range of both cooperativeness and assertiveness. This approach seeks partial satisfaction of all groups through exchange and sacrifice, settling for acceptable rather than optimal resolution. Contract bargaining between union representatives and management involves significant compromise by both sides.

WHEN DIFFERENT STYLES OF INTENTIONS SHOULD BE APPLIED?

STYLE	APPLICATION
Competing	When quick, decisive action is required; to cope with crises. On important issues where unpopular solutions must be implemented, such as cost cutting or employee discipline. On issues vital to organizational welfare when your group is certain that its position is correct. Against groups who take advantage of noncompetitive behavior.
Accommodating	When your group is wrong and wants both show reasonableness and to encourage the expression of a more appropriate view. When issues are more important to groups other than yours, to satisfy others and maintain cooperation. To build credits or bank favors for later issues. To minimize losses when

	your group is outmatched and losing. When harmony and stability are especially important.
Avoiding	When a conflict is trivial or more important conflicts are pressing. When there is no chance that your group will satisfy its own needs. When the costs of potential disruption outweigh the benefits of resolution. To let groups cool down and gain perspective. When others can resolve the conflict more effectively.
Collaborating	To find an integrative solution when conflicting concerns are too important to be compromised. When the most important objective is to learn. To gain commitment through the development of consensus. To work through conflicting feelings in individuals and between groups.
Compromising	When group concerns are important but not worth the disruption of more assertive styles. When equally powerful groups are committed to pursuing mutually exclusive concerns. To achieve temporary or transitional settlements. To arrive at expedient resolutions under time pressure. As a backup when neither competing nor problem-solving styles are successful

As indicated in the table above, the appropriateness of each of the five approaches depends on the situation surrounding the conflict and often, the time pressure for a negotiated settlement.

STAGE IV: BEHAVIOR

The behavior stage includes the statements, actions, a reactions made by the conflicting parties. In that stage, it is very apparent to non-involved parties a problem exist. Although it is still possible to successfully resolve conflict at this stage, it is far better to deal with it at an earlier stage. Every conflict situation leaves a conflict aftermath that affects the way both groups perceive and act upon subsequent conflicts. Generally the earlier conflicts can be resolved, the more likely the aftermath will facilitate positive future interactions.

STAGE V: OUTCOMES

The action-reaction interplay between the conflicting parties result in consequences. These outcomes may be functional in that the conflict results in an improvement in the group's performance, or dysfunctional in that it hinders group performance.

Functional conflict: A functional conflict is a confrontation between groups that enhances and benefits the organization's performance. For example, two departments in a hospital may be in conflict over the most efficient and adaptive method of delivering health care to low-income rural families. Two departments agree on the goal but not on the means to achieve it. Whatever the outcome, the low-income rural families probably will end up with better medical care once the conflict is settled. Without this type of conflict in organizations, there would be little commitment to change, and most groups would become stagnant. Functional conflict can lead to increased awareness of problems that need to be addressed, result in broader and more productive searches for solutions, and generally facilitate positive change, adaptation, and innovation.
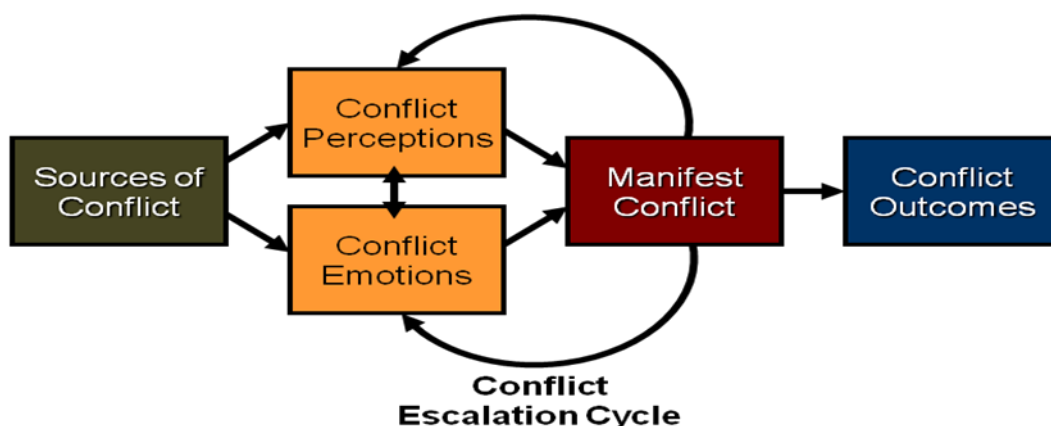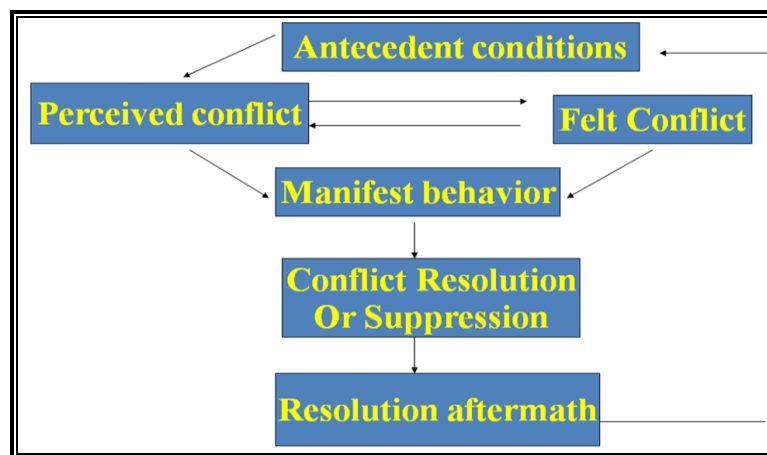
Dysfunctional conflict: A dysfunctional conflict is any confrontation or interaction between groups that harms the organization or hinders the achievement of organizational goals. Management must seek to eliminate dysfunctional conflict. Beneficial conflicts can often turn into harmful ones. In most cases, the point at which functional conflict becomes dysfunctional is impossible to identify precisely. Conflict can be considered as functional or dysfunctional depending on its effects on the organizational performance. Conflict also affects relationships within and between groups in several ways.

Changes within Groups: Within groups engaged in conflict, changes of four types are often observed. First, external threats such as conflict bring about *increased group cohesiveness*. As a result, groups engaged in conflict become more attractive and important to their own members. Increased cohesiveness suggests that conformity to group norms becomes more important. This may take the form of blind acceptance of dysfunctional solutions to the conflict. This is referred to as the *emphasis on loyalty*. Ongoing conflict also stimulates an *emphasis on task performance*. All efforts within each conflicting groups are directed towards meeting the challenge posed by other groups, and concerns about individual satisfaction lose importance. A sense of urgency surrounds task performance; defeating the enemy becomes uppermost, and there is much less goofing off. In addition, when a group is

in conflict, otherwise reluctant members will often submit to *autocratic leadership* to manage crisis, perceiving participative decision making as slow and weak. A group in such circumstances is also likely to place much more emphasis on standardized procedures and centralized control.

Changes between Groups: In addition to these four changes within groups, four changes often occur in relations between conflicting groups. Hostility often surfaces in the form of hardened "*we-they attitudes*". Each group sees itself as virtuous and other groups as enemies. During conflicts, the perceptions of each group's members become distorted. Group members develop stronger opinions of the importance of their unit. The marketing group in a business organization may think, "Without us selling the product, there would be no money to pay anyone else's salary." The production group, meanwhile, will say, "if we don't make the product, there is nothing to sell." The final change between groups is decreased communication. This can be extremely dysfunctional. The decision-making process can be disrupted, and the customers or others whom the organization serves can be affected.

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Conflict Process

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Conflict Escalation Cycle

Three main sources of conflict: economic, value, and power.

1. **Economic conflict** involves competing motives to attain scarce resources. Each party wants to get the most that it can, and the behavior and emotions of each party is directed toward maximizing its gain. Union and management conflict often has as one of its sources relating to the incompatible goals of how to slice up the "Economic pie."

2. **Value conflict** involves incompatibility in ways of life, ideologies – the preferences, principles and practices that people believe in. International conflict (e.g., the Cold War) often has a strong value component, wherein each side asserts the rightness and superiority of its way of life and its political-economic system.

3. **Power conflict** occurs when each party wishes to maintain or maximize the amount of influence that it exerts in the relationship and the social setting. It is impossible for one party to be stronger without the other being weaker, at least in terms of direct influence over each other. Thus, a power struggle ensues which usually ends in a victory and defeat, or in a "stand-off" with a continuing state of tension. Power conflicts can occur between individuals, between groups or between nations, whenever one or both parties choose to take a power approach to the relationship. Power also enters into all conflict since the parties are attempting to control each other. It must be noted that most conflicts are not of a pure type, but involve a mixture of sources. For example, union-management conflict typically involves economic competition, but may also take the form of a power struggle and often involves different ideologies or political values. The more sources that are involved, the more intense and intractable the conflict usually is. Another important source of conflict is ineffective communication. Miscommunication and misunderstanding can create conflict even where there are no basic incompatibilities. In addition, parties may have different perceptions as to what are the facts in a situation, and until they share information and clarify their perceptions, resolution is impossible. Self centeredness, selective perception, emotional bias, prejudices, etc., are all forces that lead us to perceive situations very differently from the other party.

FORMS OF CONFLICT

There are three forms of conflict relations identified within the organization.

Individual Conflict:

This type of conflict can be applicable to both managers and subordinates. It relates to conflict of orders that an individual may receive. This is called 'Role conflict'. The individual is faced with two conflicting orders such that compliance to one would make it difficult to comply with the other. Individuals in this situation may feel divided loyalties to those initiating the orders and may suffer a reprimand for the orders not complied with.

Interpersonal Conflict

Interpersonal conflict occurs when two people have incompatible needs, goals, or approaches in their relationship. Communication breakdown is often an important source of interpersonal conflict and learning communication skills is valuable in preventing and resolving such difficulties. At the same time, very real differences occur between people that cannot be resolved by any amount of improved communication. "Personality conflict" refers to very strong differences in motives, values or styles in dealing with people that are not resolvable. For example, if both parties in a relationship have a high need for power and both want to be dominant in the relationship, there is no way for both to be satisfied, and a power struggle ensues. Common tactics used in interpersonal power struggles include the exaggerated use of rewards and punishments, deception and evasion, threats and emotional blackmail, and flattery or ingratiation. Unresolved power conflict usually recycles and escalates to the point of relationship breakdown and termination.

Sources of Interpersonal Conflict

1. **Organizational change:** People hold differing views over the direction to go, the routes to take and their likely success, the resources to be used, and the probable outcomes. With the pace of technological, political, and social change increasing and the marketplace hurtling toward a global economy, organizational changes will be ever-present.

2. **Personality clashes:** The concept of individual differences is fundamental to organizational behavior. Not everyone thinks feels, looks, or acts alike. Some people simply 'rub us the wrong way,' and we can not necessarily explain why. Although personality differences can cause conflict, they are also rich resource for creative problem solving. Employees need to accept, respect, and learn how to use these differences when arise.

3. **Different sets of values:** People also hold different beliefs and adhere to different value systems. Their philosophies may diverge, or their ethical values may lead them in different directions. The resulting disputes can be difficult to resolve, since they are less objective than disagreements over alternative products, inventory levels, or promotional campaigns.

4. **Threats to status:** Status or the social rank of a person in a group is very important to many individuals. When one's status in threatened, face saving becomes a powerful driving force as a person struggles to maintain a desired image. Conflict may arise between the defensive person and whoever created a threat to status.

5. **Contrasting perceptions:** People perceive things differently as a result of their prior experiences and expectations. Since their perceptions are very real to them (and they feel that these perceptions must be equally apparent to other), they sometimes fail to realize that others may hold contrasting perceptions of the same object or event. Conflict may arise unless employees learn to see things as others see them and help others do the same.

6. **Lack of trust:** Every continuing relationship requires some degree of trust—the capacity to depend on each other's word and actions. Trust opens up boundaries, provides opportunities in which to act, and enriches the entire social fabric of an organization. It takes time to build, but it can be destroyed in an instant. When someone has a real or perceived reason not to trust another, the potential for conflict rises.

INTERGROUP ORGANIZATIONAL CONFLICTS

This form of conflict occurs between the departments of the organization and is potentially the most damaging to performance. This is of primary focus in organizational conflict today as managing intergroup conflict is essential if firms are to manage change in their environment effectively. If Intergroup conflicts are the most important to control, then if is useful to assess its causes within the organization. There are four main reasons for intergroup conflict. Dessler (1998) outlines these in further detail.

Sources of Intergroup Conflict

1. **Authority imbalances:** Conflict may also arise between departments relating to authority. It may occur when one department must accept instructions from another department. The department in receipt of these instructions may believe this is unacceptable due to their level of performance.

2. **Interdependencies and shared resources:** Within an organization there are set resources that departments must compete for to initiate and complete projects and to improve and expand their areas. As a result, departments who are in competition for these scarce resources may come into conflict as they attempt to put forward there own requirements over other departments. Personalities, hiding of information and 'office politics' may come into play, which may fuel negative conflict. Dessler (1998) believes however that if managed properly, then this type of obstacle may become and incentive for collaboration. If this is to be the case, fairness and free flow of information is a necessity.

3. **Intergroup differences in goals, values or perceptions:** Different departments obviously have different objectives to that of other departments, and these objectives are often the source of conflict. Each department is attempting to satisfy their own demands, but these demands may be in direct conflict with the demands of other departments, e.g. the R&D department will have conflicting objectives to that of the Accounts department. The greater the difference between departments, the greater the potential for conflict

4. **Ambiguity:** Conflict can also arise where there is ambiguity regarding where credit or blame can be assigned and when responsibilities of the departments are not clearly defined. This type of conflict may result in 'finger pointing' between departments as they attempt to lay the blame on other departments, or defend their level of involvement with a project. It is clamed that all of these forms of conflict can be controlled with positive effects, but this may not always be possible. Although the four forms involve different characters, conflict itself can be divided up into five different stages

CONFLICT MANAGEMENT STRATEGIES AND TECHNIQUES

Conflict may be managed through either cooperative or competitive strategies. One of the best known approaches to conflict management is the win–lose analogy. The cooperative (win–win) strategy is the most time consuming. The competitive approach (win–lose) often results in damage to both parties.

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CONFLICT AWARENESS MODEL

The four categories into which most conflicts will fall:

When people have conflicts, they are generally responding with antagonistic behavior to perceived or real differences in interests. In fact, conflict management is the act of resolving differences in interests, thus removing the reason(s) for the antagonistic behavior.

1- Open conflict: Open conflict occurs people have different interests which they demonstrate with antagonistic behaviors. This conflict is very visible and has deep roots, sometimes over several generations. Both the causes and the effects need to be addressed.

2- Latent conflict: When people have different interests, but do not respond with antagonistic behavior. This is conflict below the surface. It might need to be brought out into the open before it can be effectively addressed.

3-False Conflict: False conflict occurs people have common interests, but antagonistic behavior. This has shallow or no roots. It may be due to misunderstanding of goals, which can be addressed by improved communication and the conscious effort of opposing groups to understand each other's needs and opinions.

4- No conflict: No conflict occurs people have common interests and compatible behavior. Any peaceful community is likely to face conflict sometimes, although communities in this category are good at resolving conflict before it develops. Communities experiencing surface or latent conflict are those where the disagreement can quickly turn into open conflict. Open conflict can cause more physical, social, psychological and environmental damage than the other types. It affects people who are not involved in the conflict as well as those who are.

		Objective Condition	
		Conflict	**No Conflict**
Perceived Conflict	**Conflict**	Open Conflict	False Conflict
	No Conflict	Latent Conflict	No Conflict

MODELS OF CONFLICT MANAGEMENT

Resolution

Individual managers use different styles to address workplace conflicts. These styles typically fall into one of five categories, which can be equally effective even though the approaches are different. A confrontational approach addresses the conflict directly and tries to force a resolution, while a compromising approach requires the parties in conflict to negotiate and agree on common ground. A collaborative approach involves working together to find a mutually agreeable solution. Accommodation means each side agrees to disagree and accommodate the other's view, and avoidance requires all parties to simply avoid becoming drawn into conflict over any issues.

1. Clarify the problem. After the above steps, each party should have a clear idea about what is the tangible issue.
2. Talk about what's needed/wanted (be clear on facts and information).
3. Generate a list of possible solutions. While doing this, let go of the solutions that you thought you had. Be creative! The best negotiator makes the other side feel good. Start by thinking "how can I make the other side happy?"
4. Decide together on the best solution acceptable to all parties, use consensus decision making skills. Don't try to persuade or coerce.
5. Plan the implementation of the solution. Make assignments of who, what, where, when and how. Plan an evaluation or review of the solution after a specified period of time.

WHAT IS CONFLICT MANAGEMENT?

Conflict management is the practice of being able to identify and handle conflicts sensibly, fairly, and efficiently. It is said that a conflict is 'managed' within an organization when the conflict does not interfere in a negative manner with the relationships or the performance of the organization. One objective of conflict management is to get both parties to understand the differing positions but still believe in their own, or, as is more generally known, agree to disagree. Once this point has been reached the process can move along from arguing to problem solving. Strategic decision making is of fundamental importance to an organization. Leaders and employees alike must have a vision of where the organization needs to be heading so that they can identify tangible goals for the organization. The conflict arises however when the strategies to implement these goals are implemented.

"Conflict management is the process of removing cognitive barriers to agreement. Agreement does not mean the conflict has gone away, it means that people are committed to a course of action that serves some of their interests."

Power is also an important element in conflict management. It is useful to anticipate how the use of power will create a conflict relationship. This type of activity provides enormous advantages in the ability to achieve desired levels of control with minimal dysfunctional side effects.

There are numerous forms of conflict management, each one suited to different situations, individuals and organizations. As theories have progressed relating to conflict management, a useful approach has been devised in relation to conflict management. This strategy may lead the way for today's more progressive and detailed forms of conflict management. The guidelines are as follows,

- Determine how important the issue is to all people involved.
- Determine if all people involved are willing and able to discuss the issue in a positive manner.
- Select a private place where the issue can be discussed confidently by everyone involved.
- Make sure that both sides understand that they are responsible for both the problem and the solution.
- Solicit open comments from both sides. Let them express their concerns, feelings, ideas, and thoughts, but in a non-accusatory manner.
- Guide participants toward a clear and specific definition of the problem.
- Encourage participants to propose solutions. Examine the problem from a variety of different perspectives and discuss any and all solutions proposed.
- Evaluate the costs verses the gains (cost-benefit analysis) of all proposed solutions and discuss them openly. Choose the best solution.
- Reflect on the issue and discuss the conflict resolution process. Encourage participants to express their opinions as how the process may be improved.

Conflict management is also about creating conflict in the right environment. Traditionally, many people got to the top of the organizational ladder because they were conflict evaders, but now companies are specifically creating systems within the organization that actively encourages conflict and criticism. Companies such as Hewlett Packard and IBM encourage a

free flow of information within their organization, be that information a criticism or otherwise. A third party council is provided for any disputes that may arise. This form of conflict management has been proven successful, stimulating new ideas and allowing for continuous improvement in the organization. However, for this system to work it requires proper leadership, support from top management and employees who feel secure enough in their capabilities to encourage criticism. Early communication with both parties is essential, in an attempt to convince the parties that there are opportunities for negotiation. Also, setting down guidelines and non-acceptance of blame allocation are important. But the most important factor in conflict management is trust. It is essential that the third party be trusted by both sides

MOST COMMON TYPES OF CONFLICT IN THE WORKPLACE

1. Interdependence Conflicts.

2. Differences in Style.

3. Differences in Background/Gender.

4. Differences in Leadership.

STEPS IN THE CONFLICT RESOLUTION PROCESS

There are six steps to the Conflict Resolution Process:

1. Clarify what the disagreement is.
2. Establish a common goal for both parties.
3. Discuss ways to meet the common goal.
4. Determine the barriers to the common goal.
5. Agree on the best way to resolve the conflict.
6. Acknowledge the agreed solution and determine the responsibilities each party has in the resolution.

This process should be completed by *all* parties in the conflict together.

RESOLVING CONFLICT SITUATIONS

Conflict resolution: There are many ways to resolve conflicts - surrendering, running away, overpowering your opponent with violence, filing a lawsuit, etc. The movement toward Alternative Dispute Resolution (ADR), sometimes referred to simply as conflict resolution, grew out of the belief that there are better options than using violence or going to court.

Prevention

Prevent workplace conflict from arising by hiring staff with balanced personality types and by fostering a company culture based on shared values and beliefs. Establish ground rules for all employees, such as a code of conduct and a disciplinary procedure for contravening the code. Set priorities that enable workers to know what is expected of them and how to achieve it. Promote effective listening to help employees develop their awareness of others' methods and viewpoints. To manage conflict effectively you must be a skilled communicator. Here are some tips you can use when faced with employees who can't resolve their own conflicts.

- **Acknowledge that a difficult situation exists**. Honesty and clear communication play an important role in the resolution process. Acquaint yourself with what's happening and be open about the problem.

- **Let individuals express their feelings**. Some feelings of anger and/or hurt usually accompany conflict situations. Before any kind of problem-solving can take place, these emotions should be expressed and acknowledged.

- **Define the problem**. What is the stated problem? What is the negative impact on the work or relationships? Are differing personality styles parts of the problem? Meet with employees separately at first and question them about the situation.

- **Determine underlying need**. The goal of conflict resolution is not to decide which person is right or wrong; the goal is to reach a solution that everyone can live with. Looking first for needs, rather than solutions, is a powerful tool for generating win/win options. To discover needs, you must try to find out why people want the solutions they initially proposed. Once you understand the advantages their solutions have for them, you have discovered their needs.

- **Find common areas of agreement, no matter how small**:
  - Agree on the problem
  - Agree on the procedure to follow
  - Agree on worst fears
  - Agree on some small change to give an experience of success

- **Find solutions to satisfy needs**:
  - Problem-solve by generating multiple alternatives
  - Determine which actions will be taken
  - Make sure involved parties buy into actions. (Total silence may be a sign of passive resistance.) Be sure you get real agreement from everyone.

- **Determine follow-up you will take to monitor actions**. You may want to schedule a follow-up meeting in about two weeks to determine how the parties are doing.
- **Determine what you'll do if the conflict goes unresolved**. If the conflict is causing a disruption in the department and it remains unresolved, you may need to explore other avenues. An outside facilitator may be able to offer other insights on solving the problem. In some cases the conflict becomes a performance issue, and may become a topic for coaching sessions, performance appraisals, or disciplinary action

Follow these guidelines for handling conflict in the workplace.

Conflict at work takes many forms. It may be that two workers simply don't get on; or that an individual has a grievance against their manager. Conflict may take the form of rivalry between teams; or it may be apparent by the lack of trust and cooperation between large groups of employees and management.

1. Talk with the other person. ...
2. Focus on behaviour and events, not on personalities. ...
3. Listen carefully. ...
4. Identify points of agreement and disagreement. ...
5. Prioritize the areas of conflict. ...
6. Develop a plan to work on each conflict. ...
7. Follow through on your plan.

Common forms of conflict resolution include:
- a) Negotiation
- b) Meditation
- c) Conciliation
- d) Arbitration
- e) Adjudication

HOW TO PREVENT CONFLICTS?
- Allow your team to express openly
- Always be fair and just with your team
- Being a role model
- Distributing task fairly
- Frequent meeting of your team

- Having a clear and detailed job description
- Never criticize team members publicly
- Sharing objectives

ORGANIZATIONAL EFFECTIVENESS

*"The significant problems we face cannot be solved at the same level of thinking we were at when we created them." – **Albert Einstein***

Organizational effectiveness can be defined as the efficiency with which an association is able to meet its objectives. This means an organization that produces a desired effect or an organization that is productive without waste. Organizational effectiveness is about each individual doing everything they know how to do and doing it well; in other words organizational efficiency is the capacity of an organization to produce the desired results with a minimum expenditure of energy, time, money, and human and material resources. In economics and the business world, this may be referred to as maximizing profits.

Organizational Effectiveness groups in organizations directly concern themselves with several key areas. They are talent management, leadership development, organization design and structure, design of measurements and scorecards, implementation of change and transformation, deploying smart processes and smart technology to manage the firms' human capital and the formulation of the broader Human Resources agenda. If an organization has practices and programs in the areas above, the OE group does many or all of the following roles

- Examines alignment between the areas and improves them

- Improves trade-offs between reliability, speed and quality in the above areas

- Strategizes for higher adoption rates in these areas

- Facilitates/initiates/catalyses capability building: structure, process and people

There are several disciplines of social sciences that help the OE Practitioner be successful.

Four of them, are outlined below

- Decision Making - Ways in which real people make decisions, enabling them real time to make good decisions, improving quality of decisions by leveraging adjacent disciplines replicating relevant experiments, creating new ones and implementing their results to make organizations effective.

- Change & Learning – Ways in which real people learn, change, adopt and align, get "affected" by dynamics in the environment and leveraging this knowledge to create effective organizations that are pioneers of change and learning.

- Group Effectiveness – Ways in which real people work well together, especially in bringing new ideas and innovation, working of people to people protocols, impact of digitization and virtualization in organizations on these protocols.

- Self-Organizing & Adaptive Systems– Ways in which self-organizing systems and highly networked systems work, learning's from the them and the tangible ways by which they can be put to play to make organizations more effective.

The main measure of organizational effectiveness for a business will generally be expressed in terms of how well its net profitability compares with its target profitability. Additional measures might include growth data and the results of customer satisfaction surveys.

According to **Etzioni** organizational effectiveness is the degree to which an organization realizes its goals. Etzioni considers "organizational effectiveness" another name for "goal achievement".

APPROACHES TO ORGANIZATIONAL EFFECTIVENESS

1. Goal Approach: The Goal Approach is also called rational-goal or goal-attainment approach, it has its origins in the mechanistic view of the organization. This approach assumes that organisations are planned, logical, goal-seeking entities and they are meant to accomplish one or more predetermined goals. Goal approach is worried with the output side and whether or not the organization attains its goals with respect to preferred levels of output. The goal approach presumes consensus on goals. Considering the fact that there are numerous goals and varied interests inside an organisation, consensus, is probably not possible.

2. Internal Process Approach: Effectiveness is the ability to excel at internal efficiency, coordination, motivation, and employee satisfaction. Flow Charts of Approaches to Organizational Effectiveness –Internal Process Approach

- System Resource Approach: The System Resource Approach sees an organisation as an open system. The organisation obtains inputs, participates in transformation processes, and generates outputs. This approach emphasizes inputs over output. It assumes that the organisation consists of interrelated subsystems. If any sub-system functions inefficiently, it is going to influence the performance of the whole system. The disadvantages of this approach relate to its measurement of means. System Resource Approach: Effectiveness is the ability to acquire scarce and valued resources from the environment.

3. Internal-Process Approach: It looks at the internal activities. According to Internal-Process Approach effectiveness is the capability to get better at internal efficiency, co-ordination, commitment and staff satisfaction. Similar to the system-resource approach, the internal-process approach could possibly be applied only where comparable organizational outcomes can hardly be assessed accurately.

4. Strategic Constituencies Approach: It assesses the effectiveness to satisfy multiple strategic constituencies both internal and external to the organization. The Strategic-constituencies approach takes explicitly into consideration that organizations fulfill multiple goals: each kind of organizational constituency (like proprietors, workers, consumers, the local community, etc.) is supposed to have distinct interests vis-à-vis the corporation, and will thus use different evaluation criteria.

COMPARISON OF THE FOUR OE APPROACHES

Approach	Definition	When Used
	An organization is effective to the extent that:	Preferred when:
Goal attainment	it accomplishes its stated goals	goals are clear, time bound and measurable
System Resource	it acquires needed resources	a clear connection exists between inputs and outputs
Constituencies	all strategic constituencies are at least minimally satisfied	constituencies have powerful influence on the organization, and the organization must respond to demands
Internal Processes	combines internal efficiency and affective health	costs, outputs & satisfaction are easily measurable

DETERMINANTS OF ORGANIZATIONAL EFFECTIVENESS

- What makes organizations effective is directly related to decision-making criteria and processes; calls for all to make explicit their "theories of effectiveness"
- Goal-centred vs. natural systems perspectives of effectiveness.
- In the "real world" proponents of each see these as mutually exclusive
- Underlying objective was to determine a parsimonious set of effectiveness determinants to be used for organizational design.

FRAMEWORK FOR ORGANIZATIONAL EFFECTIVENESS

- Organization comprised of constituencies; effectiveness is a matter of coordination of these subunits (hence degrees of interdependency are important.
- Dominant coalitions of constituencies set the agenda (and there's a good, hegemonic reason for this – they're the "rational" ones)
- Organizations exist in an environment of external constituencies with whom they have exchange relationships. The organization plus its external constituencies comprise the "organizational set."

MEASURING ORGANIZATIONAL EFFECTIVENESS

Organizational effectiveness is commonly referred to as the degree to which predetermined goals are achieved, whereas Organizational Efficiency refers to the economical manner in

which goal oriented operations are carried out- something of an input/output ratio. What are the indicators or variables to show that the organisation effective?

1. Communication Effectiveness
2. Customer Relationships
3. Employee Satisfaction
4. Brand Image
5. Distraction
6. Trust
7. Customer Frustration
8. Supplier Relationships
9. Project Management
10. Employee Competence

INDICATORS OF ORGANISATIONAL EFFECTIVENESS

1. Meeting deadlines; on-time delivery
2. Timely material and equipment acquisition
3. Quality of product or service
4. Customer satisfaction/complaints
5. Market share compared to competitors
6. Employee training and development (number of hours)
7. Staying within budget
8. Shareholder satisfaction
9. Reduction in costs
10. Supply chain delays or improvements
11. Productivity; dollars spent for each unit of output
12. Employee engagement
13. Achieving sales targets
14. Product development cycle time (reduction in cycle time)
15. Number of hours/days/etc. to complete tasks

Source: Based on "Table 1; Initial Items Derived from Interviews," in Cristina B. Gibson, Mary E. Zellmer-Bruhn, and Donald P. Schwab, "Team Effectiveness in Multinational Organizations: Evaluation Across Contexts," *Group & Organizational Management* 28, no. 4 (December 2003), 444–474.

Assessing Organizational Effectiveness

- Strategy The role, purpose, and strategic direction that summarizes the work of the organization and/or division being clear and appropriate.
- Structure, Capacity, and Capability Capable people doing the right work through a "fit for purpose" structure and clearly described role accountabilities and relationships.

- Leadership Leaders have the capability and capacity to drive sustainable business success.
- People Systems & Processes: Leaders need to be supported by good people systems and processes.
- Culture & Values A set of shared, basic assumptions about how to behave and carry out work within the organization that is aligned to business strategy. The systems, symbols, and behaviours that leaders and other employees are exposed to within an organization must align to the desired culture to achieve the business strategy.
- Employee Engagement
- Customer Experience

MEASURING ORGANIZATIONAL EFFECTIVENESS

Factors that influence their effectiveness:

- Be clear about the organization's goals: help employees understand their roles in achieving them
- Create a culture of fairness, honesty and transparency
- Create opportunities for employee feedback and participation
- Design and maintain felt-fair pay systems in the organization
- Develop your employees and create a succession plan
- Ensure that the organization has the right number of levels of work
- Make managers accountable for coaching their staff
- Make managers accountable for the results of their subordinates
- Set up occupational health and social facilities

To sum up, "Total Organizational Effectiveness" requires in-depth understanding of the issues being addressed by the various management tools and strategies and ensures that there is a relationship between the various management strategies in place. It is a useful approach to ensuring that the tools employed are the right ones.

CASE STUDY:

Imagine that you are the leader of a four person parent advisory committee that has done a lot of research on ways to enhance activities available to students with disabilities and other students who are experiencing challenges in your school. After months of hard work, you have submitted a proposal to the school board for an inclusive after school program that your group feels will benefit all children. Yesterday, you got a call from the principal saying that the school board has chosen not to approve the proposal for budgetary reasons. You are about to hold a meeting to decide what to do next and have had a few preliminary calls that suggest that members of your committee have different opinions on the topic. One is really angry, because he believes that the principal and school board members care more about supporting sports teams than about supporting kids who struggle in school. He's ready to call the chair of the school board and the principal to let them know how he feels. Both of the other two members of your committee feel that the budget for the program was pretty high. One feels that your committee should start over and come up with a totally new plan that the Board will support, while the other thinks your committee should ask the board for ideas about how to scale back the current program so that it would be acceptable. You are not sure what solution is best, but you don't think the group would be well-served by being either too assertive or by giving up. As your meeting begins, you are wondering how to resolve the conflict that is likely to take place during your meeting… 1). What are the primary conflicts that you see in this situation? 2). Based on the information you have, what are the conflict response styles of the members of the committee? 3). What is likely to happen if group members rely only on their preferred conflict styles during the meeting? Think about a) what might happen within the group, and b). what might happen to the group in relation to the school board's decision. What other options does this group have, and what conflict response style(s) might be most helpful in this situation? 4). What might you, as the facilitator of the group, do to support the group in working towards solutions to a) inner group conflicts, and b). The challenge you face in dealing with the school board?

QUESTIONS

- What is organizational culture?
- How do you understand an organizational culture?
- How can the organizational culture be managed?
- How can you use organizational development to improve the firm?
- Why is organizational culture so important to companies?
- How do you discover an organization's culture?
- How do managers use organizational culture to improve organizational effectiveness?
- What happens when organizations with different cultures merge?
- How do you change an existing organizational culture?
- How can you find an organizational culture in which you will thrive?
- Discuss the concept of organizational culture
- Describe the different levels at which we experience an organization's culture
- Discuss the functions and dysfunctions of organizational culture
- Explain organizational socialization as a process that develops and communicates an organization's culture
- Distinguish between roles and role behaviors
- Recognize importance of corporate culture.
- Identify key factors assessing culture.
- List the different sources of conflict
- List the different ways and means of resolving conflict.

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