



**renaissance**

college of commerce & management

B.B.A. 3<sup>rd</sup> Sem.

Subject-Organizational Behaviour

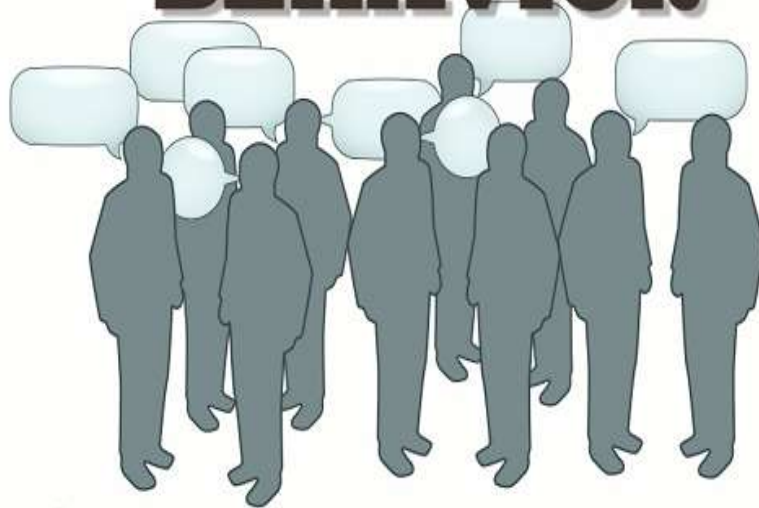
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# SYLLABUS

B.B.A. II SEM

**Subject – Organizational Behaviour**

## **(OB) ORGANIZATIONAL BEHAVIOR**



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**UNIT – I**      **OB History and Development; Importance of OB to the field of management. Basic behavioral Process: Cognitive functions - intelligence, Creativity, Problem solving, Learning and its process - implications,**

**UNIT – II**      **Attitudes and Values, Personality - Concepts, theories, estimation and applications; Perception - implications, counseling - importance and relevance.**

**UNIT – III**      **Motivation - Theories and applications to management,**

**UNIT – IV**      **Leadership - Role and functions of a leader, Leadership theories and styles, implications for management, Alternatives to leadership;**

**UNIT – V**      **Organizational Development - approaches, intervention strategies, implementation; Organizational culture - relevance of culture in the changing scenario, Organizational Politics, impression management and defensive behavior**

**UNIT – VI**      **Organizational change: Approaches and resistance to change, Manager as a change agent; Conflict management, nature, sources. Current applications and future trends in OB.**



UNIT – I



**Meaning of Organization**

Organization may be defined as the group/ collection or a gathering of people for achieving a common purpose, goal or objective in a proper cohesive and well defined manner.

**Meaning of Behavior**

It is the way in which one acts or conducts oneself, especially toward others.

**Meaning & definition of Organizational Behavior**

Organizational behavior is directly concerned with the understanding, prediction and control of human behavior in organizations. It is an area of study that investigates the impact that individuals, groups and structure have on behavior within organizations.

“Organizational behavior is a subset of management activities concerned with understanding, predicting and influencing individual behavior in organizational setting.” –

**Challahan, Fleenor and Kudson**

“Organizational behavior is the study and application of knowledge about how people act within an organization. It is a human tool for human benefit. It applies broadly to the behavior of people in all types of organization.” –

**Newstrom and Davis**

“Organizational behavior is a field of study that investigates the impact that individuals, groups and structure have on behavior within the organizations for the purpose of applying such knowledge toward improving an organization’s effectiveness.” –

**Stephens P. Robbins**



## Characteristics of OB

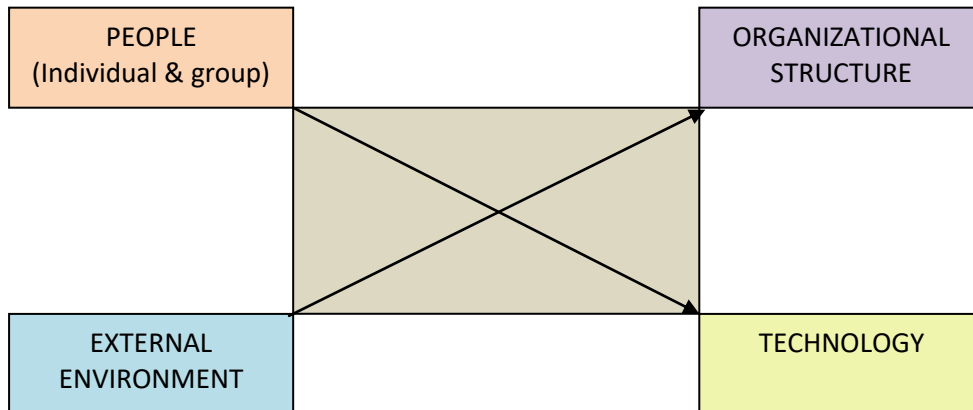


1. **Behavioral Approach to Management** – OB is a behavioral approach to management. It is a part of management related with analyzing behavior of human beings in group & organization. It is a distinct field of study.
2. **Science as well as Art** – OB is both science and art. It is a systematic body of knowledge about human behavior so it is considered as science. As an art, the knowledge of OB is applied to improve organizational effectiveness.
3. **Human tool** – Organizational behavior is a tool for human benefit which helps the manager in various areas. It also provides the education needed for creative thinking to avoid and solve human problems in organizations.
4. **Action & goal oriented** – OB is a goal directed discipline that studies human behavior and explain it in organizational context as well as helps in taking proper action to mould that individual behavior towards the goal achievement of organization.
5. **Commonality of Interest** – OB helps in providing commonality of interest between individual goals and organizational goals& objectives. It provides common goals that unite the variety of individual interests with the interest of organization.
6. **Holistic Concept** – OB is a holistic concept which relates people, groups, and whole organization as a system. It gives a broad view of people in organization and studies many factors that influence their behavior. It includes various dimensions, thus gives a broad view of human related issues & problems.
7. **Integrating Approach** – OB is an integrating approach of human, technical and ethical values at work which draws knowledge from various disciplines such as anthropology, Psychology, Law, Sociology, Economics, IT Political Science, engineering etc.
8. **Cause and Effect Relationship** – Human behavior is generally taken in terms of cause and effect relationship and not in philosophical terms. It helps in predicting the behavior of individuals. It provides generalizations that managers can use to anticipate the effect of certain activities on human behavior.



9. **Organizational Behavior is a Branch of Social Sciences** –Organizational behavior is heavily influenced by several other social sciences viz. psychology, sociology and anthropology. It draws a rich array of research from these disciplines.

### Elements of OB



**People as an Individual:** The most important element of OB. OB studies the behaviour of individual in a group as well as in the organization. It briefs about various factors influencing the behavior and their effects on organization.

**People as in Group:** Group can be formal, informal, small, large, official, and unofficial in nature. Group is dynamic ever changing in nature.

**Organization structure:** OB establishes various post & positions for people in organization & thus creates a professional relationship in between them.

**Technology:** Use of technology also influences human behavior.

**External environment:** Organization is a part of broader external environment. Environment affects the organization through technological or scientific developed, social, cultural and Govt. actions.

### Areas of Organizational Behavior–

1. **Behavior of People in organization** – OB includes study of behavior of individuals in organizational settings. It includes-
  - Attitudes and values
  - Perception, cognition & learning
  - Personality & motivation
  - Leadership & Power
2. **Organizational Structure** – OB studies the organizational structure as to how people are organized or arranged to achieve organizational goals. It includes –
  - Task identification
  - Departmentation
  - Co-ordination & control mechanism
  - Process & Procedures of promoting, hiring, compensation
  - Organization Size
  - Authority for decision making
3. **Behavior of Organization** – OB not only studies the interaction of individuals within the organization but it also study the interaction of organization into its environment i.e., organizations behavior with external actors by following methods –
  - a. Adoption of new Practices such as –
    - Down sizing
    - Team based structure
    - Re-engineering





- b. Adoption to changing conditions –
- Global competition
  - Increasing technological use
  - Changing social structure (status of women, disabled, ethnic group)



### Importance of OB

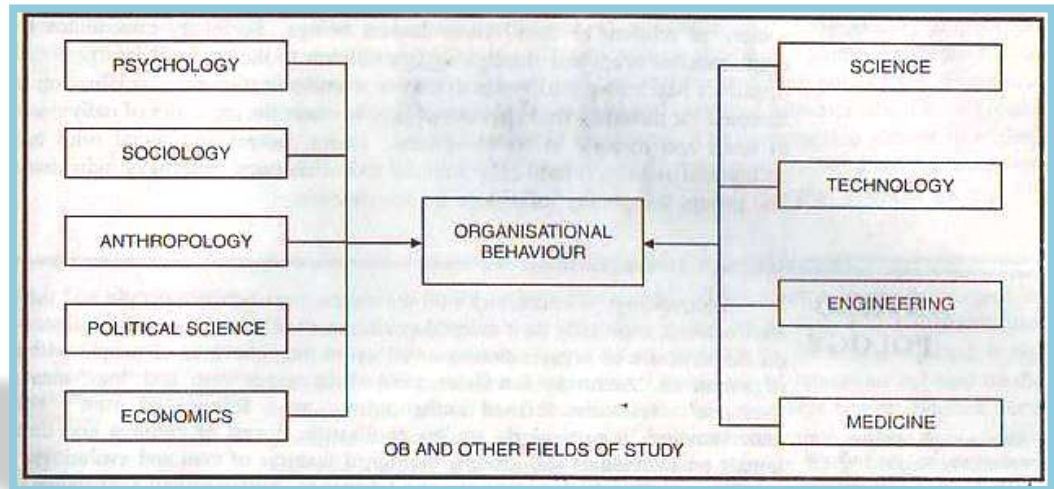
1. OB provides a road map to individuals in organization. It helps people to understand their behavior and its impact while working in organization.
2. OB helps a manager to motivate his subordinates regularly as it helps the manager understand the basis of motivation and what he should do to motivate others.
3. Understanding of OB is useful to maintain cordial industrial relations.
4. OB helps an individual in maintaining good intrapersonal & interpersonal relations.
5. OB helps in influencing organizational events by understanding the organizational culture & behavior appropriately and effectively to influence the environment they live in. For ex: how to communicate effectively, managing conflicts, better decision making, more effective team work and team dynamics.

### Disciplines of OB

Organizational behavior is an applied behavioural science which is drawn from no. of behavioural disciplines like

1. **Psychology:** Psychology is the study including understanding of human mind and thinking and the behavioural aspects based on such thinking. Psychology tries to measure, explain, at times even modify, the behaviour of human beings. It includes personality, perception, learning, motivation, attitude etc.
2. **Sociology:** Sociology addresses the study of group behaviours. It studies the behaviour of the people among the fellow human beings in a group. It studies how much people are socially active. It includes group dynamics, communication, leadership, conflict management, formal and informal organizations etc.
3. **Anthropology:** It is the study of human culture, its history and evaluation. It deals with the development of human values, systems, norms, sentiments etc. It also studies the impact of organizational culture on the behaviour of employees.

Besides these three, there are some other disciplines such as social psychology, law, economics, practical science, engineering etc which also contribute to OB.



## Foundation/Assumptions of OB



1. **Individual differences:** Each individual differs from the other in different ways like intelligence, physique, personality, thinking, behaviour etc and organization has to follow different styles to deal with them and get the work done. OB begins with individual and studying their distinct behaviour.
2. **A Whole Person:** OB is based on the concept that when a person is appointed, not only his/her skills are not hired but their social background, likes, dislikes, pride etc, are also hired. Thus, OB takes into account the individual as a whole.
3. **Caused Behaviour:** OB lays on the concept that behaviour of individuals towards any other person, thing or a situation which is caused due to some reason. Behaviour of the employee depends on his/ her thinking towards the situation as right or wrong.
4. **Human dignity:** This concept is based on ethical philosophy- at treating human beings differently from other factors of production with complete respect in humanity & dignity and not as the economic tool.



5. **Organizations are social systems:** OB treats organizations as the social system having both psychological & social needs. Two types of social system exist in organizations- formal and informal social system. Organization environment is dynamic in nature with all the parts of system being interdependent & influenced with each other.

### Approaches to study OB

#### Approaches to Organizational Behavior Studies

Human Resources Approach

Contingency Approach

Productivity Approach

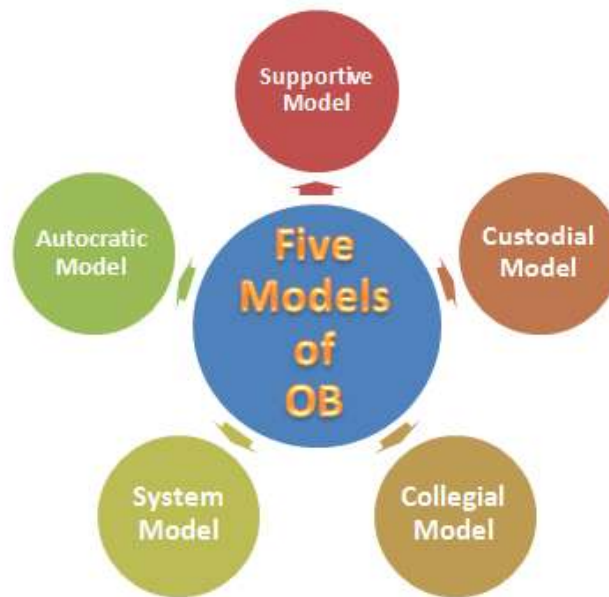
Systems Approach

1. **Human Resources Approach:** This approach recognizes the fact that human resource is the central and most important resources of any organization and should be developed towards high competency, creativity so that they can contribute to the success of the organization. This approach is also called supportive approach.
2. **Contingency Approach:** This approach assumes that there is no best way available in any organizational situation and each situation is contingent or influenced by many other variables. Appropriate managerial action on any situation depends on various elements related to that situation.
3. **Systems Approach:** Systems approach views OB as a system of which all its parts or activities are interrelated.
4. **Productivity approach:** Productivity is the ratio of output & input. It shows the efficiency and effectiveness of organization. It is expressed in terms of economic inputs and outputs but human and social inputs and outputs are also important. OB decisions involve human, social and economic issues and so productivity is the significant part of literature of OB.





## Models of OB



1. **Autocratic Model-** This model is more of authority oriented in approach. It is based on the phenomenon that person who is in command have the power to demand. Organizations having autocratic environment have the superiors who feel that employees are lazy & try to avoid work so they need to be directed, command pushed & persuaded to the work. They feel that employees should be given orders & should be closely supervised & controlled for their work. Boss has the power to command & control. Employees in these organizations work under fear, frustration, harassment, unsecure & performance level is relatively low. They work only in the fear of losing their job.
2. **Custodial Model-** This method is reward oriented (Extrinsic or economic reward) focusing on satisfying the monetary, physiological, security & welfare needs of employees to motivate them to work efficiently for achieving goals & objectives of organization. This model focus that money is best way to motivate employees to increase their productivity & to reduce their level of frustration & insecurity rather than by forcing & ordering them.
3. **Supportive model-** This is a leadership oriented model and focus on supportive leadership style to motivate and improve the performance of employees at work rather than by using powers or giving monetary rewards. It focuses on providing cordial & supportive organizational climate & assumes that workers are not lazy & work shrinkers. They are intrinsically motivated. If they are awarded i.e. if their psychological needs are satisfied, they can be efficient at their work. This model is more successful in other nations in comparison to India.
4. **Collegial Model-** Collegial means a group of persons having a common purpose. This model is based on the concept of treating employees as the partners & important members of organization so that they can relate themselves more dedicatedly towards organizations & can work with loyalty, dedication, faithfulness & hard work for achieving its goals. This model focuses on team spirit, brand building & self-discipline. Workers have more job-satisfaction, job-involvement & degree of fulfillment.



## EVOLUTION OF OB – HAWTHORNE STUDIES



Hawthorne studies were conducted during the human relations movement. Elton Mayo who is also called as the "father of human relations school" conducted this study at western electric Hawthorne plant (1927-1932) to evaluate the attitudes and psychological reactions of workers in on-the lab situations. Earlier from 1924 to 1927 national research council along with western electric co. conducted the study to determine the impact of lighting (illumination) & improvement in the working conditions on the productivity of workers but they didn't found any consistent relationship. So they conducted the research to find out the real factors other than working conditions which were influencing output.

### Stages of Experiment

- a. **Test Room study/Illumination-** This study was done on two group of female workers to determine effect of changes in working conditions an employee's efficiency and they found that despite of deterioration in working conditions there was increase in the output due to favourable change in workers attitude caused by changes in pattern of supervision, social conditions of workers and so on. By making they feel important and by providing their participations workers attitude was changed.



## 1. Illumination Experiments (1924-27)

### EXPERIMENTAL GROUP

Changes Made In illumination



Increase in Illumination



Decrease in Illumination



Moon Light Illumination



### CONTROLL GROUP

Illumination remained constant



Productivity remained constant



### RESULT:-

NO RELATIONSHIP BETWEEN ILLUMINATION OF LIGHT AND PRODUCTIVITY

- b. **Relay Assembly room study**- six female employee assembling telephone relay were brought into test room separate from the plant. That group was very informal & friendly with each other. The main object was to study the effect of rest & recreation on output on observer was there to record the observation. They found that rest period, walking houses, incentives payments and temperature didn't have a very significant co-relation with productivity. It was the feelings of importance due to participation, tension-free inter relations, informal atmosphere and group cohesion were the causes of increased productivity and importance of human relationship in industry was recognized.



## 2. Relay Assembly Test Room Experiments:-

**NO OF WORKERS:-** 2 Girls

Relay assembly test room experiments were designed to determine the effect of changes in various job conditions on group productivity



**Productivity Decreased by the following Changes**

1. Frequent rest intervals has been given-(girls complained)

**BREAK TIME**

The relationship between supervisor and workers became close and friendly.

productivity increased not because of positive changes in physical factors

**but**

because of the change in girls' attitudes towards work and their work group.

- c. **Bank wiring observation room study-** It was conducted between 1931 and 1932. Study was done on 14 male workers employed in bank wiring room to judge the influence of informal group on human behaviour as influence of social environment on individual attitudes. A incentives wage plan was used as the hypothesis that workers would produce more individuality and help others to take benefit of bonus but it was found that group laid down and norm of day's work' of producing 6600 unit per person per day and group pressure was applied to ensure that members of the group did not produce more than group standards.





#### 4. Bank Wiring Observation Room Experiment: (1931-32)

Workers involved in experiment:- 14 male workers

Work given:-

The men were engaged in the assembly of terminal banks for the use in telephone exchanges.



More productive Group gets Bonus

Over Time=more wages



Conclusion:-

As a social being, they are members of a group and the management should try to understand group attitudes and group psychology

- d. **Mass interviewing programme-** Under this programme about 20000 interviews were conducted to find opinions or attitude of employees towards the job, the company working conditions etc. it was found that experiences, perceptions, interactions and interpersonal relations were found to be the basic factor responsible for behaviour at work place.



### 3. Mass Interviewing Programme (1928 and 1930)

**Reason for Conducting:-** To Study The human behavior in the company.

**No of interviews conducted:-** with About 20,000 employees

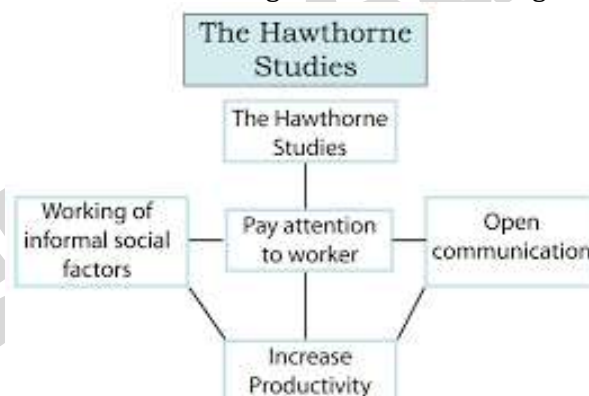
**Theme:-**

determine employees attitudes towards  
company, supervision, insurance plans, promotion and wages



### Contribution of Hawthorne studies

1. Organizational is a social system.
2. Social environment on the job affects the people
3. In formal organization an informal organization also exists and is affected by and affects the formal organization.
4. A conflict between organizational & individual goals often exist which increases the integration between two.
5. Man is interdependent and his behaviour can be predicted in terms of social & psychological factors.
6. Man is diversely motivated and fulfills different types of needs.
7. Man often behaves irrationally.
8. Communication is necessary for the functioning of the organization and the feelings/ Sentiments of people who work in it.
9. Team work is essential factor and sound organization functioning.





## Challenges of OB -

### 1. Managerial

- a) Workforce diversity
- b) Changing Demographics of workforce
- c) Empowering workforce

### 2. Workplace issues & challenges

- a) Employee Privacy
- b) Employee rights
- c) Unionism
- d) Changed employee expectations

### 3. Organizational challenges

- a) Improving quality and productivity
- b) Managing technology & innovation
- c) Coping with temporariness
- d) Ethical behavior & culture

### 4. Global challenges

- a) Changes due to liberalization, privatization & globalization
- b) Development of Corporate re-organization

## LEARNING



### Meaning of learning:

Learning is the process by which individuals acquire knowledge & experience to be applied in future reaction to situation. Learning refers to this modification of behavior practice, training and experience.

Learning may be defined as a relatively permanent change in behaviour that occurs as a result of Prior Experience.

**According to the Dictionary of Psychology** - "Learning means the process of acquiring the ability to respond adequately to a situation which may or may not have been previously encountered, the factorable modification of response tendencies consequent upon previous experience, particularly the items in new series of complexity coordinated motor response, the fixation of items in memory so that they can be recalled or organized in the process of acquiring insight into a situation."

Learning has taken place if an individual behaves, reacts, responds as a result of experience in a manner different from the way he formally Behaved.

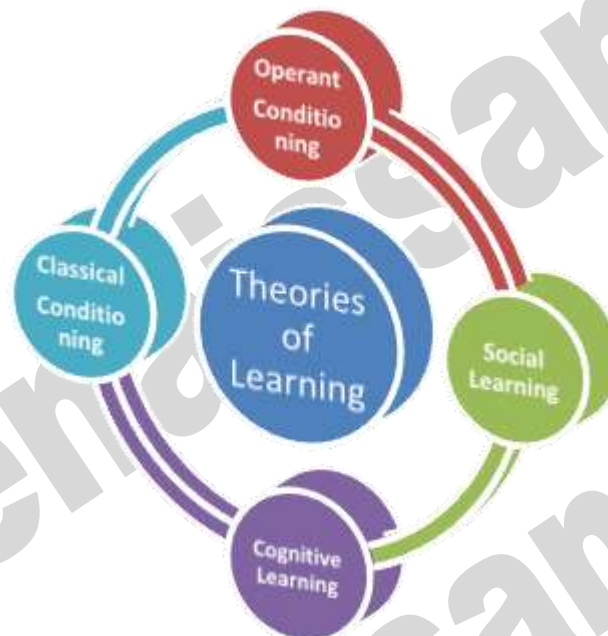
**W. Mchehee**



## Nature of Learning

1. **Change:** Learning invariably involves a change though not necessary improvement in Behaviour. The learning may be good or bad from an organizations point of view for ex., bad habits, prejudice, work restrictions may be learned by an individual.
2. **Permanent:** Change in behaviour must be relatively permanent temporary changes may be only reflexive and fail to represent any learning. Changes called by fatigue or temporary adaptations are not covered in learning.
3. Change in behaviour should occur as a result of **Experience, practice or training**. The change may not be evident until a situation arises in which new behaviour can occur.
4. **Learning is reflected in Behavior** – A change in an individual's thought process or attitudes not accompanied by behavior is not learning. Further learning needs to result in behaviour potentiality and not necessary in the behavior itself. For example, if a person is thinking of using drugs, but has not actually used them and he finds out that a friend of his has died because of drugs, he will never get involved with drugs. This experience has changed his behavior potential.
5. **Reinforcement** – The practice or experience must be reinforcement in order for learning to occur. If reinforcement does not accompany the practice or experience the behavior will eventually disappear.

## Theories of Learning



### 1. Classical Conditioning

Learning through classical conditioning (C.C) was first studied by Ivan Pavlov, a famous Nobel Price winning physiologist, at the turns of 20<sup>th</sup> century. The C.C. theory deals with the association of one event with another desired event resulting in a desired behaviour of learning.

Pavlov conducted an experiment on a dog to study the relation between the dog's salivation and ringing of a bell. A simple surgical procedure helped him to measure accurately the amount of salvia secreted by dog. When Pavlov presented a piece of meat to the dog, he noticed a great deal of salivation. He termed the food unconditional stimulus (food automatically caused salivation)

And salivation – an unconditioned Response when the dog saw the meat it salivated during the second stage





Pavlov merely rang a bell (neutral stimulus) the dog did not salivate. Pavlov subsequently introduced the sound of bell each time the meat was given to dog. Thus meat & ringing of bell were linked together. The dog eventually learnt to salivate in response to ringing bell even when there was no meat.

### Classical conditioning presented in figure

#### A) Before Conditioning

Meat (US) → Salivation (UR)

Bell (Neutral stimulus) → No response

#### B) During Conditioning

Meat (US) + Bell (CS) → Salivation (UR)

#### C) After Conditioning

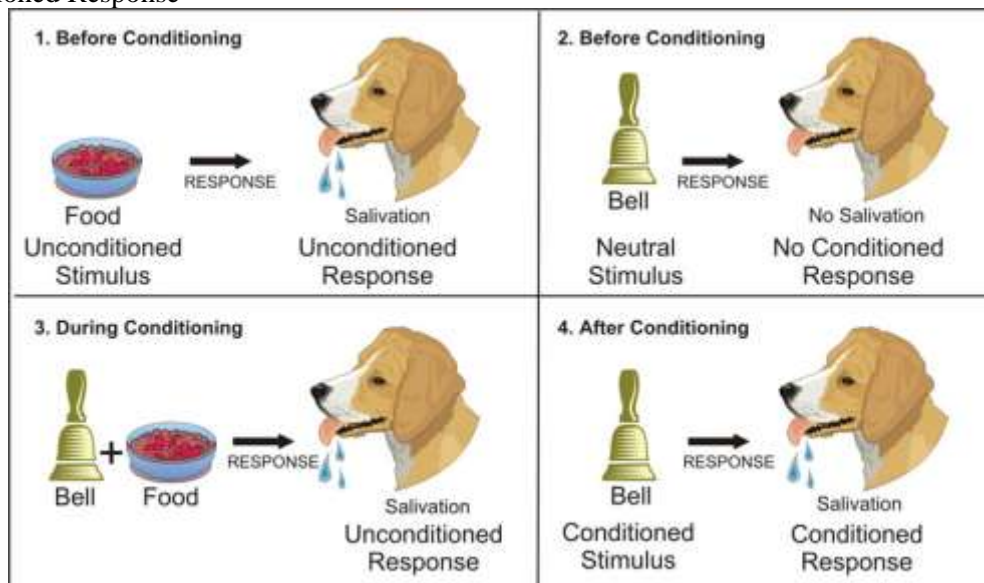
Bell (CS) → Salivation (CR)

US = Unconditioned Stimulus

UR = Unconditioned Response

CS = Conditioned Stimulus

CR = Conditioned Response



### Classical Conditioning

## 2. Operant Conditioning (OC)

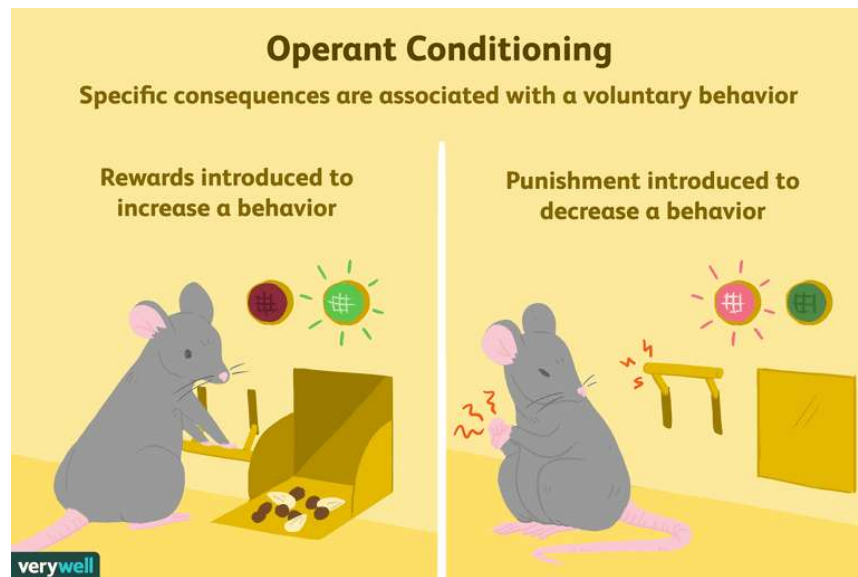
O.C is defined as "Behaviour that produces effect." OC is based on work of B.F. Skinner who advocated that individual's exhibit responses that are rewarded and will not exhibit response that are either not rewarded or are punished.

O.C also called instrument conditioning refers to the process that our behaviour produces certain consequences & how we behave in future will depend on what those consequences. If our action have pleasant effect then we will be more likely to repeat them in future. If however our actions have unpleasant effect we are less likely to repeat them in future.

Thus according to this theory, behaviour is the function of its consequences.

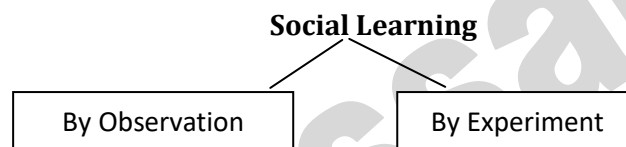
### Operant Behaviour & their Consequences

	Behaviour	Consequence
The Individual	Work Talk to others Enter Restaurant	is paid meets more people obtains food



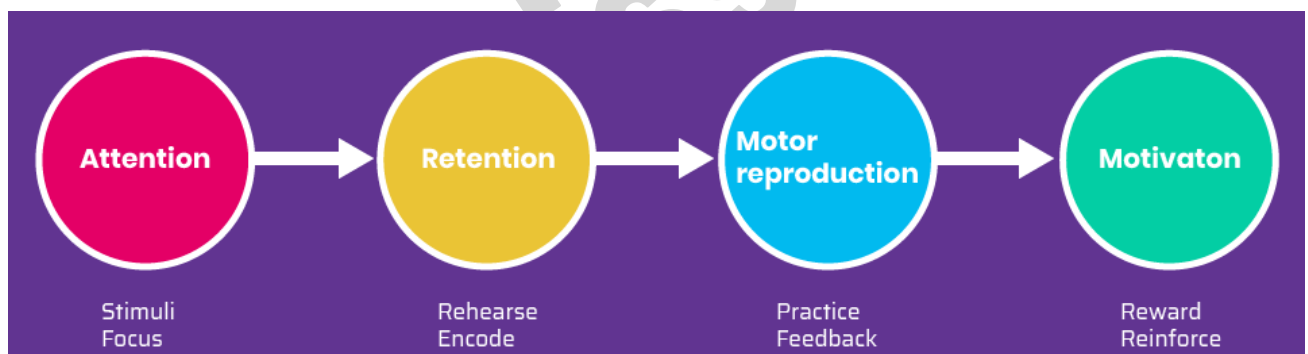
### 3. Social Learning

Also called observational learning, social learning theory emphasizes the ability of individual to learn by observing others. The important may include parents, teachers, Peers, Motion Pictures TV artists, bosses & others.



#### Social learning can takes place through:

1. **Modeling:** People acquire behaviour by directly observing and imitating other. Many pattern of behaviour are learned by watching the behaviour of model such as parent, teacher, film star etc. The following process determines the influence:
  - i. **Attention process:** People only learn from a model when they recognized and pay attention to its critical feature.
  - ii. **Retention process:** A model's influence will depend on how well the individual remember the model action, when after the model is no longer readily available.
  - iii. **Motor Reproduction Process:** After a person has been a new behaviour by observing the no del the watching must be converted into doing.
  - iv. **Reinforcement /process:** Individual will be motivated to exhibit the modeled behaviour if positive incentives or reward are provided.





2. **Symbolism:** It refers to learning through social action reaction, symbolization and interaction.
3. **Self Control:** Learning is self development process; people are introduced in self analysis, appraisal and improvement.
4. **Self Efficiency:** It refers to the individual's perception as he or her ability to perform a specific task in a particular situation

#### 4. Cognitive Learning

Cognitive learning theory establishes the relationship between cognitive environmental cues and expectations. The cognitive approach emphasizes the positive and free will aspect of human behaviour. Cognition refers to an individual's ideas, thoughts, knowledge, interpretations understanding about himself and his environment. According to this theory learner forms a cognitive structure in memory, preserves and organics information about the various events that occur in a learning situation. To prove cognitive approach, Tolman trained a rat to turn right in a T maze in order to obtain food. Then he started the rat from the opposite part of the maze in order to obtain food. Then he started the rat from the opposite part of the maze, according to operant conditioning theory the rat should having turned right because of past conditioning. But the rat instead turned towards where the food had been placed. This experiment concluded that the rat formed a cognitive map to figure out how to get the food and reinforcement was not a precondition for learning to take place.

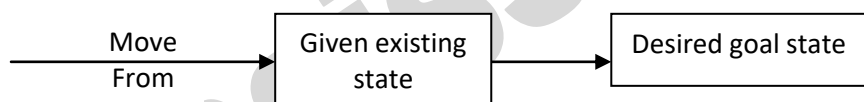
#### MEANING OF PROBLEM SOLVING

Problem solving is a set of activities designed to analyze a situation systematically and to generate, implement and evaluate solutions for solving a problem. Problem solving is a mental process and is part of the larger problem process that includes identification of problems and problem shaping.



#### NEED FOR PROBLEM SOLVING

When a situation or system needs to move from a given or current state to another desired goal state problem arises and then a systematic approach of problem solving system arises.





## STEPS FOR ANALYTICAL PROBLEM SOLVING



1. **IDENTIFYING THE PROBLEM:** -The foremost step of problem solving is to understand and to be clear about the problem arise. One should be very clear regarding the problem and all the detail information obtained from the problem which will help in providing appropriate solutions. views of different people on different issued related to problem must be identified.
2. **UNDERSTAND INTERESTS:** - Interests are the needs that is satisfied by any given solution. Solution to the problem should be such that can satisfies everyone's interest.
3. **DEVISING A PLAN:** - After identifying the nature of problem and interests of related people next step is to devise a appropriate plan for solving the problem. List of all possible solutions (options) should be prepared. Lot of brainstorming, creativity and innovation should be adopted to generate appropriate solutions. Related problems should be examine to determine if some techniques can be applied use of table, diagram can be used.
4. **EVALUATE THE PLAN:** - Devised plan should be evaluated before its implementation. all the options or solutions should be carefully evaluated to ensure that options are suitable for solving problems. Best options from all the available options should be selected.
5. **IMPLEMENTATION OF PLAN:** - After properly evaluation plan should be effectively implemented in the way it is actually designed and decided. All the strategies and necessary actions should be performed to solve the problem. Each and every step of the plan should be checked and accurate record of all the activities should be established.
6. **MONITORING:** - Effective monitoring should be done regarding effectiveness of the solutions in relation to problem. If there is some alternative method of finding the solutions it should be determined. Other related or more general problems should be determined for which the techniques can be followed for solutions.

## LIMITATIONS OF PROBLEM SOLVING

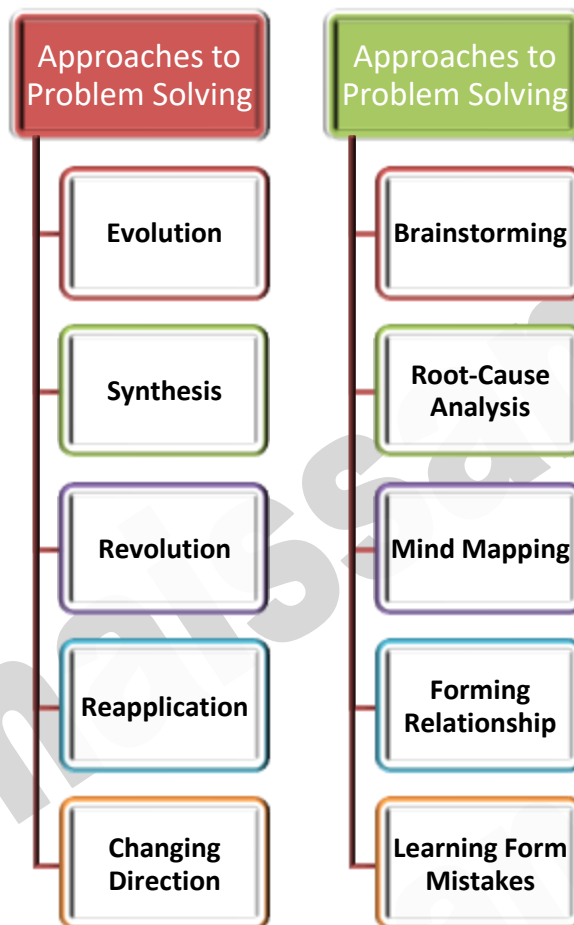
1. **Competition:-**Most people working in a group perceive the situation as competitive and this generates a destructive behaviour and drains the creative energy of the group. Eager to express their own ideas members try to totally ignore the suggestions of others. People holding powerful positions try to show, their expertise and supremacy and argue against others suggestion, this competitive behaviour creates incompatible atmosphere for effective problem solving.
2. **Conformity:-**Some individuals in a group wants to conform with all the members their solutions and options to obtain conformity as they like to get respected and valued among others. Members want to maintain their image of being knowledgeable and junior members want to avoid inexperienced upstarts so ideas are shared in the groups without exploring all the possibilities.





3. **Lack Of Objective Direction:-** Many traditional meetings and group directions held to solve problems are often held ineffectively having lack of objective and directions, ineffective leadership and undue – pressure on leader or chairman which results in deviation in understanding objective direction & content of problem which results in ineffective problem solving.
4. **Time Constraints:** - Time factor also creates barrier in effective problem solving. Group problem solving is a relatively slow process compared with working alone. Individuals need to gather at an agreed time and place which cause organizational problems and impatience among participants.
5. **Creativity:** Creativity is the ability to visualize, foresee, generate and implement new ideas. Creativity is a function of knowledge, imagination and evaluation.

## APPROACHES TO CREATIVE PROBLEM SOLVING

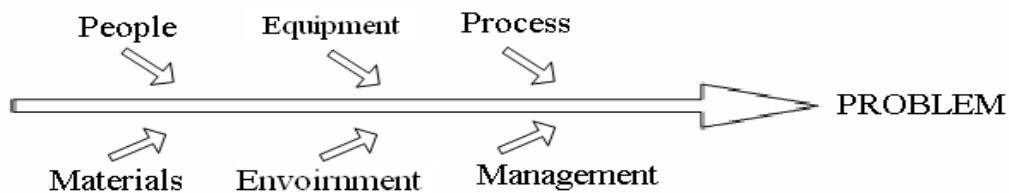


Creative problem solving is a combination of innovation and creativity that involves different steps that are as follows:-

1. **Evolution:-** This is the method of incremental or gradual improvement under which new ideas stem from other ideas and new solutions from previous solutions which are slightly improved over old ideas. This approach is mainly concerned with thinking new and creative out of old gradually for making something better or different from original.
2. **Synthesis:-** Under this approach two or more existing ideas are combined to produce a third creative & new idea.  
**For ex.** (1) People want to go for dinner and then to theatre. These two ideas can be combined in form of dinner theatre where people can first go to eat and then at the same place they can enjoy a movie.  
(2) Shopping malls like Big Bazaars etc.



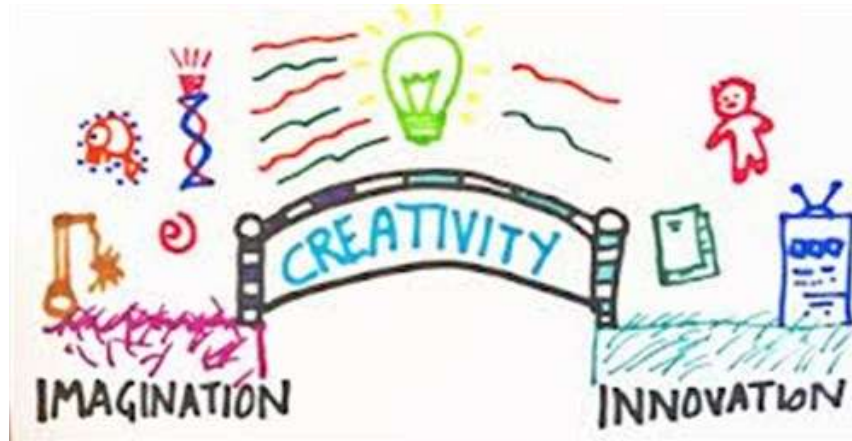
3. **Revolution:** - Revolution means thinking of the best new idea which is completely a different one marked change from the previous ideas thought.
4. **Reapplication:**-Reapplication means to apply something old in a new and different way. By removing our preconceived thoughts, expectations and assumptions individuals concentrate in discovering how something can be reapplied creatively. One should see beyond previous or stated applications for some idea, solution or thing and to see what other application is possible.
5. **Changing Direction:**-Sometimes a creative solution to the problem can be provided by analyzing the problem from a different angle, when attention is shifted from one angle of a problem to another it is called creative insight. The goal is to provide a creative solution to problem. There is no specific path commitment.
6. **Brainstorming:** - Brainstorming is an activity where by all the individuals are allowed to provide different solutions to the problem by discussing and thinking over the problem. People are free to express their views and ideas under brainstorming its main goals are:-
  - (1) to break is out our habit bound thinking.
  - (2) To produce a set of ideas from which we can choose.
7. **Root-Cause Analysis:**-Under root cause analysis all possible causes of the problem are been studied thoroughly rather than just the ones that are obvious. Detail analysis of the problem is done and possible causes of problems are identified to find the creative solutions. These causes are depicted through fish bone diagram.



8. **Mind Mapping:**-By using mind maps structure of a subject can be quickly identified and understood. Recording of the facts and information can be done mentally. Mind maps encourage creative problem solving and they hold information in a format that mind (brain) finds easy to remember and quick to review.
9. **Forming Relationship:**-Forming relationship is one of the approach of creative problem solving. Under this individual form relationship with people from different fields who can help from to excel best and creative ideas.
10. **Learning Form Mistakes:**-Another approach to creativity is learning from mistakes and negative experiences and taking them as a warning signals while thinking creative.

#### CREATIVITY IS:-

1. **An Ability:**-Creativity is the ability to imagine or invent something new. Creativity is not the ability to create out of nothing, but the ability to generate new ideas by combining, changing or reapplying existing ideas.
2. **An Attitude:**-Creativity in an attitude to accept change and newness, a willingness to play with ideas and possibilities a flexibility of outlook etc.
3. **A Process:**- Creativity is a continuous process. Creative people work hard continually to improve ideas and solutions by making gradual alternations and refinements to their works.

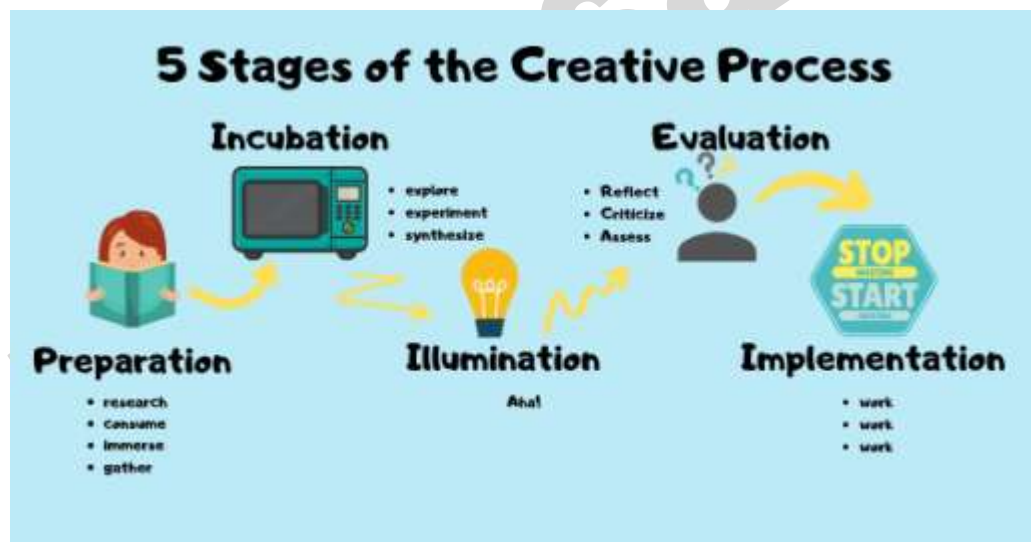


### COMPONENTS OF CREATIVITY

**CREATIVITY = KNOWLEDGE + CREATIVE THINKING + MOTIVATION.**

1. **Knowledge**:-All the technical procedural or intellectual expertise and relevant understanding an individual should have to think creative.
2. **Creative Thinking**:-Relates with flexibility, imagination skills of the people which depends on how people approach problems, their personality, thinking and working style.
3. **Motivation**:-Motivation is a key to creative ideas. Intrinsic passion and interest are the most important motivators.

### **STAGES IN CREATIVE PROCESS**



These stages are also known as "**stages of creative thought**"

1. **Orientation**:-As a first step the problem must be defined and important aspects of problems should be identified.
2. **Preparation**:-This Stage involves gathering initial information, saturate information related to problem thinking. Generating alternatives, carefully, analyzing data relating to problem. All possible date information is been gathered at this stage.
3. **Incubation**:-This stage involves an internal and unconscious ordering of gathered informations personal conflict between what is currently accepted as reality and what may be possible. This stage allows the mind to search for possible issues or problems and involves exploring unusual innovative alternatives.



4. **Illumination:-**At illumination stage a new level of insight is achieved, new imaginative idea flashes into individual mind at an unexpected time and people always get new thoughts and ideas. Imagine a cartoon with a bulb flashing on head.
5. **Verification:-** This is the final step to test and verify the solution and ideas obtain during illumination. Logically all the solutions are evaluated to check their feasibility and the most feasible idea is applied as the solution to the problem.

### IMPEDIMENTS / OBSTACLES OF CREATIVITY

1. **Prejudice:-**Prejudice is one on the barriers to creativity. People often have preconceived ideas about things and these preconceptions often prevent people seeing beyond their thoughts and inhibit them from accepting change.
2. **Stresses:-** Stress is the mental factor which creates distraction of mind, drains energy which could be used in creative thinking.
3. **Learned Helplessness:-**The feeling of people that they don't have tools, knowledge, materials, ability to do anything and so they don't try to think anything creative.
4. **Routines:-**Routines are the set ways of for performing tasks and once they become essential in one's life then it becomes difficult to deviate from it and this creates hindrance in development of creative mind.
5. **Beliefs:-**People often belief that creativity is a god gift possessed by few people not all some of them belief that it requires talent and it starts in childhood but all these beliefs are the barriers of creativity as all the people possess creative mind, natural ability to think something new every time.
6. **Fear:-**Fear of self-expression and judgment by others severally limits ones creativity.
7. **Negative Thinking:-**Negativity in thoughts and self-criticism sometimes creates hindrance in thinking something new.
8. **Conceptual Blocks:-**Conceptual blocks are the habit that prevents development of new creative ideas, thoughts and originality.

### Intelligence

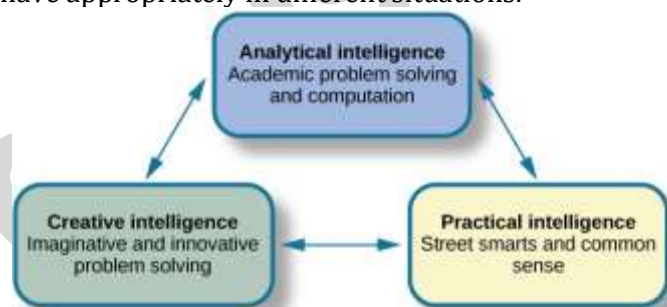
Intelligence or Intellectual ability refers to the ability or capacity to understand & process complex ideas. Intelligence can be defined as "An ability to understand anything in a logical way".

A person needs to have Intelligence ability & capacity in order to succeed on a job. Intelligence is a kind of a mental process inherits in an individual.

Intelligence is "general mental ability used in complex information processing".

### Kinds of Intelligence

1. **Cognitive Intelligence** – The ability to understand complex ideas, to adapt effectively to the environment to learn from experience, to engage in various forms of reasoning and to overcome abstracts with careful thought. Above mentioned aspects are the parts of cognitive intelligence.
2. **Practical Intelligence** – The ability to devise effective ways of solving the practical problems of everyday life. This intelligence is based on tactic knowledge "Knowledge of how to get things done.
3. **Emotional Intelligence** – The ability to understand & regulate own emotion as well as of others and to behave appropriately in different situations.

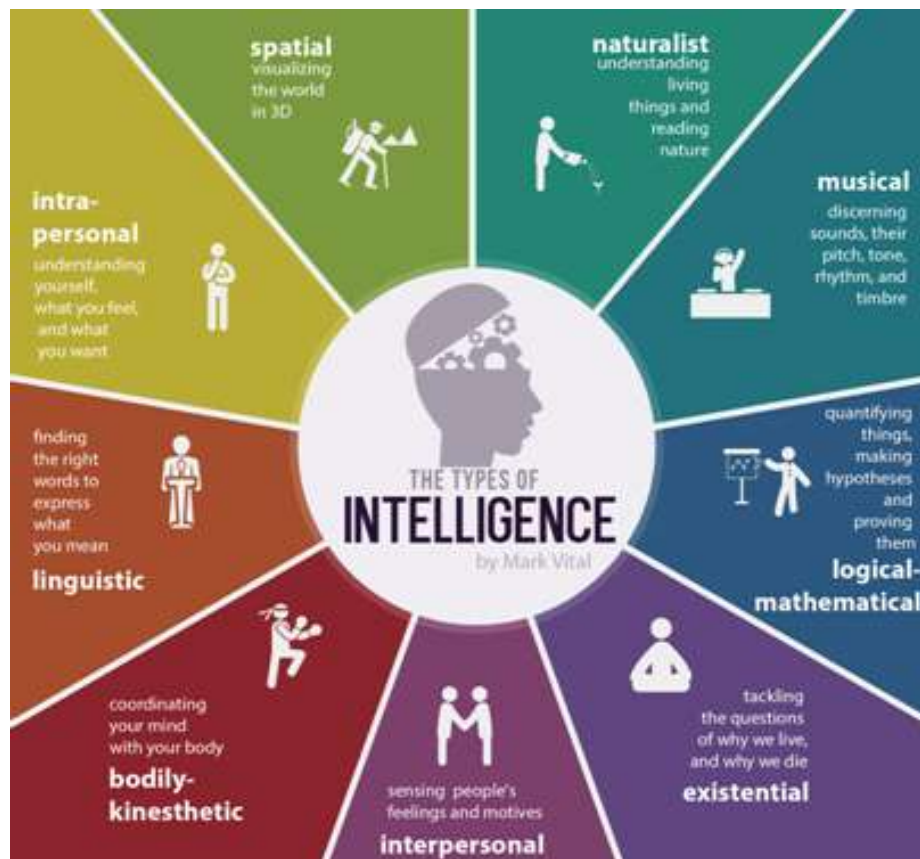






Intelligence is an important determinant of workplace performance and career success. People differ in their intellectual abilities and contributions to this ability are made by our genetic inheritance and by our environment as we grow.

### Aspects of Intelligence





## UNIT-II

### ATTITUDES AND VALUES

#### Introduction

Attitudes are evaluative statements. These are frequently used in describing people, objects and events and explaining the people's behavior. These reflect how one feels about something or somebody. When I say, "I like Ram". I am expressing my attitude about Ram. Thus, we can say that attitude is a bent of mind, predisposition of certain actions.

Attitudes constitute an important psychological attribute of individuals which shape their behaviour. **Schermerhorn**, et al., have defined attitude as a predisposition **"to respond in a positive or negative way to someone or something in one's environment"**. Attitude can be defined as a persistent tendency to feel & behave in a particular way towards some object.

#### Some of the important definitions of attitudes are as follows:

"An attitude is a mental and neutral state of readiness, organised through experience, exerting a directive or dynamic influence upon the individual's response to all objects and situation with which is it related.

**G.W. Allport**

"An attitude is a tendency or predisposition to evaluate an object or symbol of that object in a certain.

**—Katz and Scotland**

### COMPONENTS OF ATTITUDES

There are three basic components of an attitude and these are described below:

- (i) **Cognitive or Informational Component.** It consists of beliefs and values, idea and other information a person has about the attitude object. For instance, a person seeking a job may learn from newspapers and other people that a particular company is a good pay-master.
- (ii) **Affective or Emotional Component.** It involves the person's feelings of likes and dislikes towards the attitude object.
- (iii) **Behaviour Component.** The tendency of a person to behave in a particular manner towards an object is the behavioural component of an attitude.



### Features or Characteristics of Attitudes

The important characteristics of attitudes are as follows:

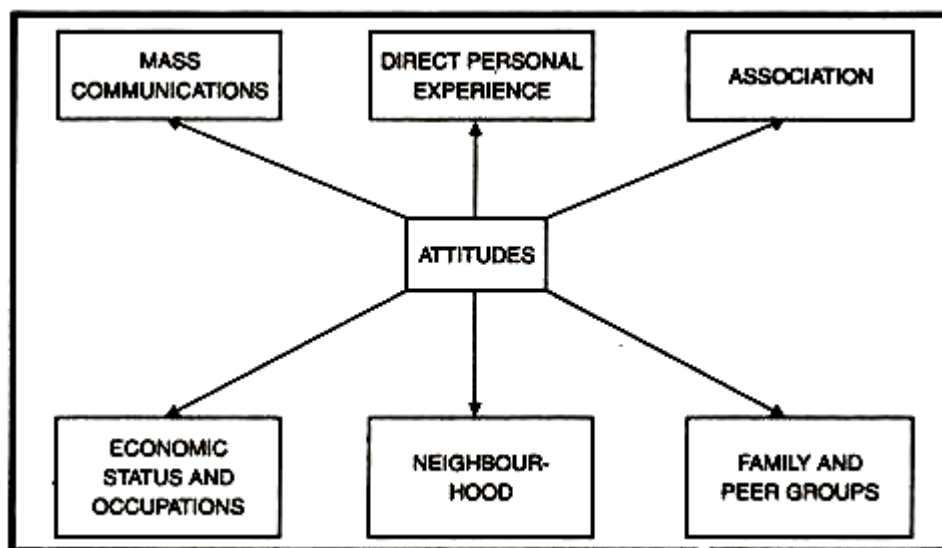
- (a) **Attitudes affect Behaviour.** People have the natural tendency to maintain consistency between two attitudes or attitude and behaviour. Attitudes can lead to intended behaviour if there is no external intervention.
- (b) **Attitudes are Invisible.** Attitudes constitute a psychological phenomenon which cannot be observed directly. However, we may observe an attitude indirectly through observing its consequences.
- (c) **Attitudes are Acquired.** Attitudes are gradually learnt over a period time. The process of learning attitudes starts right from childhood and continues throughout the life of a person.
- (d) **Attitudes are Pervasive.** Attitudes are formed in the process socialization and may relate to anything in the world. For example, a person may have positive or negative attitude towards religion, politics, politicians, countries, and so on.
- (e) **Attitude is evaluative.** Attitudes are evaluative statements, either favourable or unfavourable. When a person says he likes or dislikes something, somebody, an attitude is being expressed.



- (f) **Attitude is unconsciously held.** An attitude may be unconsciously held. Most of our attitudes may be about those objects which we are not clearly aware of.

## SOURCES OF ATTITUDES

- (a) **Direct Personal Experience.** The quality of a person's direct experience with the attitude object determines his attitude toward it. For example, if a worker finds his work repetitive, inadequately paid, supervisor too tough, and co-workers not so cooperative, he would develop negative attitude towards his job because the quality of his direct experience with the job is negative.
- (b) **Association.** A new attitude object may be associated with an old attitude object and the attitude towards the latter may be transferred towards the former.
- (c) **Social Learning.** Attitudes are also learnt from other as for example, from parents, teachers, superiors, models etc. An individual learn by having contact with others or even watching models over the T.V. In fact, social learning makes it possible for a person to develop attitude towards something even when he has no direct experience the attitude object.
- (d) **Institutional Factors.** Religious institutions, social organizations, educational institutions, etc. also help in shaping the attitudes of people.
- (e) **Mass Media.** Attitudes are generally less stable as compared to values. Advertising message, for example, attempts to alter the attitude of the people toward a certain product over. Similarly social messages on TV and in newspapers can have mass appeal among the people.
- (f) **Economic Status and Occupations.** Our economic and occupational positions also contribute to attitude formation. They determine, in part, our attitudes towards unions and management and our belief that certain laws are "good" or "bad".



## Formation of Attitudes

The above mentioned sources are the important ways in which attitudes are learnt. But what type of attitudes will ultimately develop is dependent on the following factors:

- (a) **Psychological Factors.** The psychological make-up of a person is made up of his perceptions, idea, beliefs, value, information, etc., It has a crucial role in determining a person's attitudes.
- (b) **Family Factors.** During childhood, a person spends a major part of his time in the family. Thus, he learns from the family members who provide him with ready-made attitudes on a variety of issues such as education, work, healthy, religion, politics, economics, etc.
- (c) **Social Factors.** Societies differ in terms of language, culture, normal, value, beliefs, etc., all of which influence a person attitudes. For example, people in India in general hold different attitude towards communism than people of China.



- (d) **Organizational Factors.** It should be remembered that a worker spends a major part of his life in the institution in which he works. Thus, organisational factors such as nature of job, factory or office layout, fellow workers, quality of supervision, monetary rewards associated with the job, trade unionism, informal groups, organisation's policies and practices, play an important role in shaping the job attitudes of a person.
- (e) **Economic Factors.** A person's attitude towards a host of issues such as pleasure, work, marriage, working women, etc., is influenced by economic factors such as his economic status in the economic conditions.
- (f) **Political Factors.** Politics plays a crucial role in the administration of a country. Therefore, political factors such as ideologies of the political stability and the behaviour of the political leaders greatly influence the attitude of the people.

### TYPES OF WORK RELATED ATTITUDES -

- 1) Job Satisfaction
- 2) Job Involvement
- 3) Organizational Commitment

#### 1) Job Satisfaction -

The term job satisfaction refers to the general attitude or feelings of an individual towards his job. A person who is highly satisfied with his job, will have a positive attitude towards the job. On the other hand, a person who is dissatisfied with his job, will have a negative attitude about the job.



#### 2) Job Involvement -

A general definition of job involvement states that job involvement measures the degree to which a person identifies psychologically with his or her job and considers his or her perceived performance level important to self worth.

#### 3) Organizational Commitment -

Organizational is a state in which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization.

### FUNCTIONS OF ATTITUDE

Katz has suggested that attitudes and motives are inter-linked and, depending on an individual's motives, attitudes can serve four main functions. These are as under;

- i. **Knowledge Function:** One of the major functions of attitude is to provide a frame of reference which forms the basis for interpretation and classification of new information. Attitudes provide a knowledge base and framework within which new information can be placed.
- ii. **Value Expressive Function:** Attitudes are means of expression of values. They enable individuals to indicate to others the value that they hold and thus to express their self-concept.
- iii. **Adjustment Function:** Attitudes often help people adjust to their work environment. When employees are well treated they are likely to develop a positive attitude towards the management and the organization, otherwise they are likely to develop a negative attitude towards management.





and the organization. These attitudes help employees adjust to their environment and are a basis for future behavior.

- iv. **Ego-Defensive Function:** Attitudes may be held in order to protect the ego from an undesirable truth or reality. People often form and maintain certain attitudes to protect their own self images. For example, workers may feel threatened by the employment or advancement of minority or female workers in the organisation.

## CONCEPT OF VALUES

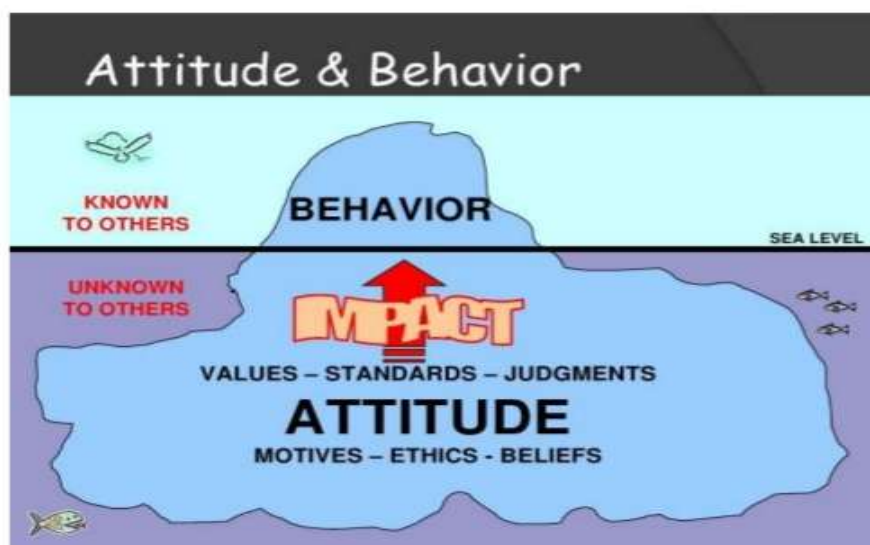
Values are stable, long lasting beliefs about what is important to an individual. Values are ever encompassing concepts. Values are tinged with moral flavour, involving an individual's judgment of what is right, good or desirable. They are at the core of personality of an individual and, therefore, are powerful, though silent, force affecting behaviour. Values are so embedded that they can be inferred from person's behaviour and their expressed attitudes.

A value is defined as a "concept of the desirable, an internalized criterion or standard of evaluation a person possesses". Values are defined as global beliefs that guide actions and judgments across a variety of situations. Values represent basic convictions that a specific mode of conduct (or end-state of existence) is personally or socially preferable to an opposite mode of conduct (or end-state of existence)".

A value system is viewed as relatively permanent perceptual frame work which influences the nature of an individual's behavior.

## DIFFERENCE BETWEEN ATTITUDES AND VALUES

Attitudes	Values
1. Attitudes represent predispositions to respond.	1. Values represent judgment of what ought to be. This judgment is basic to respond in a given way.
2. Attitudes are derived from personal experiences.	2. Value is derived from social and cultural morals.
3. An attitude represents several beliefs focused on a specific object or situation.	3. A value represents single belief that guides actions and judgment across objects and situation.





## CHARACTERISTICS OF VALUES

- i. Values provide standards of morality.
- ii. Values are relatively permanent and resistant to change.
- iii. Values are most central to the core of a person.
- iv. Value have two attributes-content and intensity. The content attribute stresses that a particular code of conduct is important. The intensity attribute specifies how important that particular code of conduct is.
- v. Values transcend specific objects, situations or persons.
- vi. Value are fewer in number than attitudes.

## Types of Values

Allport and his associates have categorized values into six major types as follows:

1. **Theoretical:** Interest in the discovery of truth through reasoning and systematic thinking.
2. **Economic:** Interest in usefulness and practicality, including the accumulation of wealth.
3. **Aesthetic:** Interest in beauty, form and artistic harmony.
4. **Social:** Interest in people and human relationships.
5. **Political:** Interest in gaining power and influencing other people.
6. **Religious:** Interest in unity and understanding the cosmos as a whole.

Different people place different importance to the above six value types. In other words, every individual has a system of value ranking from first to sixth. This is very important from the point of view of understanding the behavior of people.

## Importance of Values –

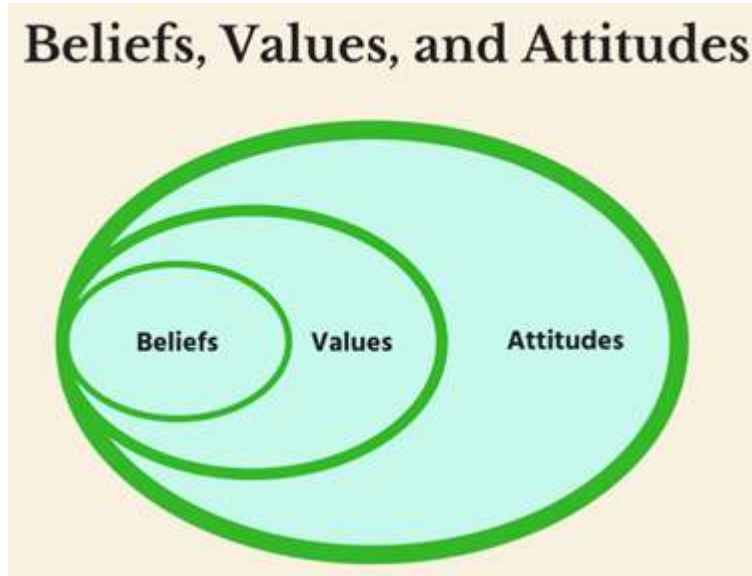
- 1) Values lay the foundations for the understanding of attitudes and motivation.
- 2) Personal value system influences the perception of individuals.
- 3) Value system influences the manager's perception of the different situation.
- 4) Personal value system influences the way in which a manager views the other individuals and the groups of individuals in the organizations.
- 5) Value system also influences a manger's decisions and his solutions to the various problems.

## Sources of Values

- i. **Family factors.** A significant factor influencing the process of socialization of an individual role of the family. The child rearing practices that parents use shape the individual's personality. The learning of social behaviour, values and norms come through these practices. For example, through reward and punishment, parents show love and affection to children, indicating the typical ways in which a child should behave in difficult conditions.
- ii. **Social Factors.** Of the societal factors, school has a major role to play in the development of values. Through discipline in school, a child learns desirable behaviour important in the school setting. Interactions with teachers, classmates and other staff members in the educational institutions makes the child inculcate value important to the teaching-learning process.
- iii. **Personal Factors.** Personal attributes such as intelligence, ability, appearance and educational level of the person determine his development of values. For example, one's higher level of intelligence may result in faster understanding of value.
- iv. **Cultural Factors.** Cultural factors include everything that is learned and passed on from generation to generation. Culture includes certain beliefs and other patterns of behaviour. An individual is a participant in social culture, group culture and organizational culture. Thus, he is known as a composite of many cultural elements.
- v. **Religious Factors.** Individuals, generally, receive strength and comfort from their religion. Religion comprises of a formal values which are passed on from generation to generation. Advancement in technology has under viewed faith in traditional religious beliefs and values.
- vi. **Life Experiences.** A man learns the most from his own personal life experience. Sometimes man can learn from the experience of other also.



- vii. **Role Demands.** The role demand refers to the behavior associated with a particular position in the organization. Thus, the managers will have to quickly learn the value system prevalent in the organization.



### Meaning of Personality

The term 'Personality' has been derived from the Latin term *per sona* which means to 'speak through'. The Latin term denotes the masks worn by actors in ancient Greece and Rome. Common usage of the word 'Personality' signifies the role which the person (actor) displays to public. Personality is one of the major psychological factors affecting the human behavior.

Personality refers to the sum total of internal & external traits of the individual which are relatively stable & which make the individual different from others.

The personality refers to the quality of a person in the role played, appearance and behaviour, inner awareness & force. The personality may vary from situation to situation. It is the interaction between person & situation.

Personality represents the sum total of several attributes which manifest themselves in an individual to organize and integrate all the qualities so as to give meaning to life and the uniqueness of the situation which influences behavior of an individual.

**Definition:** Personality is the dynamic organization within the individual of those psychological systems that determine his unique adjustments to his environment.

*Gordon Allport*

Personality means how a person affects others & how he understands & views himself as well as the pattern of inner & outer measurable traits & the Person situation interaction.

*Fred Luthans*

### Characteristics –

**The following elements should form the meaning of personality.**

1. Personality has both internal and external elements. The external traits are the observable behaviours that we notice in an individual. Personality internal states represent the thoughts values & genetic characteristic that we infer from the observable behaviours.
2. An individual's personality is relatively stable. If it changes at all, it is only after a very long time or as the result of dramatic events.
3. An individual's personality is both inherited as well as shaped by the environment our personality is partly inherited generically from our parents. However these genetic personality characteristics are altered somewhat by life experiences.



4. Each individual is unique in Behaviour. There are striking differences among individual. Thus personality refers to the sum total of internal & external traits of the individual which are relatively stable & which make the individual different from others.

### Personality factors/ determinants of Personality

#### 1. Biological factors

- Heredity
- Brain
- Physical features

#### 2. Family & social factors

#### 3. Situational factors

- Culture
- Religion

#### 4. Other factors

- Temperament
- Interest
- Character
- Schema
- Motives

### 1. Biological Factors

**a. Heredity:** It has a great influence on biological and mental features. It means the transmission of the qualities from ancestor to descendant through a mechanism lying primarily in the chromosomes of germ cells. Physical stature facial attractiveness, sex, temperament, muscle composition, reflexes are inherited from one's parent.

**b. Brain:** There is a general feeling that brain plays an important role in development of one's personality persons with a broader forehead, big right hemisphere i.e. left handed have a learning towards truth, welfare beauty, justice, kindness artistic, emotional musician poet etc, similarly persons having broader left hemisphere i.e. right handed with sharp nose, big ears are logical, analytical, strong & have criminal

**c. Physical features:** An individual's external appearance may have a tremendous effect on his personality. Some people give relatively higher weightage to the physical features of an individual while defining his personality. Such factors include height, weight, colour, facial features. Eg: - Good physical appearance is an asset for the job of a sales person & public relations.

### 2. Family & Social factors:

The family has considerable influence on personality development, particularly in early stages children learn from their parents, siblings etc.

- The mother is the first teacher in initiating personality development. Father motivates & modifies behaviour. Eg:- Mother - dressing, cooking, sense, father - driving
- Family and social factors shape a person's personality through the process of socialization and identification. Socialization is a process by which an infant acquires, from the enormously wide range of behavioral potentialities that are open him at birth, those behaviour patterns that are customary & acceptable to family & social group.
- The identification process occurs when a person tries to identify himself with some person whom he feels ideal in family, generally a child in the family tries to behave like his father or mother.

**Eg:-** of impact of socio economic factors on personality child nurtured under a warm, loving stimulating environment are positive & active as compared to children neglected by their parents are.





### 3. Situational factors:

An individual's Personality may change in different situations. The demand of different situation may call for different aspects of one's personality therefore we should not look at the personality factor in isolation.

**a. Culture:** The accepted norms of social behaviour are referred as cultural. The way in which people behave with others & the driving force of such functions are considered important components of culture children brought up in traditional norms, attitudes & values on the other hand. Modern cultural outlook of family & society has inspired children to become independent, free thinking of self developing. (ex of joint & nuclear family)

**b. Religion:** Religion plays a significant role in shaping one's personality from those of Muslims & Christians. The children in Hindu Societies learn from the very childhood learn about the value of Karma (hard work) and God-feasting attitudes.

The Protestants are taught about work ethics, family system, friendship & cooperation

The Sikh are hard working, dogmatic aggressive.

The Muslims are ready to undertake any job & vocation & acquire personalities.

### 4. Other factors

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

**b. Interest:** The individual normally has many interests in various areas. The top executives in any organization do not have interest in common task and people. The organization should provide opportunities like job rotation & job enrichment & special training programmer to satisfy the Interest of executives.

**c. Character:** Character primarily means honesty & integrity. It is resistance to stealing and cheating others. Character integrity & morals of high standards is a very important requirement for responsible jobs. It is likely that an individual may not steal under normal circumstances for ex: If the family of an individual is starving, there is a great probability that one will steal.

**d. Schema:** It is an individual's belief, frame of reference, perception and attitude which the individual possesses towards the management, the job, working conditions pay, fringe benefits, incentive system etc. The perception of an individual depends upon his socio-economic conditions & particular culture he lives to follow. The behavior of an individual depends to a great extent upon his form of reference which he develops from childhood experience.

**e. Motives:** Motive is inner drives of individual. They represent goal directed behaviour of individual. A motive is a cognitive factor which operates in determining one's behaviour towards a goal.



## THEORIES OF PERSONALITY

### i) Psycho Analytic Theory

This theory was developed by Sigmund Freud

This theory is based on unconscious nature of personality, i.e. man is influenced by unseen forces.

Freud saw that personality is composed of three elements:-

**1) The ID:-** Word 'ID' is the Latin word for 'IT' and refers to innate component of personality.

The 'ID' is the mental agency contains everything inherited and fixed & present in individual which is raw, animalistic, unorganised, knows no laws, rules and free from all inhibitors & remains basic to individual throughout life.

ID helps to rid the personality out of tension through reflex actions & primary process refers to attempt of an individual to form a mental image of the object that will remove tension.

**Ex: -** Hungry man experiences partial relief of his hunger by imagining a delicious meal.

In reflex actions, the ID responds automatically to sources of irritation by promptly removing the tension which irritant elicits.

**Ex: -** Coughing, Sneezing, Blinking etc.

**2) The EGO: -** Ego means development of the person out of the ID in order to deal with the real world.

**Ex: -** Man needs food to satisfy the hunger.

**3) The Super EGO: -** Super Ego third part of personality represents values and morals of society as taught to the child by parents and others super Ego judges whether an action is right or wrong according to the standards of society.

ID seeks pleasure, EGO tests reality and super Ego strives for perfection.

### ii) Trait Theory

Trait is a relatively enduring cross – situational consistent personality characteristic that is inferred from a person's behavior. It is a predisposition to understand or to respond in an equivalent manner to various kinds of stimuli.

Personality traits are the reactions, of persons in different situational interaction. Under trait theory personality of individuals are determined & classified on the basis of certain set of features such as intelligence, emotional stability, aggressiveness, creativeness or any other dimensions.

**Allport classified traits under three categories –**

- 1) Cardinal (Pervasive)
- 2) Central (unique and limited in number)
- 3) Secondary (peripheral)

**There are two ways of assessing personality traits:-**

- (1) The person describes himself by answering questions about his attitude, feelings and behaviours. (Personal Inventory)
- (2) Someone else evaluates the person's traits either from what he knows about the individual or from direct observation of behaviour. (Rating scale Method)

Under personal inventory a questionnaire is answered by an individual containing questions which can be rated to determine single dimension of personality or several personality traits (introvert & extrovert).



### iii) Rogers Self Theory

If we stop thinking about other people's behavior, we become conscious of our own person, our feelings, our attitudes and perhaps of feeling or responsibility of our actions in relation to oneself and other. This phenomenon has led to "Self Theory".

The most important contribution in self theory comes from Carl Rogers. He has defined the self or self concept as an organized, consistent, conceptual gestalt composed of perceptions of 'I' or 'Me'. The relationship of 'I' or 'Me' with other and to various aspects of life has been analysed by Rogers. There are four factors of self concept.

- i) **Self Image:** Self image is the way one sees oneself. Every person has certain beliefs about who or what he is, taken together, these beliefs are a person's self image or identity.
- ii) **Ideal Self.** The ideal self denotes the way one would like to be. Thus, self image is the reality whereas ideal self is the perception. There may be a gap between these two images because self image indicates the reality of a person as perceived by him and ideal self indicates the ideal position as perceived by him.
- iii) **Looking Glass Self.** Looking glass self is the perception of other's perception. It is the way one thinks people perceive about him and the way people actually see him.
- iv) **Real Self.** The real self is what one really is. The first three aspects of self concept are the perceptions and they may be same or different as the real self.

Rogers approach to personality is described as phenomenological. Phenomenology is the study of the individual subjective experience, feeling and his view of the world & self.

According to Rogers behaviour is dependent upon how one perceives the world i.e. on perception & interpretation of individual. This theory helps in analysing the behaviour and personality of individual reference to individual himself i.e. self-perception.

### Big Five Model of Personality

Personality is composed of external traits & no two individual possess identical characteristics. There are thousands of words representing personality characteristics which were reduced to five abstract personality dimensions of personality defined in Big five model which are as follows:

**1. Extroversion:** Person who score positive on this dimension have a comfort level of relationship & relatedness with others. They are sociable, talkative, assertive, open to establish new relationship with and who scores negative on this dimension are introverts and are less sociable, talkative and lack of establishing good relationship & relatedness with others.

**2. Agreeableness:** - Agreeableness shows person's ability to get agreed with others. Person who scores positive in this dimension are co-operative, trusting and value harmony and agree on thoughts of others more than on their own saying & thoughts. Person who score low on agreeableness lacks of co-operation trust & harmony with others & only focus on their needs and thoughts.

**3. Conscientiousness:** - Conscientiousness refers to number of goals that a person focuses on. A highly conscientiousness person focuses on relatively few goals at one time. They are more organized, systematic, careful, thorough, responsible, self-disciplined and achievement oriented. A person scoring negative on this dimension focus on higher no. of goals are disorganized, less systematic, careless, irresponsible less thorough & self-disciplined.

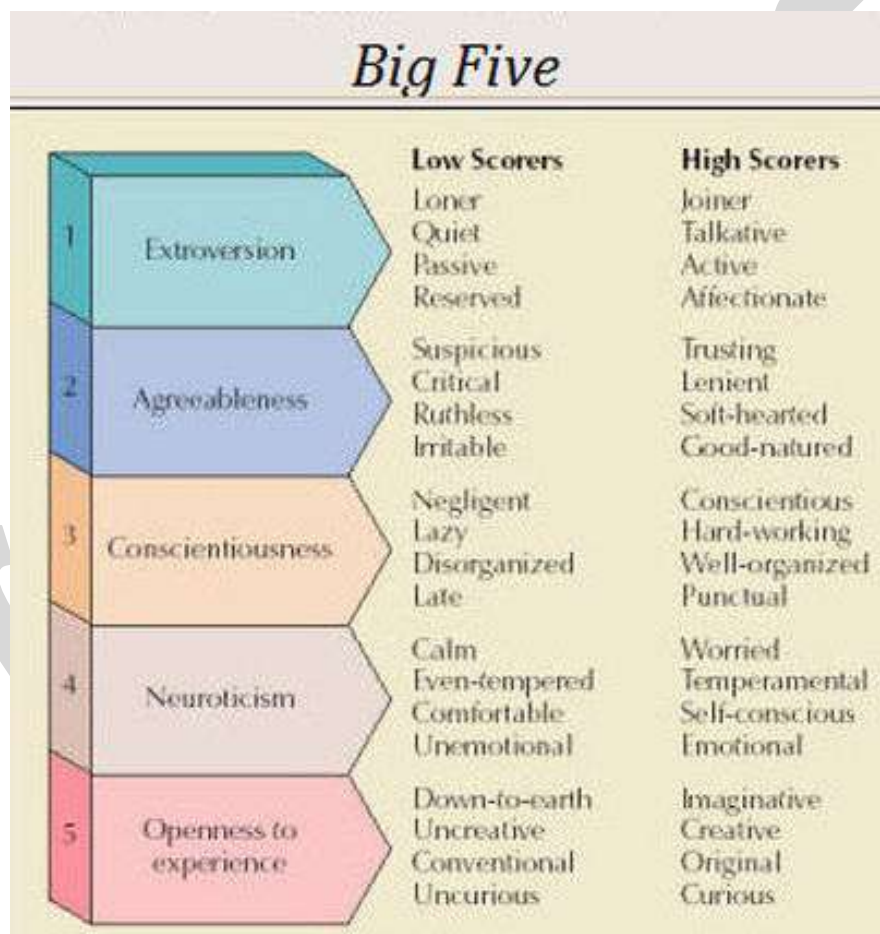
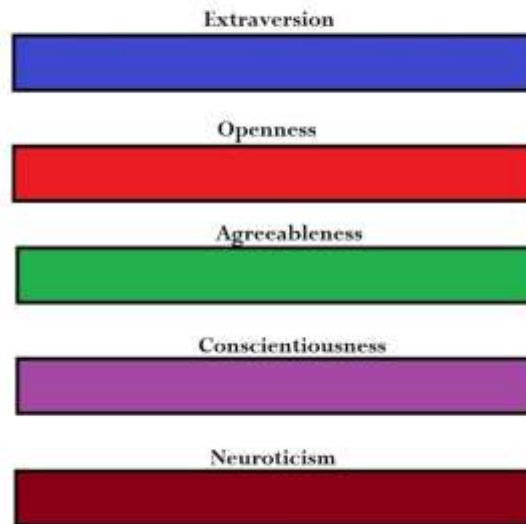
**4. Emotional Stability:-** This dimension focus on individual's ability to cope with stress. Highly emotional stability makes an individual calm, enthusiastic & secured. Persons with low emotional stability are nervous, depressed & insecure.

**5. Openness to experience:-** This dimension shows one's range of interest. Positively scoring people are open to new thoughts, ideas, beliefs and are fascinated by novelty, innovation & creativity. They have positive attitude towards new ideas & information.

On the other hand people with low level of openness are less receptive to new ideas and less willing to change their minds towards new thoughts, ideas, beliefs & suggestions.



## Big Five



### Myers-Briggs Indicator Model

Myers Briggs type indicator (MBTI) model is mainly used in employee hiring process. The personality dimensions under this model are:

**(1) Extroversion/Introversion:** How people focus their attention on others.





**(2) Sensitivity/Intuition:** Deals in collecting information by people. Sensitive types use an organized structure to factual and preferably, quantitative details. They are able to synthesizing large volume of data and can draw quick conclusion.

Intuitive people collect information nonsystematic ally and hat able to draw conclusion on large no. of data.

**(3) Thinking/Feeling:** - Thinking type rely on rational, logical & scientific of making decision & analysing a situation.

Feeling types analyze the situation on their personal value rather thinking logically i.e. more emotional approach towards a situation.

**(4) Judging/Perceiving:** - Judging types personality enjoys the control of decision making and want to resolve problems quickly. Perceiving types personality are more flexible and adopt spontaneously according to situations before giving decisions.

### The Four Myers-Briggs Preference Pairs



**ISTJ**  
Introverted sensor thinker judger

**ISTP**  
Introverted sensor thinker perceiver

**INTP**  
Introverted introitor thinker perceiver

**ESTP**  
Extraverted sensor thinker perceiver

**ISFP**  
Introverted sensor feeler perceiver

**ISFJ**  
Introverted sensor feeler judger

**INTJ**  
Introverted introitor thinker judger

**ESTJ**  
Extraverted sensor thinker judger

**INFP**  
Introverted introitor feeler perceiver

**INFJ**  
Introverted introitor feeler judger

**ESFP**  
Extraverted sensor feeler perceiver

**ENFP**  
Extraverted introitor feeler perceiver

**ESFJ**  
Extraverted sensor feeler judger

**ENTP**  
Extraverted introitor thinker perceiver

**ENTJ**  
Extraverted introitor thinker judger

**ENFJ**  
Extraverted introitor feeler judger

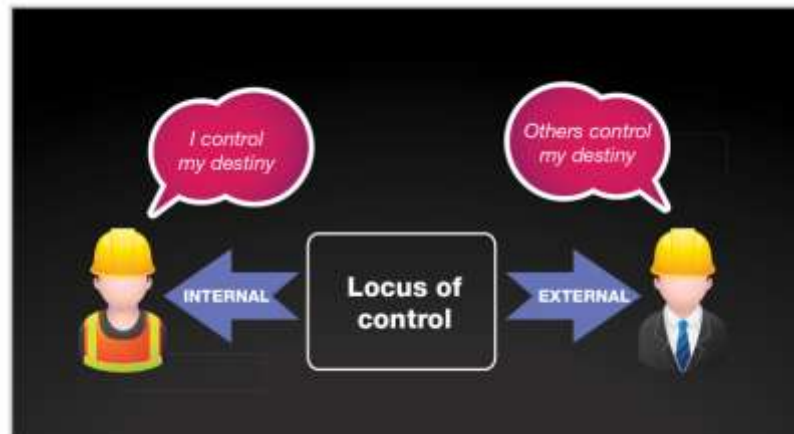


### Other Personality Traits

**(1) Authoritarianism:-** Authoritarian personality individuals has a strong belief on established mechanism of formal authority, obedience to authority, follow traditional value systems, intellectually rigid, rigid in their positions, place high moral value on their beliefs, prefer stable & structural work environment governed by clean rules & regulations. They prefer autocratic & directive leadership.

**(2) Locus of Control:-** Locus of control refers to belief of individual regarding occurrence of events or situations either with one's own control (internal locus of control) or by external forces beyond one's control (external locus of control).

Externals are less satisfied with their jobs, have higher absenteeism rate and are more alienated from work settings. Internals have more control on their behaviour & are good decision maker.



**(3) Machiavellianism:-** Machiavellianism is individuals habit to manipulate people. They highly participate in organizational politics, can handle matters related to negotiation & bargaining effectively.



**(4) Achievement Orientation:-** It is the trait in individuals to achieve anything in their life.

People with high need to achieve continuously focus on doing things in better way than others. They prefer doing something different or moderately difficulty tasks in comparison to others. They like challenges. They believe that success or failure is the result of their own actions.

**(5) Self-Esteem:-** Self-Esteem is the feeling of like or dislike of oneself. People with high self -Esteem belief have abilities to do challenging jobs and choose unconventional jobs. They are more confident on themselves for getting success.

People with low self-esteem are dependent on others for receiving positive evaluations & approval from others. They follow the beliefs & behaviours of those they respect.

**(6) Risk-Taking:-** This defines the manager's ability to take risk high risk taking managers take rapid decisions and used less information in making their choice. These people are more suitable in stock market or trading firm, vice-versa the people who are less risk taking.



**(7) Self-Monitoring:-** It refers to the individual's ability to adjust their behaviour according to external factors. It shows the adoptability of the individuals in external situations. These individuals have the capability of behaving contradictory in their public, personal life.

Low self-monitors face difficulty in deviating their behaviour in different situations.

### Type A & B Personality

Type A personality persons are competitive hostile, always prefer doing some work, cannot cope with leisure, think or do two or more things at one time. They are always in hurry to do things.

Type B personality people are relaxed, easy This people going, feel no need to display or discuss their achievements until or unless demanded by situation can relax without guilt.

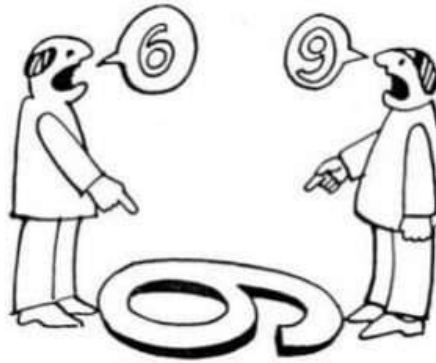


### MEANING OF PERCEPTION

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

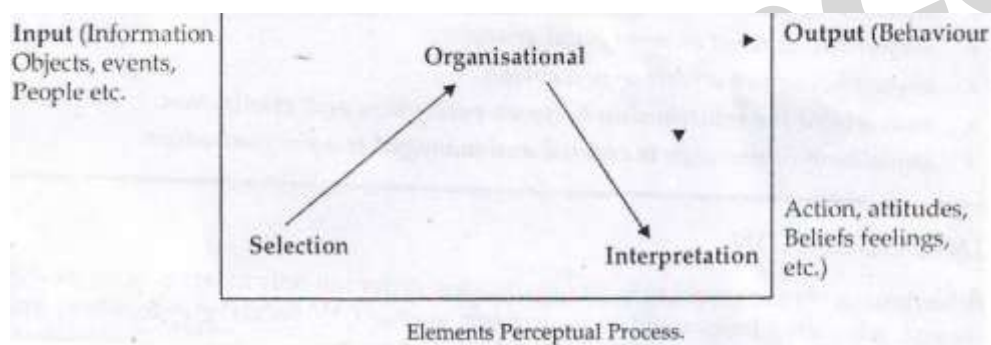
Perception is the selection and organisation of environmental stimuli to provide meaningful experience for the perceiver. Perception refers to factors that shape and produce what we actually experience. It is described as a person's views of reality and is affected by, among other things, the individual's values. For example, if a person is member of a union, he/she may discard most of what management says about declining sales, decreased profit margin, etc. Most of such talk is regarded by unions as attempts by management to exploit the workers for its own gain. Perception can be defined as a process by which individuals organise and interpret their sensory impressions in order to give meaning to their environment. Thus, perception refers to giving colour to sensory inputs.

**According to Joseph Reitz,** “Perception includes all those processes by which an individual receives information about his environment – seeing, hearing, feelings, tasting and smelling.



## PROCESS OF PERCEPTION

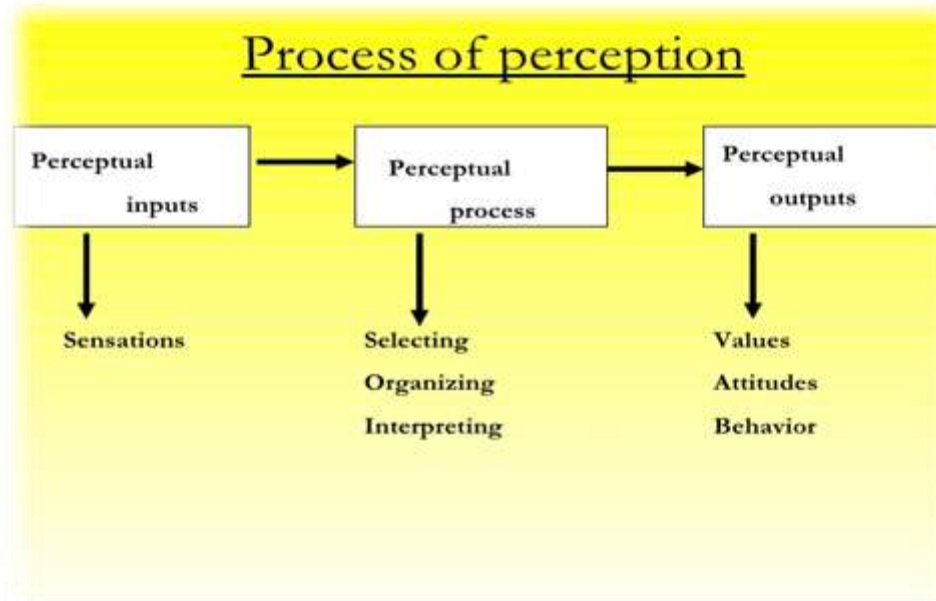
Perception is the process through which people select, receive, organise, and interpret information from their environment. Through perception, people process information, inputs into decisions and actions. It is a way of forming impressions about yourself, other, people, and daily life experience. It is also a screen through which information passes before having an affect on people. As shown in below Fig., perceptual inputs are first received, then processed by the perceiver and the resultant output becomes the basis of the behaviour.



The perceptual process is a complex process. The four variables of perceptual process are discussed as under:

- (i) **Inputs.** Perceived inputs are the objects, events people, etc. that are received by the reveiver.
- (ii) **Process.** Thereceived inputs are processed through the selection, organisation and interpretation.
- (iii) **Outputs.** Through the processing mechanism, the outputs are derived. These outputs may be feelings, actions, attitudes, etc.
- (iv) **Behaviour.** Behaviouris dependent on the perceived outputs. The perceiver's behaviour, in turn, generates responses from the perceived and these responses give rise to a new set of inputs.





### STAGES OF PERCEPTION

1. **Receiving Stimuli:** Through sensory organs.
2. **Selection:** Individuals generally do not assimilate each and everything they observe, as they observe so they engage in process of selectivity. Selection is the fundamental step in perceptual process. Individual collects bits and pieces of information, not randomly, but selectivity depending on the interests, background, experience, attitudes, etc.  
Selective perception process involves two psychological principles:
  - (a) **Figure Ground Principle.** In the field of perception, certain factors are considered significant which give a meaning to the person, and certain other which are either unimportant for a person or cannot be studied are left as insignificant. The meaningful and significant portion is called the "figure" and the insignificant or meaningless portion is labeled as the "ground".
  - (b) **Relevancy.** Relevancy is an important criterion for selective perception. People selectively perceive things that are relevant to their needs, wants, and desires.
3. **Organisation:** The perceived inputs (incoming stimuli) are organised into meaningful pictures to the perceiver. Organising the information that is incoming into a meaningful whole is called "organisation". This process is also labeled as "gestalt process". Gestalt is a German word meaning, "to organise". There are different ways by which people organise the perceived inputs, object events, e.g., grouping, closure and simplification.
  - (a) **Grouping.** Grouping is possible depending on the similarity or proximity. The tendency to group people or things that appear to be similar in certain ways, but not in all, is a common mean of organising the perception.
  - (b) **Closure.** People when faced with incomplete information have a tendency to fill in the gaps themselves. When presented with a set of stimuli that are incomplete, people fill in the missing parts and make it more meaningful. The tendency to organise perceptual stimuli so that they form a complete message is known as 'closure'.
  - (c) **Simplification.** Whenever people are overloaded with information they try to simplify it to make more meaningful and understandable. Simplification occurs when the perceiver subtracts less salient information and concentrates on important one.
4. **Interpretation.** Interpretation is an important mechanism of perception. It is a subjective and judgmental process and is influenced by many factors such as halo effect, stereotyping, attribution, impression and inference, projection etc. These may also lead to perceptual distortion.



- (a) **Halo effect.** It is the process of using a single trait of individual and drawing a general impression about him. It has an important implication for evaluation employees in an organisation. These employees with certain features are rated highly on other characteristics also. But halo effect leads to negative effects also.

**The halo effect is more marked:**

- (i) When the traits to be perceived are unclear in behavioural expressions.
- (ii) When the perceived does not frequently use the traits.
- (iii) When the traits have moral implications.

For instance, a stunning blonde female candidate for personal secretarial position may be viewed by a male interviewer as an intelligent and highly skilled in typing. The fact may be that she is dull and poorly skilled in typing and stenography. What really happened here is that a single trait i.e., beauty has outclassed other traits and the interviewer generalized the other traits and perceived her to be beautiful in typing also? Halo effect is also labeled as halo error, because it causes the full appraisal to be biased one. To take some more examples, the worker who is always fifteen minutes early is perceived by the boss to be competent; the attentive student is perceived by the professor to be learning a lot significant.

- (b) **Stereotyping:** It means judging people on the basis of the characteristics of the group. According to Lippmann "stereotyping" is not simply the assignment of favourable or unfavourable traits perception.

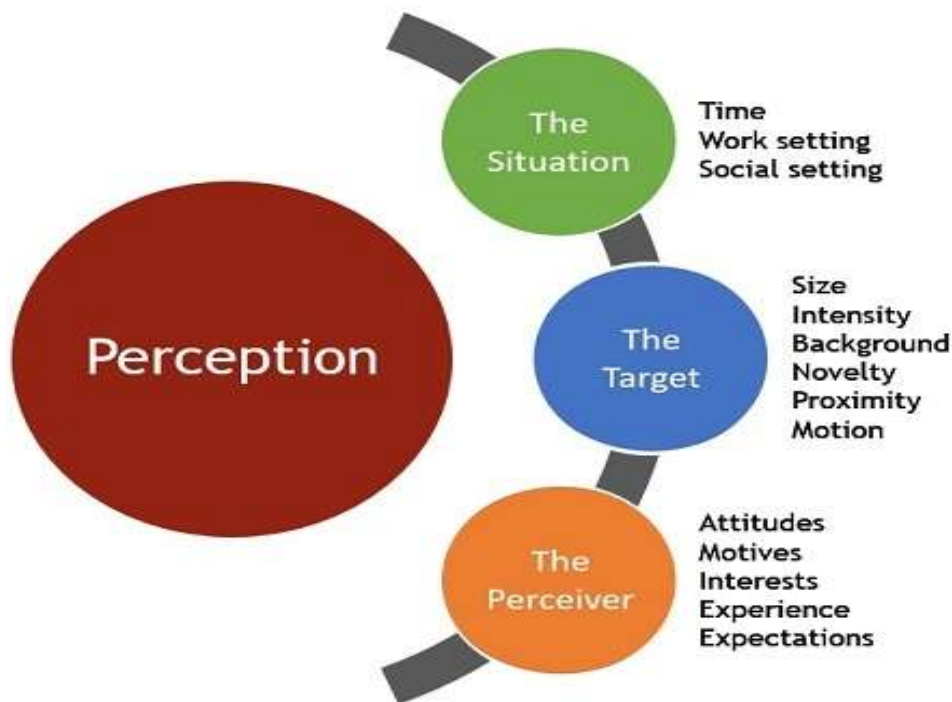
The basic advantage of stereotyping is that it helps the perceiver to simplify the complexity of the perceived world. The trouble with stereotyping is that when we perceive people as members of a particular group or category, we do not recognize them as individual, we do not see their unique characteristics and problems.

Stereotyping is particularly critical when meeting new people, since we know so little about them and we tend to characterize them according to certain categories on the basis of age, sex, occupation, caste, religion and ethnic background.

- (c) **Attribution.** When people give cause and effect explanation to their behaviour, it is known as attribution.
- (d) **Impression.** People often form impression of others on the first sight. Even before knowing any of their personality traits they start having impression and assessing. This sometimes leads to perceptual distortion. We shall discuss this aspect later in detail.
- (e) **Inference.** There is a general tendency on the part of people of judges other on limited information. For example, an employee might be sitting at his desk throughout the working hours without doing anything an employee might be sitting at his desk throughout the working hours without doing anything but it may be inferred that he is hardworking.
- (f) **Projection.** It is very easy to judge others if we assume that they are similar to us. For example, if we want freedom, challenge and responsibility in our job, we assume that other people want the same. This tendency to attribute one's own characteristics and attributes to other people is called as projection. It is to be noted that when manager engage themselves in projection, they compromise their ability to respond to individual differences. They tend to see people as more homogenous than they really are.

## VARIOUS FACTORS INFLUENCING PERCEPTION

Stimuli play a significant role in the perceptual process as various factors relating to the perceptual process have been studied by various experts. The factors influencing perceptions are perceiver characteristics, objects and situation. However, they can be categorized under specific heads such as perceiver characteristic, internal and external factors, stimuli factors etc.



### (A) Internal Factors

The internal factors like needs and desires of individuals, individual personality and experience of people influence perception.

- (a) **Needs and desires.** Depending on the needs and desires of an individual, the perception varies.
- (b) **Personality.** Individual personality has a profound influence on perceived behaviour as for example.
  - 1. Secure individuals tend to perceive others as warm, not cold.
  - 2. Individuals do not expose by expressing extreme judgments of others.
  - 3. Persons who accept themselves and have faith in their individuality perceive things favourably.
  - 4. Self-accepting individuals perceive themselves as liked, wanted and accepted by others.
- (c) **Experience.** Experience and knowledge has great influence on perception. Successful experience enhances and boosts the perceptive ability and lead to accuracy in perception of a person whereas failure erodes self-confidence. A young employee takes time to understand the object and situation. Experienced employees generally understand objects quickly and correctly. But, in contradictory situations, it is difficult to correct aged employees, whereas the young employees are easily molded towards achieving the objectives of the organisation.

### (B) External Factors.

The external factors, which influence the perception are ; size, intensity, frequency, status, etc.

- (a) **Size.** The bigger the size of the perceived stimulus, the higher is the probability that it is perceived. Size attracts the attention of an individual. It establishes dominance and enhances perceptual selection. The maintenance staff may pay more attention to a big machine than to a small one, even though smaller one costs as much and is as important to be operation. In advertising, full page spread attracts more attention than a few lines in the classified sections.
- (b) **Intensity.** Researches on human behaviour have revealed that the more intense the stimuli the higher attention and recognition in the perceptual process. A strong voiced Manager has more impact on supervisors and employees. It observed that managers use voice modulation to get attention of employees. Intensity attracts to increase the selective perception. Advertisers use intensity to gain customer's attraction. The intensity varies as



per need of the organisation. The same type of intensity may not be useful for all the situations and objects.

- (c) **Frequency.** Repeated external stimulus is more attention attracting than a single time. Managers send reminders regularly to reprimand the behaviour of erring employees. As advertisers also repeat the advertisement to bring it to notice of customers.
- (d) **Status.** Perception is also influenced by the status the perceiver. High status people can exert greater influence on perception of an employee than low status people.
- (e) **Contrast.** Stimuli that contrast with the surrounding environment are more likely to be attention catching than the stimuli that blend in.

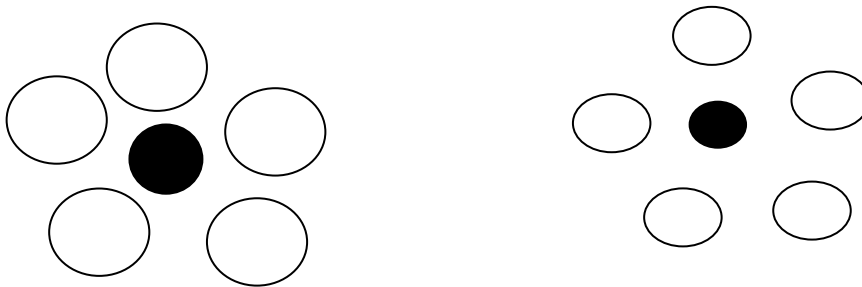


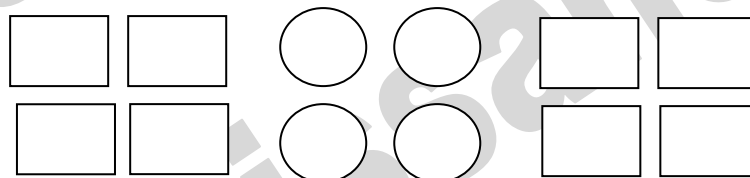
Fig. illustrates the note of perceptual principle. The black circle on the right appears larger than the one on the left because of the background circles. In fact both black circles are of the same size. In a similar manner, plant safety signs which have black lettering on a yellow background or white lettering on a red background are attention drawing. Training managers utilize this factor in organizing training programmes in places far away from work places to create contrast atmosphere.

- (f) **Nature.** By nature we mean, whether the object is visual, auditory etc. It is commonly known that pictures attract attention more readily than words. Further a picture with human beings attracts more attention than a picture of inanimate objects. A rhyming auditory passage attracts attention more readily than the same passage presented as a narrative.

### (C) Stimulus Factors :

It is important to discuss the various factors associated with stimulus which influence the perception by individuals and these are discussed below.

- (i) **Similarity.** Other things being equal, similar things tend to be perceived as belonging together. For instance, all students with long hair and bearded may be perceived as revolutionaries.



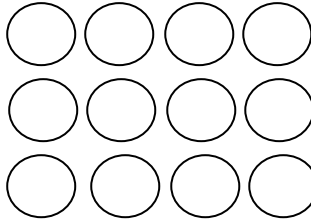
#### Principle of Similarity

Everybody perceives two sets of four squares and one set of four circles in mentioned above. Seldom people will say two horizontal lines, each consisting of squares and circles.





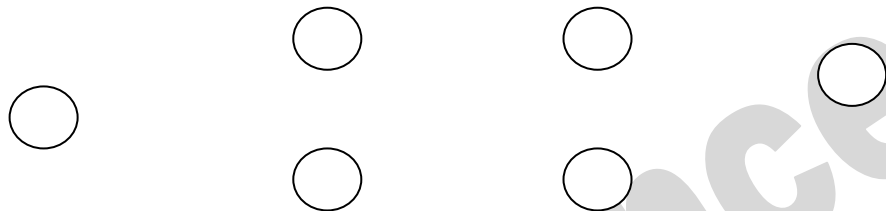
- (ii) **Proximity:** - Otherthing being equal, thing near each other tends to be perceived as belonging together.



### Principle of Proximity

The usual perception is three rows of four circles rather than four columns of three circles in mentioned above

- (iii) **Continuity.** Stimuli that forma complete or symmetrical figure or good form tend to be grouped as parts of a whole.



### Principle of Continuity

The above arrangement of circles is usually perceived a hexagonal object rather than three rows of two each in mentioned above.

- (iv) **Context.** Theenvironment or the setting f an object often determines how a thing will be perceived. A classic example found in most psychology books is the reversible figure is a vase or goblet. It the background s seen as white, the figure is two black profiles. This is also known as Figure Ground Principle. The figure ground principle states that the relationship of a target to its background influences perception. In other words, perceived objects stand out as separable from their general background.

### ATTRIBUTION THEORY

When people attach cause-and-effect explanation to their behaviour, it is known as attribution. The more directly the particular action is attributable to the behaviour the more is the intensity of perceptual judgment by a manger. Attribution is an important factor in perception because it creates a tendency to visualize identical behaviours differently. For instance, if two employees arrive in the office one hour late, one explains late due to scooter repair on route, other attributes the hospitalization of his wife. Manager evaluates these two situations differently and is generally convinced by the case than the repair of the scooter. Attribution Theory has been proposed to develop explanation of the ways in which we judge people differently, depending upon on what incoming we attribute to a given behaviour. According to this theory the judgment depends largely on three factors (i) distinctiveness (ii) consensus, and (iii) consistency.



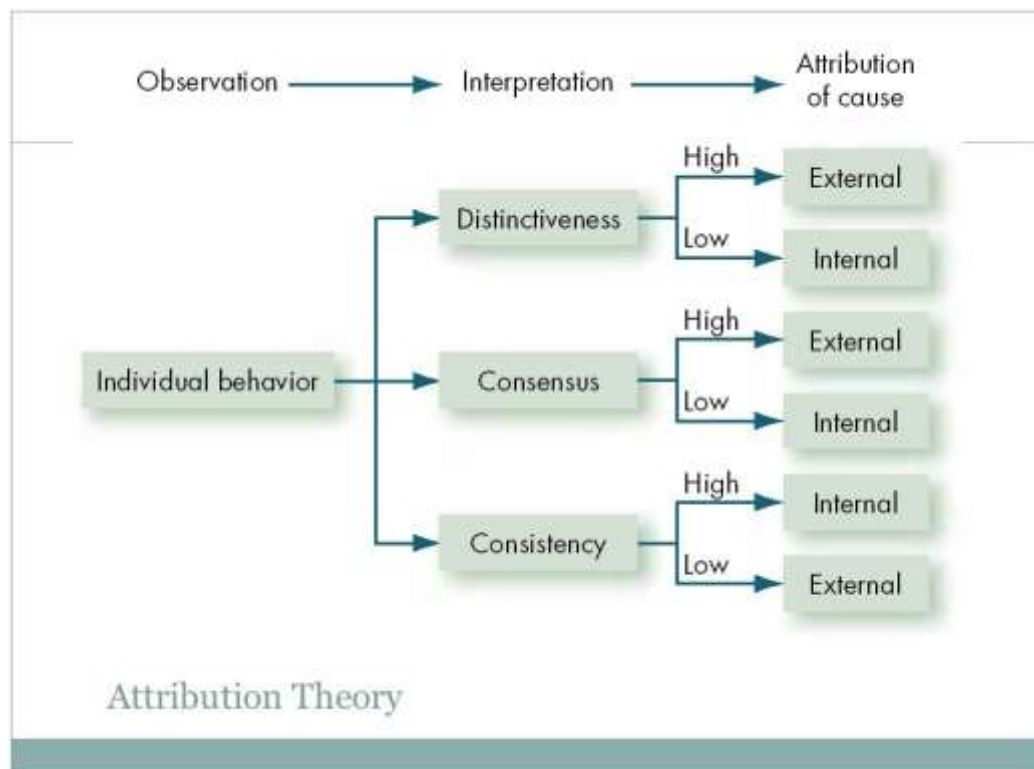
## GLIMPSE OF ATTRIBUTION THEORY

When individuals observe the behavior of others, they attempt to explain this behavior by determining its cause (s). We can make either internal attribution (personality, skills, motivation) or external attributions (luck, politics, situational constraints). Attribution Theory explains when we are likely to make internal versus external attribution. Internal attributions are likely when:

1. The behavior is **Distinctiveness**, that is, do we observe the same behavioural pattern in a variety of situations or contexts (e.g., at work, at parties, etc.)?
2. There is **Consensus**, when the behaviour is different from that of others in the same situation.
3. We observe **Consistency** in the behavioural pattern across time.
4. We do not see any viable external (situational) causes of the behaviour (**Externality**).

Attribution Theory also suggests that we tend to make three typical attribution errors. These are:

1. **Fundamental Attribution Error**- We tend to attribute behaviour to internal rather than external causes, even when the cause is situational in nature.
2. **Actor-Observer Error**- We tend to attribute the behaviour of other to internal causes and the attribute our own behaviour to external causes.
3. **Self-serving Error**- We tend to take credit for successes (self internal attribution), and blame failures on others, fate, bad luck, or factors beyond our control (self external attribution).



### Some Organisational Implications of Attribution Biases

Biased assessments of others and of ourselves can occur in many ways in organisation situations. A work group is likely to blame other groups or departments when failure occurs on the job. Here, the self-serving bias is not very conducive to cooperation between groups to behaviours that try to find the true cause of failure. Performance appraisal is another situation where attribution biases operate. The attribution errors can create serious disagreement amongst the various raters about what they perform well or poorly.



## UNIT III

### MOTIVATION

Motivation in simple terms can be understood as the set of forces which causes people to behave in a certain desired way. Motivation is an “urge” that drives us towards the road leading to our goal.

Every organization needs competent people for accomplishing its goals and objectives. But only competence or skill of the people alone is not enough for fulfilling this purpose. There has to be a willingness or desire or internal drive in the people to achieve the objectives and motivation means process of creating zeal, confidence and to stimulate people to work in the desired direction which leads to the achievements of organization as well as individuals goals and objectives.

### DEFINITION OF MOTIVATION

The term motivation has been derived from Latin word “MOVERE” which means to move. Thus the word motivation stands for movement.

“Motivation is the process that accounts for an individual's intensity, direction and persistence of efforts towards attaining a goal.” [ROBBINS]

“Motivation is the willingness to exert high level of effort towards organizational goal, conditional by the effort and ability to satisfy some individual needs.”

### NATURE OF MOTIVATION

1. Motivation is an inner feeling which energizes a person to work more.
2. The emotions or desires of a person prompt him for doing a particular work.
3. There are unsatisfied needs of a person which disturb his equilibrium.
4. A person moves to fulfill his unsatisfied needs by conditioning his energies.
5. There are dormant energies in a person which are activated by channelizing them into actions.

### TYPES OF MOTIVATION

1. **Positive Motivation:** Positive motivation or incentive motivation is based on reward. The workers are offered incentives for achieving the desired goals. The incentives may be in the shape of more pay, promotion, recognition of work etc.
2. **Negative Motivation:** Negative or fear motivation is based on force or fear. Fear causes employees to act in a certain way. In case, they do not act accordingly then they may be punished with demotions or layoffs. The fear acts as a push mechanism.





## TECHNIQUES TO INCREASE MOTIVATION

1. Financial Motivator
2. Non-financial Motivator
  - a. Recognition
  - b. Participation
  - c. Status
  - d. Competition
  - e. Job Enrichment



## IMPORTANCE OF MOTIVATION

1. Increase employee productivity.
2. Greater satisfaction
3. Enhances job involvement
4. Reduce stress
5. Good human Relations
6. Reduces turnover and absenteeism
7. Reduces employee's grievances.
8. Efficient utilization of physical and human resources.

## THEORIES OF MOTIVATION

### MASLOW'S NEED HIERARCHY MODEL THEORY

This theory has been developed by Prof. A.H. Maslow. According to which human beings have wants and desires which influence their behaviour. Only unsatisfied needs influence behaviour, satisfied needs cannot. The needs are arranged in order of importance from basic to the complex. Person advances, to the next level of needs only after the lower level need is satisfied.

Basic five needs which are describes in this theory are:

1. **Physiological needs:** these are the basic needs related to the survival and maintenance of human life. These are food, clothing, air, water, shelter and other biological needs which are Primary in nature.
2. **Safety needs:** These needs include safety and protection from physical and emotional harm. It includes job security, personal bodily security, security of source of income, provision of old age, insurance against risk etc.
3. **Social needs:** It includes affection belongingness, acceptance and friendship. It focuses on conversation, sociability, exchange of feelings and grievances, recognition, belongingness etc.





4. **Esteem needs:** These needs are also known egoistic needs. Needs includes self confidences independence, achievement. Knowledge and success, attention, self respect, status etc.
5. **Self-Actualization needs:** The drive to become what one is capable of becoming or want to achieve in their life. It is consider as primary mission of one's life.

Maslow separated the five needs into a higher and lower order. Physiological and safety needs are described as lower order needs. Social esteem and self –actualization are classified as higher order needs. Higher order needs are satisfied internal and lower order needs are satisfied externally.



## THEORY X & THEORY Y

This is the participation model theory of motivation given by Douglas Mc Gregor. He argued that a managers view about the nature of human beings (subordinates) is based on certain assumptions which are grouped as theory x and theory y. Manager is required to mould their behaviour towards employees according to these assumptions to motivate them to work.

**THEORY X-** In this theory autocratic managers assumes that employees are-

- Inherently lazy and avoid work.
- Avoids taking responsibility and power.
- Indifferent to organizations goals.
- Little ambitious, Prefer to security above all other factors.

So managers according to this theory needs to follow the traditional method of closely supervising and establishing a comprehensive system of command and control along with a hierarchical structure to supervise workers and to motive them to work.

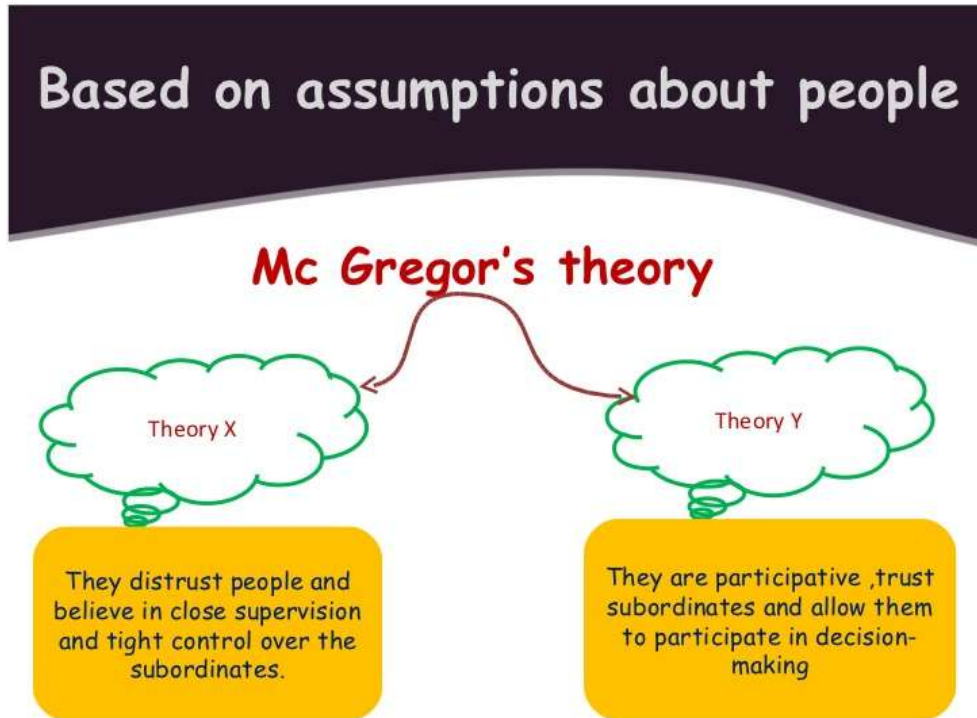
**THEORY Y-** Managers with theory y orientation make following assumptions about their subordinates-

- Employees are ambitious, self-motivated anxious to accept greater responsibility.
- Exercise self control, self-direction autonomy and employment.
- Enjoy their mental and physical work duties.
- Desire to be creative and forward thinking at work place.
- Can be more efficient and productive if given freedom and participation to show their abilities and to give their views.

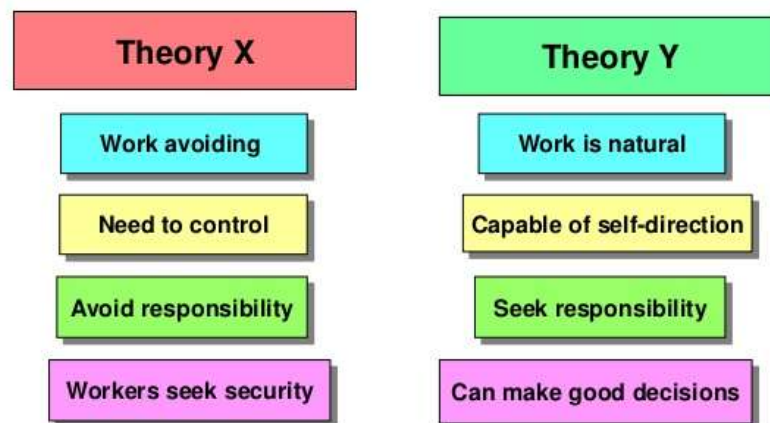
So managers follow a supportive and participative method of motivating these employees by providing them chance to explore themselves and their ability.



Theory x assumes that lower order needs are the basic needs for which individuals are motivated to satisfy and theory y assumes that individuals are also motivated to satisfy higher order needs of self-esteem and self actualization along with lower order needs.



## MCGREGOR'S THEORY X & Y





## HERZBERG'S TWO FACTOR THEORY

This theory was given by Herzberg (1959). This theory is also called as Motivation Hygiene model theory. This theory constructed a two-dimensional paradigm of factors which affects people attitude towards work. These two factors are Motivators and hygiene factors.

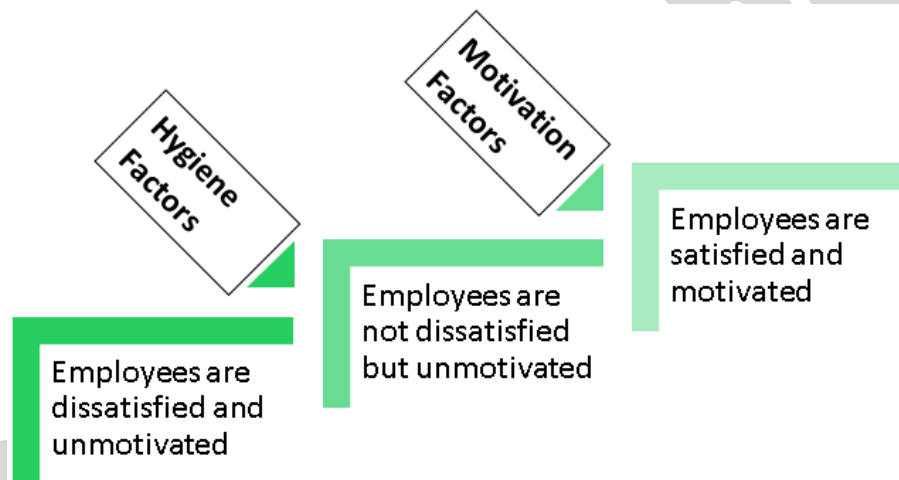
Motivators are intrinsic factors related with work (job) such as advancement recognition, responsibility and achievement. Presence of these factors ensures job satisfaction internally.

Hygiene factors are the extrinsic factors related to work (job) such as company policy, supervision, interpersonal relations, working conditions, salary etc.

Absence of hygiene factors can create job dissatisfaction, but their presence does not motivate or create satisfaction.

So it is stated that motivators describe the person's relationship with what she or he does related with job performed where as hygiene factors describe a person's relation in context to environment in which she or he perform the job. Removing dissatisfying characteristics from a job does not necessary make job satisfying. Job satisfaction factors are separate and distinct from job dissatisfaction factors.

Presence of hygiene factors will not dissatisfied people but also cannot satisfy them. It is only the motivators i.e. intrinsic factors which are associated with work derived from individuals itself can satisfy and motivate individuals.



## ERG – THEORY

This theory of motivation was given by Alderfer (1972). This theory classifies needs into three categories in hierarchical order.

1. **The Existence Needs-** These needs include all our basic material existence requirements. It includes all the basic biological needs and shelter needs. They include Maslow's Physiological and safety needs.
2. **The Relatedness Needs-** These needs include the desire for having good and important interpersonal relationships, social interrelation and good image in between others in external environment. It includes Maslow's social needs.
3. **The Growth Needs-** These needs include an intrinsic desire for personal growth development, status, recognitions advancement, achievement etc. It includes Maslow's esteem and self actualization needs.



**This theory differs from Maslow's theory in following arguments:**

1. Maslow's said that needs are divided in 5 categories hierarchal from basic to complex and only one need is been work on one time whereas Alderfer said that more than one need may be operative at the same time.
2. ERG Theory does not assume the rigid hierarchy for the satisfaction of needs i.e. it is not necessary that when one need is satisfied them only another need can be satisfied. Person can be working on growth, existence or relatedness needs at same time or on existence and relatedness needs even if growth need is unsatisfied.

### MC CLELLAND'S THEORY OF NEEDS

This theory was given David Mc Clelland (1961) which mainly focuses on three kinds of needs namely-

McClelland's  
Motivational Needs







- Need for achievement (NACH)** - This need includes a drive to excel, advance and grow. It includes desire of individual to achieve something different from others in a different manner in relation to a set of standards.
- Need for power (NPOW)** - This need to have command and control to make other behaviour in a way that they have never behaved otherwise to change the situation accordingly.
- Need for affiliation (NAFF)** - This included desire for being friendly and to have a close interpersonal relations with others. People with this need want to have a good image & relationship with others.

People with high need for achievement have a compelling drive to succeed. They strive to do something better and more efficiently than it has been done before by others. This is called achievement need. High achievers differentiate themselves from others by their desire of doing things better and differently. They seek situations in which they can attain personal responsibilities for finding solutions to problems. People with high need for power enjoy being "in-charge" of any situation. They strive to have influence over others and prefer to be placed into a competitive and status-oriented situation. They believe to change the situations and thoughts of the people accordingly by influencing them.

People with high need for affiliation strive for maintaining friendship. Prefer co-operative situations and desire for a relationships that involve a high degree of mutual understanding.

Based on this theory following assumptions can be made-

- Individuals with a high need to achieve prefer job situations with personal responsibility, feedback and an intermediate degree of risk. In these situations high achievers will be strongly motivated.
- A high need to achieve does not necessarily lead to being a good manager, especially in large organizations. These people are interested in their personal development rather than influencing others to do well.
- The needs for affiliation and power are closely related to managerial success. A good manager needs to be high in need of power, moderate in need of affiliation and low in need of achievement.

## VICTOR VROOM'S EXPECTANCY THEORY

It is given by Victor Vroom (1964) and is one of the most widely accepted explanations of motivation. According to this theory motivation is based on people's belief, goals and linkage between effort, performance and reward and reward and individual goal satisfaction.

Determinants of motivation according to this theory are as follows-

**Expectancy (Performance)**- It is also called effort and performance determinant which shows the extent to which a person believes that particular level of efforts will lead to expected level of performance.

**Instrumentality**- It is called as performance determinant which shows that particular level of performance will lead to a desired reward. Ex: - superior performance leads to promotion in job. Superior performance is first level of outcome, promotion is the second level outcome.

**Valence Reward value or Preferences**- It refers to the value a person places on the rewards that he or she expects to receive from an organization. The value attached to reward is subjective and varies from person to person. Ex: - A young and dynamic employee wants a promotion and values it. Similarly a retiring employee may have high valence for re-employment.

These determinants are expressed through following formula-

Motivation = Expectancy (Performance) x Instrumentality x Valence.

Effort – Performance linkage  
(How hard will have to work?)

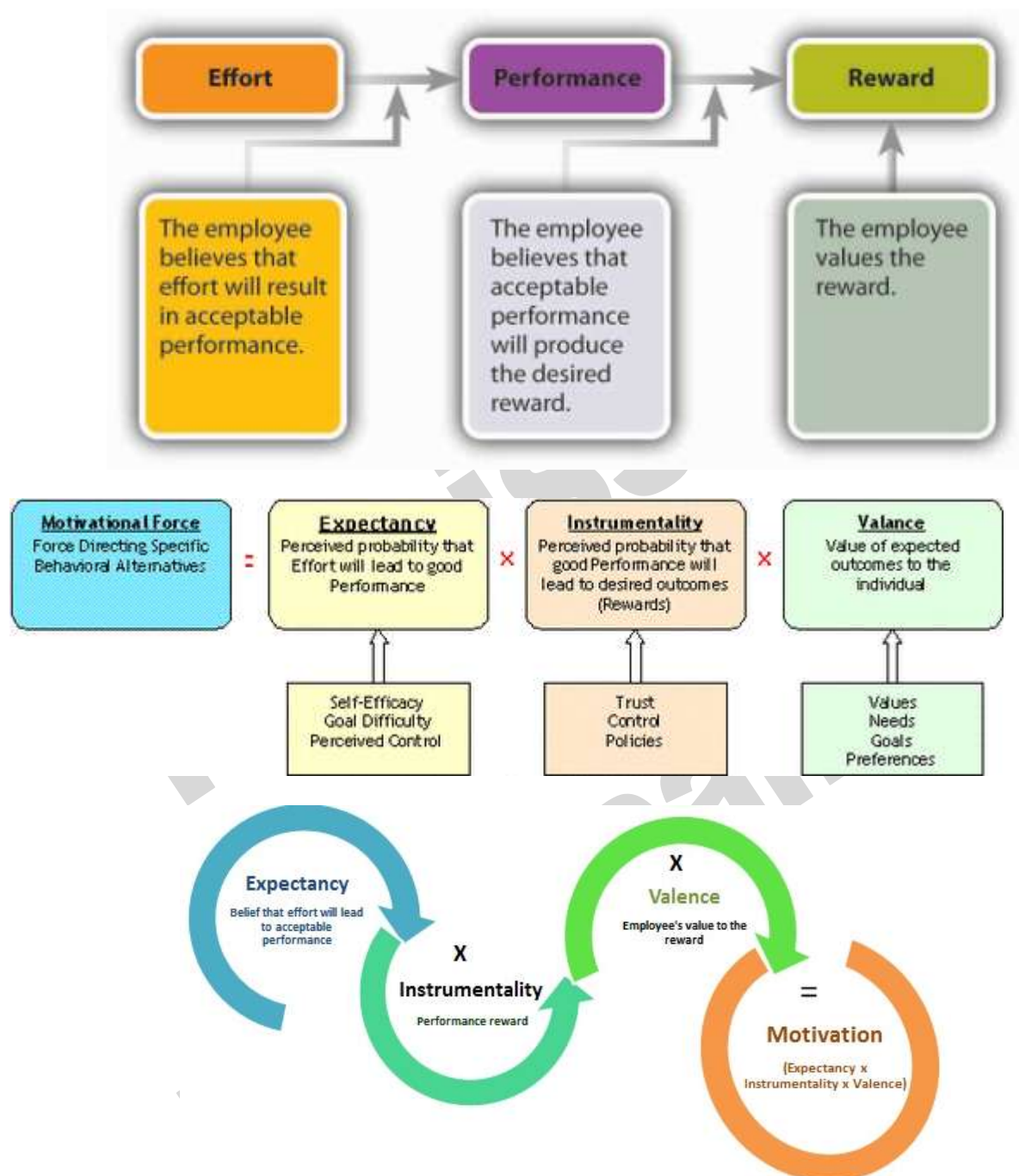


Performance – Reward linkage  
(What is the reward?)

Attractiveness  
(How attractiveness is the reward?)

**Values may range from**

Expectancy → 0 to 01  
Instrumentality → 0 to 01  
Valence → -01 to 01





## GOAL – SETTING THEORY

Goals are targets which are to be achieved in future. Goals play an important role in influencing the behaviour and motivational level of employee. This theory was given by Edwin Locke. He stated that when employees participate in goal setting they are more motivated that leads to efficient performance, rewards and also personal satisfaction.

### The four essential elements of goal setting model explained below:-

1. **Goal Acceptance:** It states that employees should accept the goals assigned to them. If difficult goals are assigned to employees they may not feel attached to goals and this leads to non-acceptance low motivation and performance on the part of employees. Managers should follow participative approach in setting goals for subordinates.
2. **Goal Specificity:** goals should be specific, measurable, fixed and clear to the subordinates. It is be understandable by them. This enables the worker to evaluate his/her performance and to judge themselves.
3. **Goal Challenge:** goals must be feasible but challenging in nature. It should be competitive but achievable. All the directions, efforts and resources required to achieve a goal must be communicated and made available to subordinates.
4. **Performance Feedback:** Employees should be informed about how well they are doing and how successful they are. Proper feedback can motivate them further. It encourages better job performance and self generated feedback is a very powerful motivational tool.



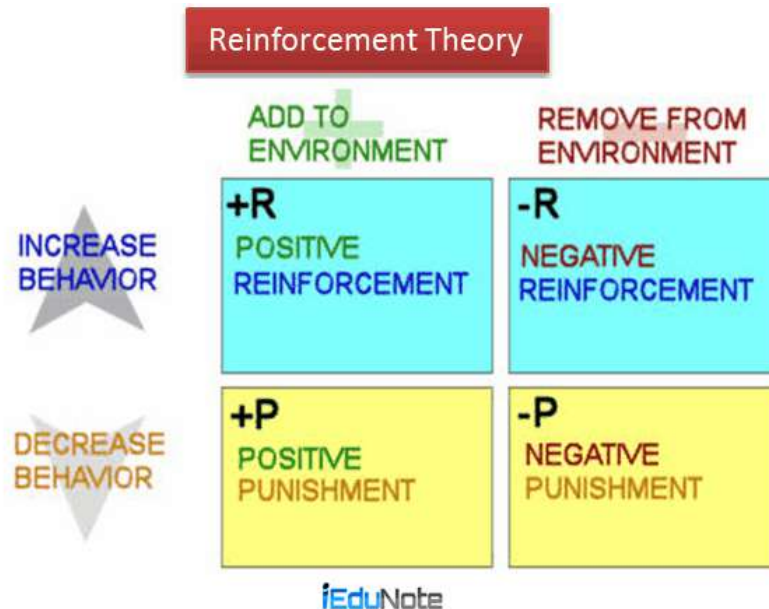
## REINFORCEMENT THEORY

Reinforcement theory is developed initially by the well-known psychologist B.F. Skinner. It is based on behaviour and learning of an individual. This theory basically states that behaviour is determined by its consequences i.e. positive or pleasant consequences leads to repetition of action and negative or unpleasant consequences are not likely to be repeated again. Reinforcement also influences our motivational level to do or not to do certain things. Reinforcement is of four types:

- a. **Positive Reinforcement:** It is the used of Rewards that stimulates the desired behaviour and strengthen the probability of repetition of such behaviour in future. It includes reinforces such as money, praise, promotion, recognitions etc.
- b. **Negative Reinforcement:** This strategy is also called “avoidance learning”. It implies use of unpleasant rewards to avoid the undesirable behaviour of an individual. It includes warnings, penalty alert counselling etc.
- c. **Extinction:** To avoid the undesirable behaviour to extinguish it completely. It is to withdraw all far of reinforcement to completely dissolve undesirable behavior.

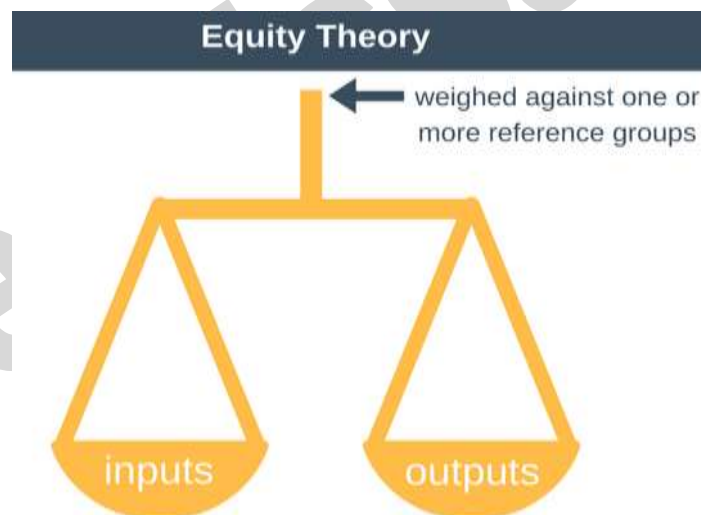


- d. **Punishment:** This tool is used when an unpleasant or undesirable behaviour needs to be reduced or eliminated. For ex: worker's wages may be deducted if performance is not done.



### Equity theory of motivation:

According to this theory, employees make comparisons of their job inputs and outcomes relative to those of others. If, an individual perceives the input-outcome ratio to be equal to that of the input-outcome ratios of others a state of equity exists.



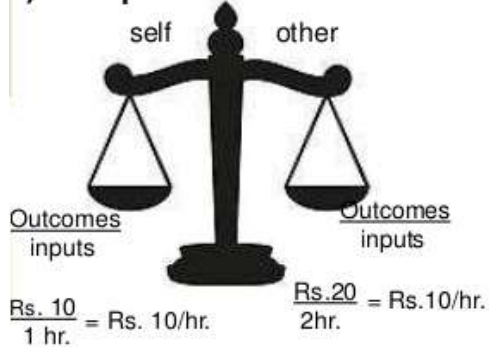
Person perceives the situation to be fair. If the ratio appears to be unequal, the individual experiences inequity. There are four referent comparisons that an employee can make to find out the ratio of equity or inequity:

- 1) **Self- Inside:** An employee's experiences in a different position inside his or her current organization.
- 2) **Self- outside:** An employee's experience in a situation or position outside his or her current organization.
- 3) **Other - inside:** position of another individual or group of individuals inside the organization.
- 4) **Other- outside:** position of another individual or group of individuals outside the organization.

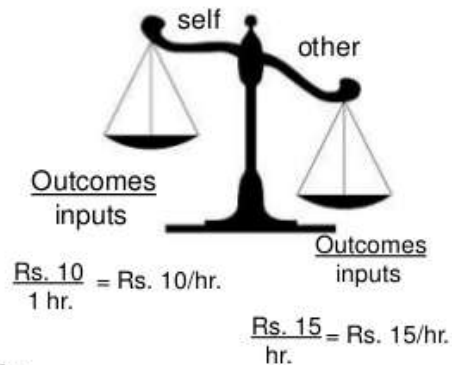




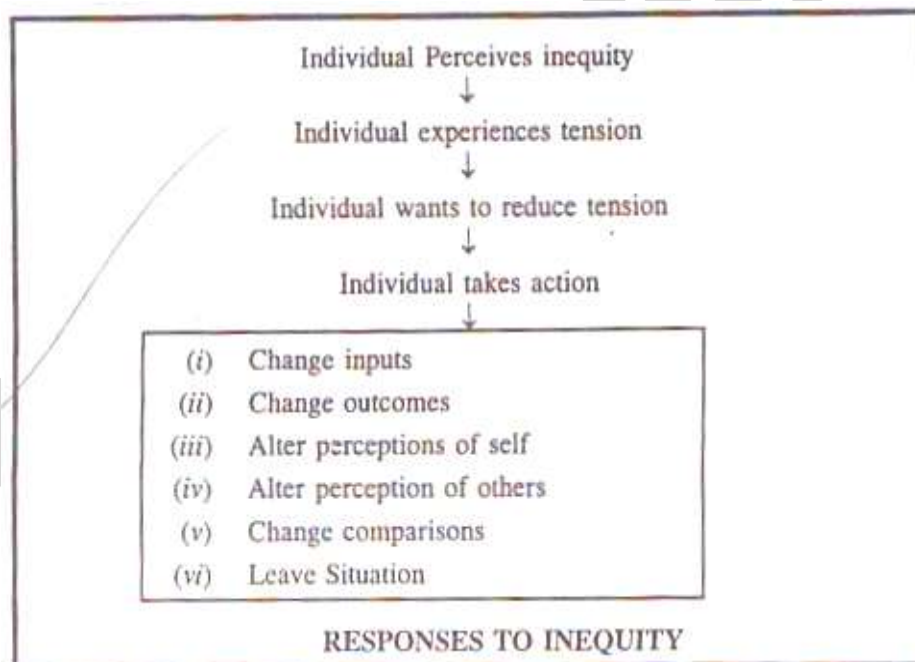
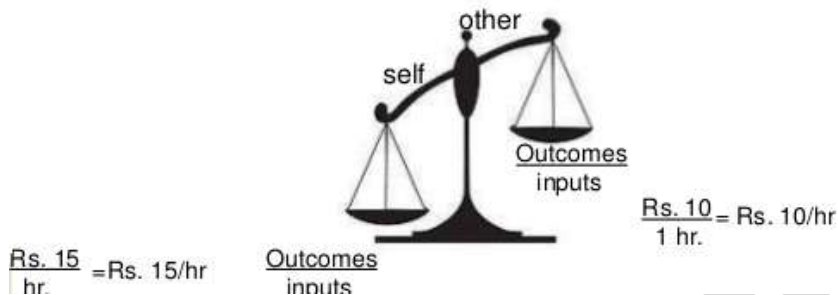
### 1) An equitable suitable



### 2) Negative inequity



### 3) Positive equity



When employee perceives inequity, they can make one of the following six choices of behavior:

- Change their inputs:** Increase or decrease their inputs. Ex- can work hard or work less hard.
- Changing outcomes:** Person can request to ask his or her outcome. Ex- ask for salary, office, recognition etc.
- Changing perception of self:** Can leave that situation and to focus on other. Ex- if a person feels that he was not given proper rewards for the work he done and state of inequity is existing in a person's mind then person can focus on the other task where he got the equality in terms of rewards or can get equal rewards.



- d) **Change the comparison person:** To compare with a person who is equal to or less than the person who is making comparison.
- e) **Changing the inputs outcomes of others:** Ask other person to reduce his or her inputs to the task or to reduce their outcomes. Distort the perception of others.
- f) **Leave the situation:** Can transfer, change location, leave the job to avoid uncomfortable feelings and inequity.

### Motivating employees in an organization:

- 1) Recognizing individual differences: managers need to understand the different and important needs of the individual employee and should try to connect it with the organizational goals. This results into high level of involvement and motivation of employees.
- 2) Use goals and feedbacks: employees should have the specific and achievable goals. Feedbacks should be provided regularly to inform the employees about their performance in pursuit of those goals.
- 3) Include employees in decision making: participation of employees in the decision making to choose their benefits, solving productivity and quality problems.
- 4) Link rewards to performance: rewards should be contingent on performance and employee must perceive a clear linkage.
- 5) Maintain equity: rewards should be perceived as equal by the employees according to their inputs to the job. This motivates the employees.
- 6) Motivating professionals: professionals likely to seek more intrinsic satisfaction than extrinsic rewards. Proper intrinsic rewards like challenging jobs, problem solving situations, growth and development should be provided to them.
- 7) Motivating low skilled and temporary workers: temporary workers can be motivated if proper training and permanent job opportunity is provided to them and low skilled workers will be motivated if proper work schedules, environment and higher pay package will be provided.

### Practical Application of Motivational Techniques

#### Management by Objectives (MBO)

Management by objectives emphasizes participative set goals that are tangible, verifiable and measurable. Four ingredients common to MBO programs are: Goal specificity, participative decision-making, an explicit time period and performance feedback.

- a) **Goal Specificity:** The objectives in MBO should be concise statements of expected accomplishments.
- b) **Participative decision making:** The manager and employee jointly choose the goals and agree on how they will be measured.
- c) **An explicit time period:** Each objective has a specific time period in which it is to be completed.
- d) **Performance feedback:** Continuous feedback on progress towards goals is provided so that workers can monitor and correct their own actions.

#### Employee Recognition Programs

Employee recognition program consists of personal attention, expressing interest, approval and appreciation for a job well done. They can take numerous forms. Employee Recognition Programs have a close link with Reinforcement Theory.

### Employment Involvement



Employee involvement includes participative management, workplace democracy, and empowerment and employee ownership. Employees' involvement in the decision making would positively affect them and by increasing their autonomy and control over their work lives, employees will become more motivated, more committed to the organization, more productive and more satisfied with their jobs.

### Participative management

The logic behind participative management is:

- Managers often do not know everything their employees do.
- Better decisions
- Increased commitment to decisions
- Intrinsically rewarding employees make their jobs more interesting and meaningful.

The two common forms of participative management are:

- Work councils-** They are groups of nominated or elected employees who must be consulted when management makes decisions.
- Board representatives-** They are employees who sit on a company's board of directors and represent the interests of the firm's employees.

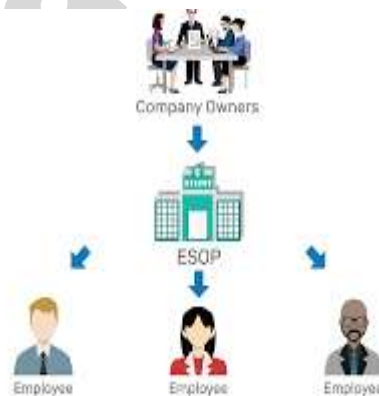
### Quality circles (QC)

QC consists of a work group of eight to ten employees and supervisors who have a shared area of responsibility. Key components of QC are (Robbins, 2003):

- They meet regularly on company time to discuss their quality problems, investigate causes of the problems, recommend solutions, and take corrective actions.
- They take over the responsibility for solving quality problems and they generate and evaluate their own feedback.
- Management typically retains control over the final implementation decision.

### Employee stock ownership plans (ESOPs):

In the typical ESOP, an employee stock ownership trust is created. Companies contribute either stock or cash to buy stock for the trust and allocate the stock to employees. Employees usually cannot take physical possession of their shares or sell them as long as they are still employed at the company.





## LEADERSHIP

Leadership is an integral and important part of management and plays a very vital role in managerial process.

Leadership is the ability to build up confidence and zeal among people and to create an urge in them to be led. Leadership is the practice of influence that stimulates subordinates or followers to do their best towards the achievement of desired goals.

## Leadership



The ability to lead effectively is a key to better managerial performance. There is not magic formula of becoming a good leader. Effective leaders are not created by simply attending a one-day leadership workshop, yet it is not totally in their genes either. One can become an effective leader if a person has willingness to invest the time and energy to develop all the “right-stuff”.

Leadership is the activity of influencing the behavior of people to work willingly and with determination for the accomplishment of specific goals & objectives. A person who attempts to influence the behavior of others become a potential leader and the people he is attempting to influence are called as potential followers.

“Leadership is a ability to influence a group of people so that they strive willingly and enthusiastically towards the achievement of goals.”

Elements of willingness is very important in the definition of leadership this elements differentiates leadership (leaders) from the managers. Motivating and influencing people to move towards a common goal are the elements of management but the “willingness” of the followers to be led, highlights the special quality of leaders that puts them above the managers. Leadership is a function of-

$$L = F (F \times g \times w \times s)$$

L = leadership

F = Functional Relationship

G = Goal

W = Willingness of subordinates

S = Situation

## NATURE OR CHARACTERISTICS OF LEADERSHIP

- 1. Personal Ability:** Leadership is basically a person ability and skill. It is a personal power which arises out of knowledge, expertise and personality. According to Koontz and others, it is the ability induces subordinates to work with confidence and zeal towards the achievements of organizational goals.
- 2. Followership.** Leadership requires followers. It is inseparable from followers. Involves other people, usually in the form of subordinates. It cannot exist without group of followers. Koontz and





D'Donnel say, "The essence of leadership is followership. It is the willingness of people to follow that makes a person a leader."

3. **Influencing Behaviour:** Leadership envisages "the power of influence." It involves an attempt to influence another group member.
4. **Interpersonal Relationship:** Leadership involves group behaviour. It is interaction between a leader and one or more followers. It is a reciprocal relationship.
5. **Mutual Goals:** Leadership involves a community of interest between the leader and his followers. It exists from the realization of common goals.
6. **Its Essence is Performance.** Leadership depends on doing. Most people agree that leadership is not a personality trait, but doing something-guiding, directing, influencing or mobilizing actions. Peter Drucker has rightly remarked, "Leadership has little to do with 'leadership qualities' and even less do with 'charisma'. It is mundane, unromantic and boring. It is work. Its essence is performance."
7. **Exemplary conduct:** Leaders not only but also influence by their behaviour. They put example in their actions before the subordinates. Urwick has rightly said, "It is not what a leader says, still less what he writes, that influences subordinates. It is what he is. And they judge what he is by what he does and what he behaves."
8. **Leadership is Situational:** It assumes that leaders are the product of given situations. Leader emerges out of situation. Leadership is dynamic art. The most effective way to lead is a dynamic and flexible process that adapts to the particulars situation.
9. **Assumption of Responsibility:** The leader assumes full responsibility for all actions of his followers. He remains responsible in all situations.
10. **Importance of Communication:** Leadership is established through the communication process. Communication affects the behaviour and performance of followers. The inability to communication is a serious deficiency in influencing people.
11. **All Managers are not Leaders:** Manager are appointed and have legitimate power that allows them to reward and punish. In contrast, leaders may either be appointed or emerge from within a group. Leaders can influence others to perform beyond me actions dictated by formal authority. They have personal capabilities to influence others. However, not all leaders necessarily hold managerial positions.
12. **Leadership may be Formal or Informal:** Managers who influence the behaviour of their assigned group are the formal leaders of organizations. Their ability to influence is founded upon the formal authority inherent in their positions. Within the organization, informal groups develop, and within those groups informal leaders who influence the behaviour of other group members.
13. **Four-faceted Concept:** Leadership involves four elements - leader, followers, organization and the environment (social, economic and political conditions.) These affect one another in determining appropriate leadership behaviour. To Terry, it implies that "almost everyone can at times show leadership behaviour."
14. **Process:** Leadership is a process engaged in by certain individual. It is an ongoing activity in an organization. Its outcome is some form of goal accomplishment.

**In brief, some important functions of a leader are as follows:**

1. **Formulate Purpose:** A leader defines institutional mission and role. He not only formulates the purpose of the group, he also advances it. His approach is goal-oriented.
2. **Inspire and Initiate Actions:** A leader inspires individuals to make their optimum contribution to organization goals. According to Urwick, the leader initiates all those measures necessary to keep the undertaking healthy and progressive within a competitive economy.
3. **Administer the Organization:** To administer and undertaking, a leader performs the functions of forecasting planning, organizing, direction, coordination and control.
4. **Interpret Reasons:** Leaders make sense of dynamic environment and interpret it to employees. They redirect their efforts to adapt to changing conditions. Urwick says, "Leaders interpret the reasons for everything to everybody."



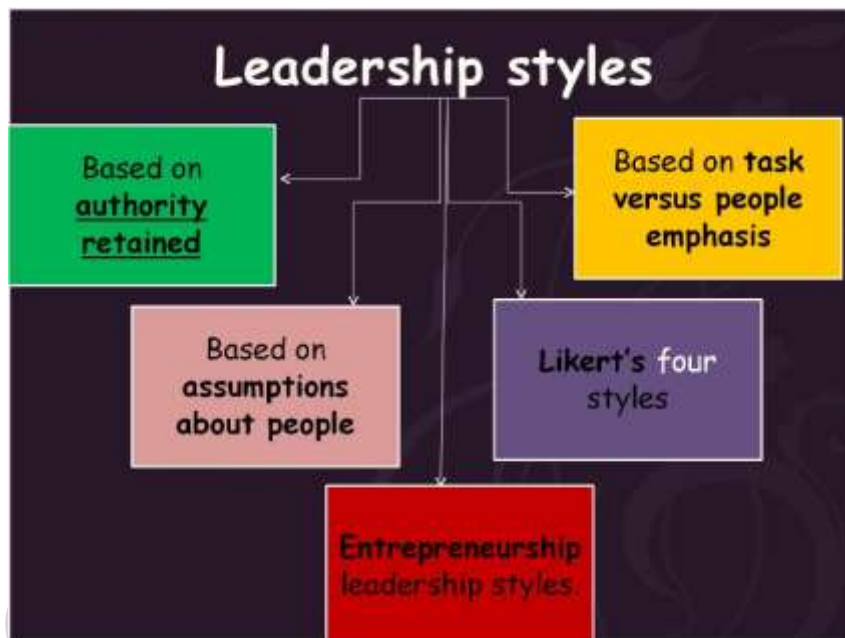
5. **Represent the Institution.** Representing his institution in dealings with outside groups: government officials, suppliers, customers and the public in general is another function of a leader.
6. **Group Interaction:** The leader facilitates interaction and exchange of idea among organization members. This is done through communication system, which is maintains in the organization.
7. **Goal Accomplishment:** The leader persuades all subordinates to contribute to organizational goals in accordance with their maximum capability and zeal.
8. **Develop Teamwork:** A good leader always attempts to gain an understanding of group dynamics and to develop and nurture voluntary co-operation. He develops trust and friendliness by bringing consistency and fairness in his actions.
9. **Direct and Discipline the Employees:** The leader gives necessary instructions and guidance to the individuals in a formal way. He develops devoted and loyal followers and maintains obedience through discipline.
10. **Ordering of Internal Conflict:** The leader seeks to maintain harmony among the members of the organization. He tries to prevent his group breaking up into opposing factions.
11. **Defend the Organization's Integrity:** The leader integrates the group with the organization. He protects the ethical values, human ideals and working principles.
12. **Maintain Stability.** The leader also helps maintain the stability of an organization in a turbulent environment. He assists in internal coordination and maintains a stable work force.

### Distinction between Leadership and Management

	Management	Leadership
1	Management cannot function without formal organization structure and roles.	Leadership can exit in both organized and unorganized group.
2	A manager directs people though he use of normal authority.	But a leader may or may not have formal authority. He directs people through the use of informal and personal power.
3	Management is a special kind of leadership in which achievement of organizational goals is important.	Leadership is a broader concept than management. It occurs any time one attempts to influence the behaviour of others regardless of the reasons.
4	Management is related to the attainment of organizational goals.	It may be for one's goal or for those of others. It may or may not be congruent with organizational goals.
5	A manager has to perform five functions of management – planning, organizing, staffing directing, and controlling	Leadership functions come under directing. A leader directs followers by influencing their behaviour. Thus, from a functional angle, leadership is a part of management but not all of it.
6	Management implies the existence superior-subordinate relationships.	Leadership behaviour can occur anywhere. It does not require manager-managed relationship.
7	Its authority arises out of a job position.	Its power arises out of personal ability, knowledge, expertise, performance or situations.
8	Managers are accountable for the job behaviour of their subordinates.	A leader is not accountable for the behaviour of followers.
9	The manager administers.	The leader innovates.
10	The manager is copy. He imitates.	The leader is original. He originates.
11	The manager accepts the status quo.	The leader challenges it.



## Styles and Patterns of Leadership



### a. Style based on attitude

1. **Positive Leadership-** In this style of leadership leader use positive rewards like recognition, pride & Praise as well as extrinsic rewards like salary hike, promotion, increase of perks & allowances to get the work done from people. Positive leader has a mindset that rewards will make employees happy & satisfied and will motivate them to work effectively and efficiently as desired from them. People will always focus on improving their performance for getting more rewards. This style of leadership leads to higher job satisfaction and performance.
2. **Negative Leadership-** In this style of leadership leaders use negative rewards like fear loss of job, reprimand, demotion, fear of suspension, force, threats penalties or a few days off without pay on people to get the work done from them. This style can help in getting good results in many situations but it is not human in nature and creates a negative & non- acceptable image of a leader in the mind of followers. It leads of more of bossism than leadership.



b. Style based on use of Authority

c.



1. **Autocratic style-** This style of leadership is also known as authoritarian or directive style. This style involves retention of full authority by the leader. Leader makes all the decisions without even consulting and involving employees. In this style of leadership leader only gives order & instructions to their subordinates for getting the work done and also expects from subordinates to follow the orders and instructions. Leaders assume full responsibility for all the actions. There are basically four types of autocratic leaders.

- Pure Autocrat-** Pure autocrat is a dictator and decides everything without consultation from his subordinates. He uses negative motivation, criticism, penalties coercion etc to get work done. This type of leader is ineffective in democratic organization & people remain insecure and uninformed under him.
- Benevolent Autocrat-** This type of leaders centralizes decision making power in their hands and used positive rewards and manipulative styles to get the work done from their subordinates.
- Paternalistic Autocrat-** Such leaders plays the role of father for their subordinates such leaders provide benefits but do not respect their employees. They do not treat their subordinates as mature & responsible. This style of leadership is considered as unsuccessful in many work organizations.
- Incompetent Autocrat-** Such leaders adopts an autocratic style of leadership just to hide their incompetence before their subordinates. This style cannot be adopted for long time.

**Advantages**

- This style of leadership leads to quick decision making as leaders does not need to consult their group members.
- It allows the use of less competent subordinates.
- It provides security & structure to employees.
- It provides strong motivation to self-centered leaders.
- It is useful to those subordinates who are not interested to assume responsibility.

**Disadvantages**

- It creates fear & frustration & provides less freedom of work & self development to employees.





- ii. It gives adverse effect on productivity.
  - iii. It restricts the development of future leaders.
  - iv. It leads to defensive behavior from subordinates.
2. **Democratic or Participative Style-** A participative or democratic style of leadership is one in which managers involve their subordinates in decision making. There is decentralization of authority by leaders and they consult & encourage subordinates for participation in decision making process. There is high regard for people and sufficient freedom is allowed to people to work. Participative leaders are basically of three related types-
- i. **Consultative leaders-** This type of leader takes the opinion from group before making a decision but they do not have the obligation to accept the group's thinking and these leaders make it clear that they alone have final authority to make final decisions.
  - ii. **Consensual leaders-** this type of leaders encourage a group discussion on an issue and then make a decision that reflects the general opinion (consensus) of all group members. Consensual leaders delegate more authority to the group than consultative leaders.
  - iii. **Democratic leaders-** Democratic leaders delegate full authority to their subordinates for decision making. They function as collectors of opinion and take a vote before making a decision.

### Advantages

- i. This leadership leads to qualitative decision making as number of people are encouraged to express their ideas.
- ii. A positive & human relationship is established between the leader and followers.
- iii. It creates job satisfaction motivation and morale & also reduces employees' grievances.
- iv. It creates an environment of trust, confidence, mutual co-ordination & loyalty.
- v. It improves talent, productivity employees and also increases their acceptances to management ideas & actions.

### Limitations

- i. It leads to delay in decision making.
- ii. This style works well if employees are skilled & well informed about organizational problems.
- iii. This style can result into complete loss of leaders control over the employees.

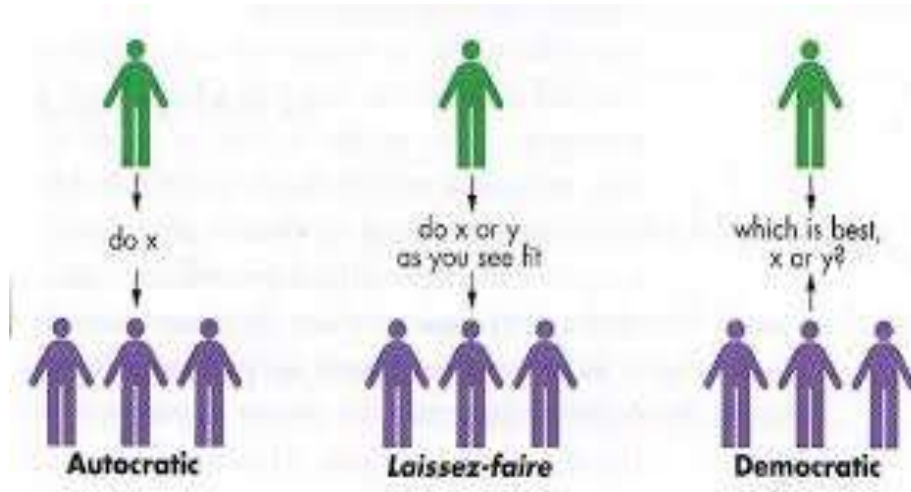
3. **Free-rein Style-** This style of leadership is also called as laissez- faire. In this style of leadership leaders abdicates from leadership position and depends mostly upon the group to establish its own goals and to solve their own problems. Subordinates are given high degree of freedom in their operations. They are their own trainees and source of motivation. Free rein leader avoids power & responsibility and only provides information & represents the group to outsiders. This type of leadership is effective only when the group members are highly knowledgeable, independent, motivated and fully dedicated to the firm.

### Advantages-

- i. It helps in the personality development of subordinates.
- ii. It gives the feeling of responsibility among group members
- iii. It creates climate of work freedom & team spirit.

### Disadvantages-

- i. It may result in disorganized activities.
- ii. It leads to absence of centralized authority which results in group conflict & loss of group cohesiveness.
- iii. Some leaders use this style to avoid responsibility.
- iv. It leads to "non-leadership" and lack of control of leaders over employees.



**C) Style based on Behaviour of leader-** This type of leadership focus on behavior of leader towards the task as well as the people who are performing the task. A four combination style of leadership can be based on behavior of leader.

- High-task and Low-Relationship-** This type of leadership leader has the main emphasis on the accomplishment of tasks and spends very less time to maintain relations & to provide psychological support to employees. This is more of work-oriented approach and is suitable where the employees are in experiences with the work to be performed. This type of leaders is not necessarily rude or discourteous.
- High-Task and High Relationship-** In this type of leadership style a leader gives high emphasis to both task accomplishment as well as Relationship building with employees. Leader spends considerable time to get work done and provide psychological support to employees. This leadership style is best in situations where people need an active & involved leader as well as in case of lack of self-confidence, or technical in employees.
- High Relationship and Low Task-** A leader using this type of leadership style gives much encouragement & psychological support to employees but gives a minimum guidance about the task accomplishment.
- Low Relationship and Low Task-** These leaders have a free-rein leadership style and give very little support, encouragement, praise as well as guidance to do work to employees. This style can be followed where subordinates are highly skilled & mature.

**D) Style based on assumptions about people-** Here leadership style depends upon the assumption which a leader has about his subordinates. This two way classification of leadership is based on MC Gregor's theory X & theory Y of motivation. This style is basically of two types-

- Job-Centered Leadership-** This is a task oriented style of leadership where by a leader focus on getting work done effectively by employees. It is concerned with work designing, production, planning, development of incentives, resource allocation to increase work productivity. This type of leaders focus on making employee work and plan out for worker's job tasks and job out comes. This style of leadership is suitable for theory X leaders who distrust people and believe in close supervision.
- Employee- Centered Leadership-** This is people where leaders treat subordinates as person, avoids close supervision, and actively considers needs of employees and encourages them to glow, develop. This leadership style is for theory y leaders who trust their subordinates and encourage their participation and development.

**E) Style based on decision making -** Renises likert classified four styles of leadership-



System 1	System 2	System 3	System 4
Exploitive Authoritative	Benevolent Authoritative	Consultative Authoritative	Participative Authoritative

- Exploitive Authoritative-** He is highly autocratic, little trust on subordinates; limits decision-making at the top, avoid upward communication & motivate people through fear.
- Benevolent authoritarian-** This kind of leader has a patronizing attitude towards employees, invites new ideas from subordinates allow some delegation and motivate them by rewards and some use of punishment.
- Consultative Authoritarian-** Leaders have substantial but not complete trust in employees. They invite ideas from subordinates, allow for decision making by subordinates in some cases but act consultatively in various matters.
- Participative authoritarian-** Leaders have complete trust in decision-making of employees in all matters. He involves high level participation of subordinates, sets high performance of goals & acts as a source of knowledge & guidance for subordinates. According to Likert those who apply 4<sup>th</sup> style of leadership are more successful as leaders.

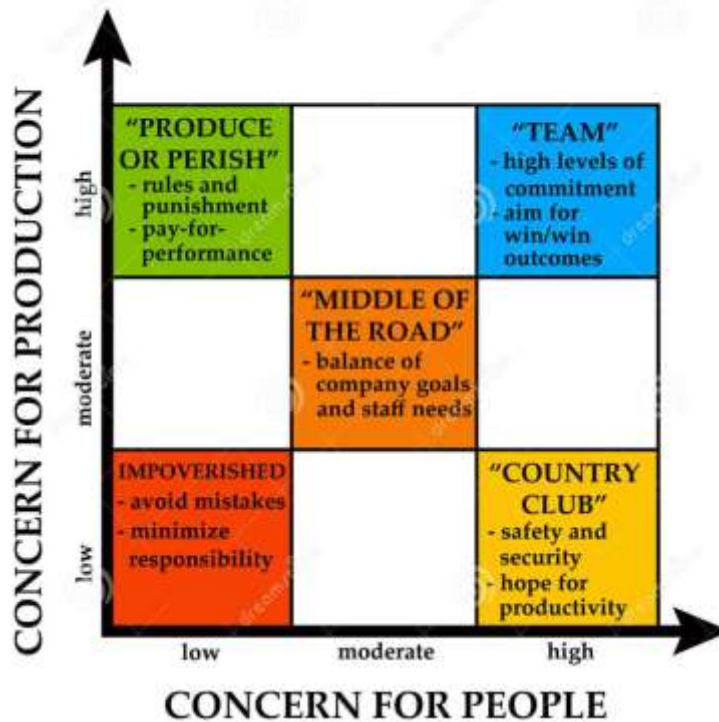
**F) Style based on concern for production versus concern for people:**

**Managerial Grid Style-** This leadership style was given by Blake & Mouton. This grid classifies leaders as having five dimensions- concern for people and concern for production. Grid shows five combinations of leadership style.

- Impoverished Management-** It has low concern for both people and production. The leader has minimum involvement in his job and only acts as a messenger for communicating information from superiors to subordinates.
- Country club Management-** Under this style a leader has no concern for production but has only concern for people. He concentrates on warm human relations.
- Task Management-** Under this style there is highly concern for task management and little or no concern for subordinates' needs & motivation.
- Team Management-** Leaders have strong regard for both people and production. Team leader's leads to high morale and high efficiency.
- Middle Road Management-** Leader gives medium concern for production and for people and leader attains adequate level of performance by balancing efficiency with reasonable good human relations. Blake & Mouton suggests that the team leaders' style (9, 9) is most effective because it combines a high degree of concern for people as well as production.



## MANAGERIAL STYLES



### Theories of Leadership

#### Trait Theory

Trait theory of leadership focus on the individual characteristics or set of trait or features which all the successful leaders have and which make them distinct from their followers. The criteria for becoming a leader depends on the set of features or personality traits which a person posses. A broad category of traits of successful leaders are as under-

1. Physical characteristics such as age, weight, height.
2. Background characteristics such as education, social status, motivation and experience.
3. Intelligence- ability, judgment, knowledge.
4. Task-oriented characteristics-achievement needs responsibility, initiative and persistence.
5. Social characteristics-popularity, Prestige, tact, diplomacy acceptance of social responsibility.
6. Maturity, human relations attitude, fairness, adaptability and open-mindedness.







### Merits of Trait Theory

1. This theory focus on certain traits which a leader should have which make them differentiated from non-leaders.
2. This theory relate to the influence of personality on one's effectiveness.
3. This theory has certain practical implications. If proper leadership traits could be identified be able to get good leaders. This theory differentiates leaders from non-leaders on the basis of personality traits.

### Limitations of Trait Theory

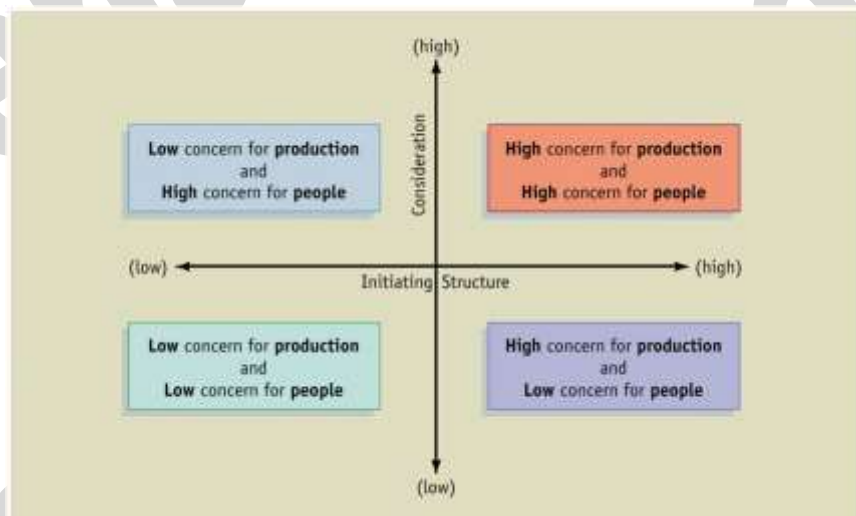
1. List of personality traits of successful as not specific.
2. This theory assumes that a leader is born and not trained.
3. Leadership effectiveness does not depend on personality of a leader alone.

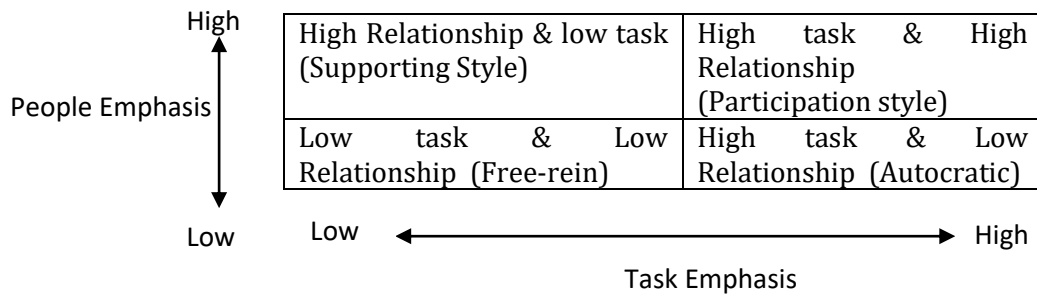
### Behavioural Theories

Behavioural theories give an emphasis on the behaviour of leaders rather than on the traits or personality features of a leader. This approach differs from trait approach is two ways-

1. Emphasis is made on leaders' behaviour instead of personal traits.
2. Trait studies separate leaders from non-leaders where as behavioural studies where as behavioural studies emphasize on impact of leaders behavioural on employees' performance & satisfaction. There are two important Behavioural theories-

- a. **OHIO STATE UNIVERSITY STUDIES-** These studies were stated shortly after World War II. The main objective of this study was to determine the major dimensions of leadership and to investigate on employee performance & satisfaction. Two dimensions of leadership were identified in this study to identify the behaviour of leaders-
  - i. **The initiating Structure-** It refers to leader behaviour that defines & organizes the group tasks, assigns the task to employees and supervises their activities. Leader follows task-oriented behaviour.
  - ii. **Consideration-** It refers to leaders' behaviour characterized by friendliness, respect, supportiveness, openness, trust and concern for welfare of people. This study states that both consideration and initiating structure are not been seen as being placed continuously. A leader can be high or low on both the dimensions or could be high on one & low on other dimensions.





**Main findings of Ohio state studies are-**

1. Consideration was positively related to low absenteeism and grievance, but it was negatively or neutrally related to performance.
2. Initiating structure was positively related to employee performance but was also associated with such negative consequences as absenteeism and grievances as absenteeism and grievances.
3. When both consideration & structure were high, performance and satisfaction was high but in some cases high productivity was accompanied by absenteeism and grievances.

b. **THE UNIVERSITY OF MICHIGAN STUDIES-** These studies were conducted during same period as at Ohio state and resulted in identical conclusions. Researchers at university of Michigan distinguished between two dimensions of leadership.

1. **Production centered-** Where leader set rigid tasks, standards describe work methods & closely supervise subordinates.
2. **Employee centered-** Where leaders encourage employee participation in goal setting & work decisions, have respect and trust and ensure high performance from employee.

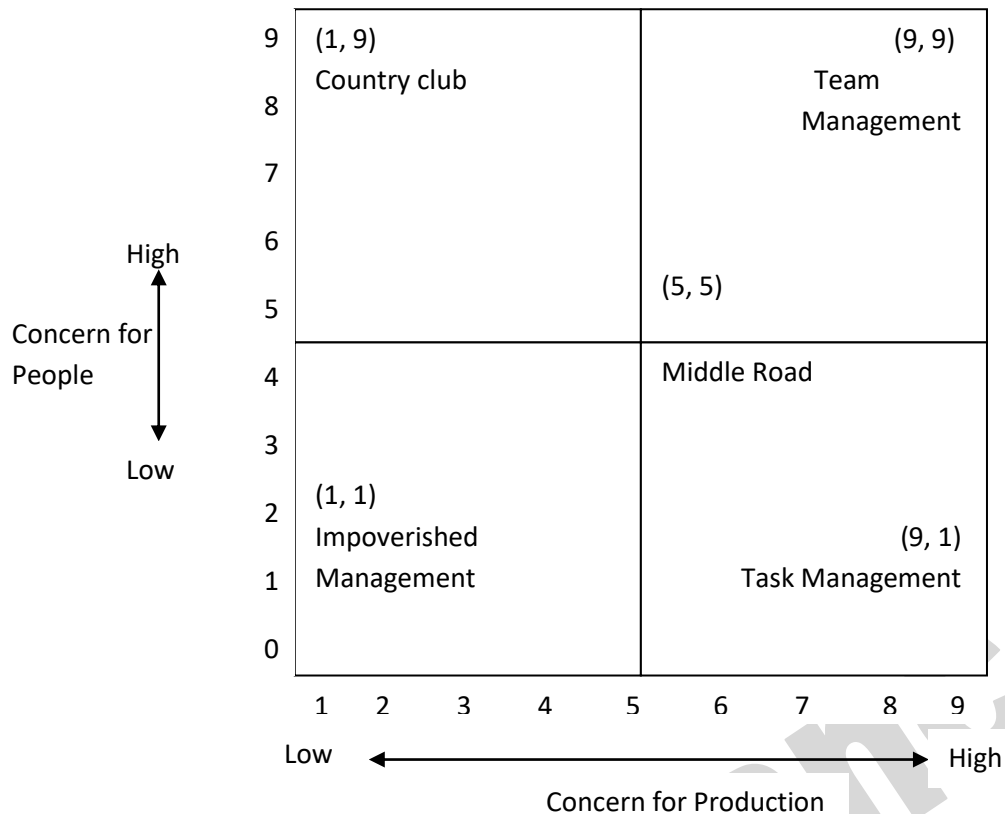
Michigan study's findings were same like Ohio studies analysis that employee and work orientation are two separate dimensions and that a leader can be either high or low one the dimension or both and these dimensions cannot be placed continuously in leader.



Two styles developed by Michigan researchers were similar to Ohio state people.  
Production centered → initiating structure. Employee centered → consideration.

**Managerial Grid Theory-** This leadership theory is given by Blake & Mouton. This grid classifies leaders as having five dimensions- concern for people and concern for production. Grid shows five combination of leadership style.

- i. **Impoverished Management-** It has low concern for both people and production. The leader has minimum involvement in his job and only act as a messenger for communicating information from superiors to subordinates.
- ii. **Country club Management-** Under this style a leader has no concern for production but has only concern for people. He concentrates on warm human relations.
- iii. **Task Management-** Under this style leads is highly concern for task management and little or no concern for subordinates needs & motivation
- iv. **Team Management-** Leaders has strong regard for both people and production. Team leader's leads to high morale and high efficiency.
- v. **Middle Road Management-** Leader give medium concern for production and for people and leader attains adequate level of performance by balancing efficiency with reasonable goods human relations. Blake & Mouton suggests that the team leaders' style (9, 9) is most effective because it combines a high degree of concern for people as well as production.



### Evaluation of Behavioural Theory

Behaviour theories focus on what leader did, how they delegate task, communicate & motivate subordinates and how they carry on their work. They focus that behaviour can be learnt and individual having appropriate behaviour can become a effective leader.

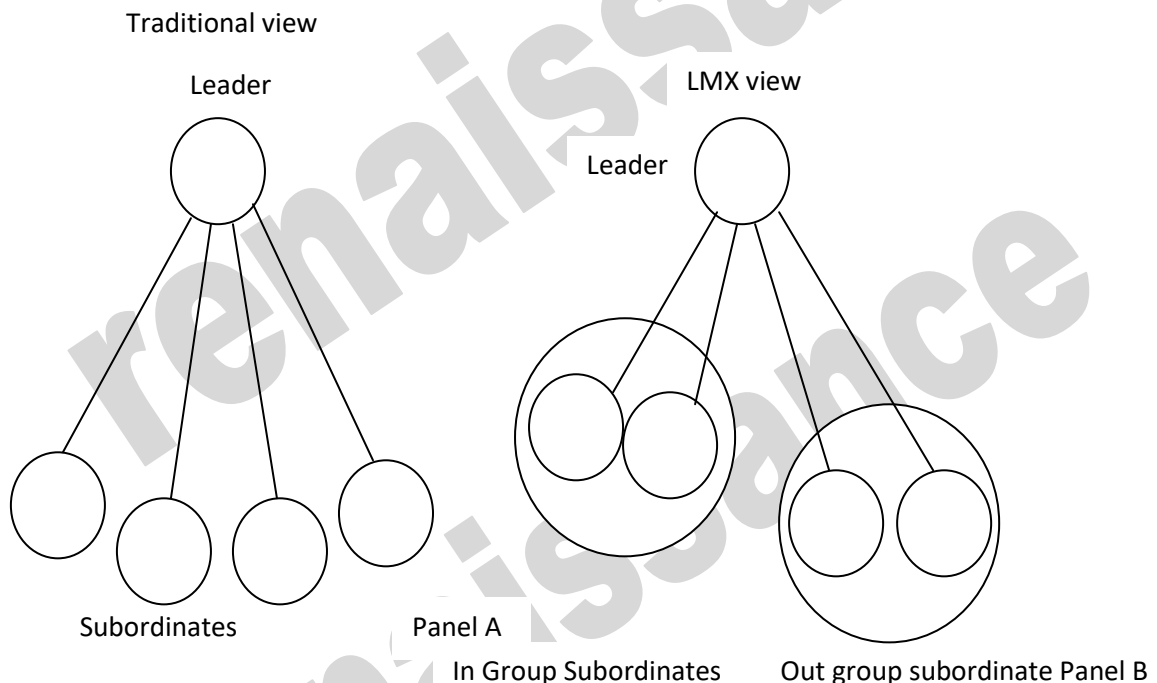
**Leader- member Exchange (LMX) Theory-** This theory is also called vertical dyad model. This approach also focuses on leader behaviours. A vertical dyad consists of two persons who are linked hierarchically such as superior & a subordinate and a leader's behaviour depends upon who is a subordinate. According to LMX theory a leader form two groups-

1. **In-GROUP-** Consist of those subordinates or group members who are similar to the leader and get greater responsibilities, more attention and more rewards. They work within the leaders inner circle of communication.
2. **Out-Group-** Consist of those members who are outside the circle and receive less attention and fewer rewards. They are managed by formal rules & policies. In -group members are more satisfied have lower turnover and have high organizational commitment & vice-versa.



### Implication of the Theory

1. Leadership can be better understood by forming & examining dyads (Pair of relationship) model by leader & member rather than focusing on average leadership style.
2. Theory focused that average leadership style (same or average behaviour of leader to all the group members) is impractical & traditional in approach.
3. Theory focus that leader behave differently with in-group members & out group members.



In this figure (Panel a) shows the traditional view of leaders & Subordinates where equality in behaviour of leader to subordinate is shown. (Panel b) reflects the vertical dyad where in-group members enjoy a better relationship with leader than out group members which can be shown by differing distances as well as differences in equality of working relationship, influence, authority and access to information.





**Path-Goal Theory of Leadership-** This approach to leadership was developed by Robert House. The essence of this theory is that leader uses organizational structure, rewards, resources and support to create a favorable work environment where subordinates can work to achieve organizational goals and also clear the path for the goal achievement for subordinates. The theory is called as path goal theory because its major concern is how the leader influence the subordinates perception regarding their work goals, personal goals and path to achieve goals.

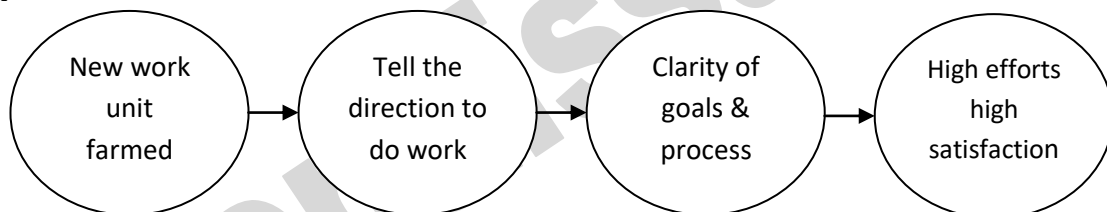
Theory suggests that a leader's behaviour is motivating or satisfying to the degree that the behaviour increases the goal attainment and clarifies the path to these goals. Path -goal theory is one of the contingency models. The leader's effectiveness, according to the path goal theory in influencing rewards and expectancies depends on the characteristics of the environment and subordinates.



In figure the ultimate effect of leadership behaviour on motivation and satisfaction is contingent upon the characteristics of environment and of subordinates and follower perceptions about effort reward linkage.

**Evaluation of Theory-** The path-goal theory deserves appreciation as the theory suggest that leader should first assess the situation and then select a leadership behaviour appropriate to situation for linking effort to performance expectancies performance to reward expectancies or valance to outcome.

**Example-situation leader follower outcomes**

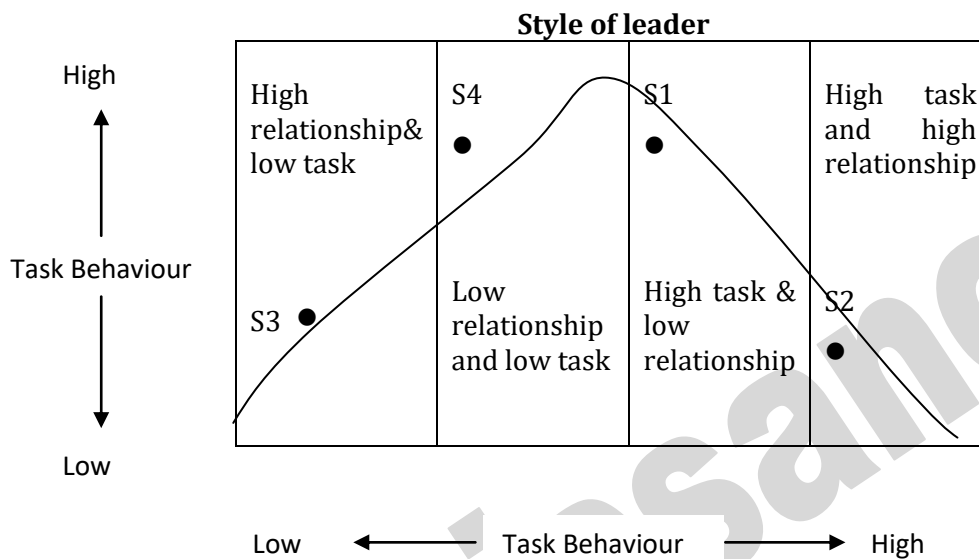




## The situational leadership Theory

This theory of leadership was developed by Paul Hersey & Kenneth Blanchard. This theory focusses on 'maturity' of followers for deciding the appropriate leadership style. Theory focus on that situational leadership requires adjusting the leader's emphasis on task behaviour (guiding & direction) and relationship behaviour (offering socio-emotional support) according to the maturity of followers in performing their tasks. Maturity according to this theory means desire for achievement, willingness to accept responsibility etc.

Hersey and Blanchard believe that the relation between leader and subordinates moves through four phases like a life cycle as subordinates develop and mature. Leaders or managers need to change their leadership styles with each phase.



S1 = Telling  
S2 = Selling  
S3 = Participating  
S4 = Delegation

1. In first stage in a figure i.e. at initial phase subordinates enter in a organization so manager should follow the directive or task oriented approach to clear the goals, task, rules & procedures in an organization to subordinates.  
This style is also called as "Telling" approach of leadership
2. In the second stage subordinates start learning their tasks but task-orientation still remains essential as subordinates are not yet willing or able to accept full responsibility. Managers become familiar with subordinates so that can follow employed oriented behaviour. This is called as 'selling' or coaching approach to leadership.
3. In third phase subordinates involvement, ability and achievement motivation are increases so managers is not required to be directive manager will trust subordinates. This is called as 'participating' style.
4. In fourth phase manager can reduce the amount of support & encouragement as subordinates gradually become more confident, self-directing & experienced. Subordinates are 'on their own' and no longer need to expect a directive relationship with their manager. This is also called as 'delegating style'.



## UNIT - V

### Organization Development

#### Introduction

Organization development (OD) is a planned approach to improve employee and organizational effectiveness by conscious interventions in those processes and structures that have an immediate bearing on the human aspect of the organization. OD is an organization wide planned effort managed from the top, to increase organizational effectiveness and health through planned interventions in the organizational processes, using behavioural science knowledge. In the initial phase of the development of OD, primary focus was on human as well as the process aspect of the organizations with a view to improve trust, communication, teamwork and interpersonal relationship.



#### Characteristics of Organization Development

A number of special characteristics together distinguish organization development from others approaches to managing and improving organizational function.

- **Behavioral science base** - It is primarily concerned with improving the organization by focusing out aspects that have a bearing on human and social improvement. Its principles have been drawn largely from the field of organizational behaviour and social sciences.
- **Normative approach to organizational change** - OD is a normative process grounded in value-Iden assumption of what constitutes ideal individual and organizational growth. Development for the OD practitioners means the movement of individuals and organizations in certain directions consistent with democratic and humanistic values and ideals such as autonomy, self actualization, etc.
- **Deliberate intervention in the organization** - OD implies deliberate intervention in the ongoing processes of an organization. While all the social systems, in the ordinary course of revenue, tend to grow in predictable patterns, they may fail to optimize their capabilities due to an inability to recognize their potential or to anticipate and effectively cope wilt internal and



crisis. Development implies planning and action to ensure that growth takes consistent with values.

- **Normative deductive strategy**- It is based on the assumptions that the social norms are one of the strong reinforcers of behaviour. The culture of the organization is affected by those norms and hence, to change the existing organizational culture prevalent norms have to be reduced, modified and replaced by more effective ones. This approach talks about the change in the organization, which looks forward, to a long term improvement through internalization of new norms of behaviour.
- **Systems approach to change** - Leavitt (1972) has viewed an organization as a social system consisting of different subsystems such as task, structure, technology and human resource, interlinked by various processes. Any change in one part or process has implications for other parts or processes relevant to the system. OD techniques are used to change or modify the processes to change the system consequently.
- **Using action research model** - Action research model is a "data based, problem solving model that replicated the steps involved in the scientific method of inquiry". OD, using this model, involves a systematic process of diagnosing organizational problems through data collection and analysis feeding the data back to the organizational client group, discussing the findings, planning collaborative action and implementing proposed solutions.
- **Use of external consultant** - Here, the assumption in OD is that the presence of a qualified behaviour scientist as an external consultant can help the process of OD in the following manner:  
The specialized knowledge of that consultant becomes available to the organization.
- The consultant, as a neutral outsider, is likely to face lesser resistance during the process of change.
- He is less likely to have a personal stake in implementation of proposed change.

### Process of Organization Development

A typical OD process can be divided into the following phases:

- **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, assumptions, available resources and management practice are taken into account in this phase. According to Rao and Hari Krishna, four steps in organizational diagnosis can be identified:
  - **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 the 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.



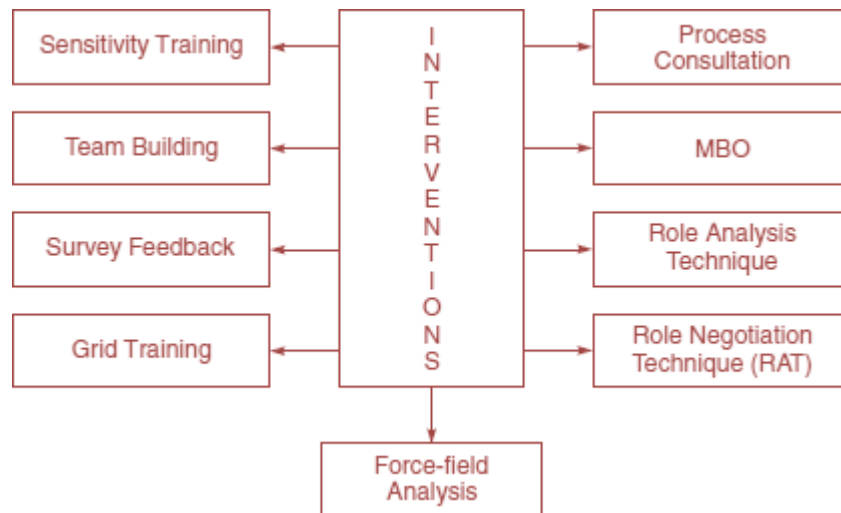


- **Evaluation and feedback:** Any CID activity is incomplete without proper feedback. Feedback is process of relaying evaluations to the client group by means of specific report or interaction.

### OD Interventions or Techniques

OD intervention refers to an activity that is carried on in an organization with the help of an internal or external OD consultant for achieving a given goal or objective

These interventions are aimed at the social processes occurring within organizations. Some of important interventions are discussed below.



#### 1) Tgroups

Tgroups are designed to provide members with experiential learning about group dynamics, leadership and interpersonal relationships. The basic Tgroup training or sensitivity training to change the standards, attitudes and behaviour of individuals by 'using psychological techniques and programs. Sensitivity training involves group confession where the individual's problems become the problems of the group, which in turn tries to find a solution. After critiquing others and being critiqued, doubt is introduced into the mind of each individual as to whose standards are really proper. The objectives of Tgroup training are:

- Increased understanding, insight and self-awareness about one's own and others' behaviour and its impact on self and others.
- Better understanding about the group and intergroup process (facilitating and inhibiting group function).
- Increased diagnostic skills.
- Increased ability to transfer learning into action;

#### 2) Process Consultation

It has been defined as a set of activities on the part of the consultant that helped the client to perceive, understand and act upon the process of events that occur in the client's environment in order to improve the situation as defined by the client. It deals primarily with five important group processes:

- Communication.
- The functional roles of group members
- The way in which the group solves problems and makes decisions.
- The development and growth of group norms
- The use of leadership and authority.

#### 3) Third Party interventions

It focuses on interpersonal or intergroup conflicts. Conflicts can arise from two sources:

- Substantive issues like work methods, pay rates and conditions of employment.



- Interpersonal issues such as differences in personality, task orientations, perceptions among group members, competition over scarce resources.

#### 4) Team building

It is an effective approach to develop and nurture a team culture in an organization, which helps the group members to enhance their interpersonal and problem solving skills. It also helps group members to develop a higher level of motivation to carry out the group decisions by overcoming specific problems like apathy, general lack of interest among members, loss of productivity, increasing complaints within the group, confusion about assignments, low participation in meetings, lack of innovation and initiation, increasing complaints from those outside the group about the quality, timeliness, effectiveness of services and products is, etc. This intervention can be used for the following types of teams:

- Groups reporting to the same supervisor, manager/executive.
- Groups involving people with common organizational goals;
- Temporary group formed to perform a specific, onetime task:
- Groups consisting of people whose work roles are interdependent.
- Groups whose members have no formal links in the organization, but whose collective purpose is to achieve task they can achieve as individuals.

**Depending on the types of teams, there are a number of factors that affect the outcome of a specific team building activity:**

- The length of time allocated to the activity.
- The team's willingness to look at the way in which it operates.
- The length of time the team has been working together.
- The permanence of the teams.

**5) Survey feedback:** The intervention provides data and information to the managers. Information on Attitudes of employees about wage level, and structure, hours of work, working conditions and relations are collected and the results are supplied, to the top executive teams. They analyse the data, find out the problem, evaluate the results and develop the means to correct the problems identified. The teams are formed with the employees at all levels in the organization hierarchy i.e., from the rank and file to the top level.

**6) Goal setting and planning:** Each division in an organization sets the goals or formulates the plans for profitability. These goals are sent to the top management which in turn sends them back to the divisions after modification. A set of organization goals thus emerge thereafter.

#### 7) Job enrichment:

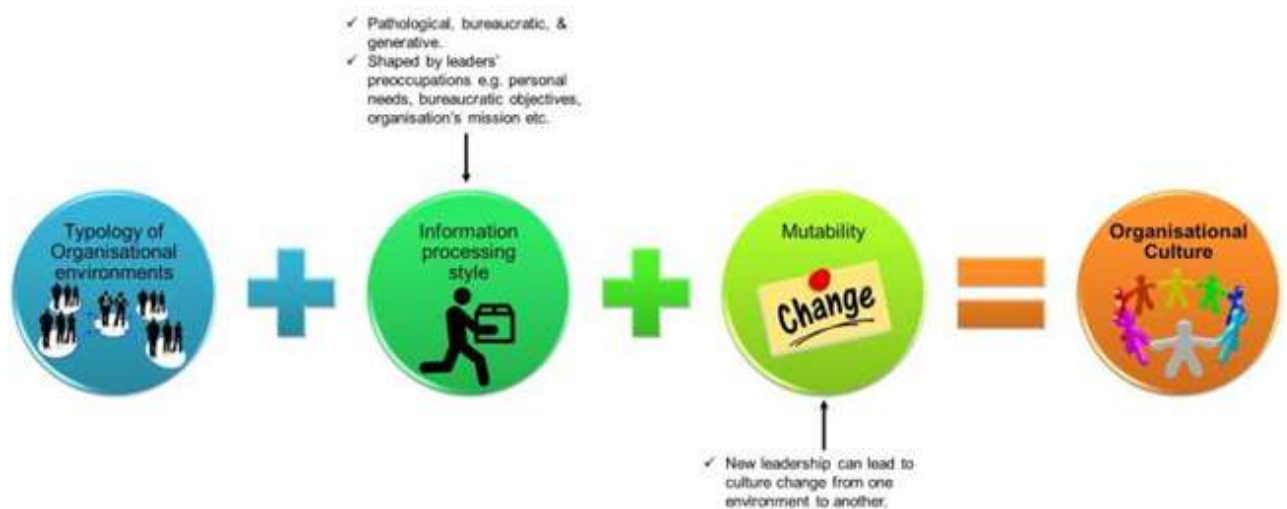
Job enrichment is currently practiced all over the world. It is based on the assumption in order to motivate workers; job itself must provide opportunities for achievement, recognition, responsibility, advancement and growth. The basic idea is to restore the elements of interest that were taken away. In a job enrichment program the worker decides how the job is performed, planned and controlled and makes more decisions concerning the entire process.

#### Organizational culture

##### Meaning and Definition

"Culture is the set of important understanding that members of a community share in common". It consists of basic sets of values, ideas, perception, concept of morality, code of conduct etc. which create distinctiveness among human groups.

"Organizational culture can be defined as a system of shared beliefs and attitudes that develop within an organization and guide the behaviour of its members."



### Changing Organizational Culture

The following condition may be present only then a cultural change can take place:

1. **Dramatic Crisis:** Any Dramatic crisis in the organisation like a major financial setback, loss of a major customer or a technological breakthrough by a competitor may force the management to look into relevance of the existing culture
2. **New Top Leadership:** IF some top executives leave the organization and new leadership takes over, they may provide an alternative set of key values or a new culture. This new leadership may be more capable of responding to the crisis.
3. **Young and Small Organization:** When the organization is new and its size is small, it will be easier for the management to change the culture.
4. **Weak Culture:** Weak cultures are more amenable to change than strong ones. The higher the agreement among the members on the organizational values, the more difficult it will be to change.

### POWER AND POLITICS INTRODUCTION

Power is the ability to make things happen in the way an individual wants, either by self or by the subordinates. The essence of power is control over the behavior of others.

Managers derive power from both organizational and individual sources. These sources are called position power and personal power, respectively. Power also refers to a capacity that A has, to influence the behavior of B, so that B acts in accordance with A's wishes. The greater B's dependence on A, the greater is A's power in the relationship. Therefore, power is a function of dependency.

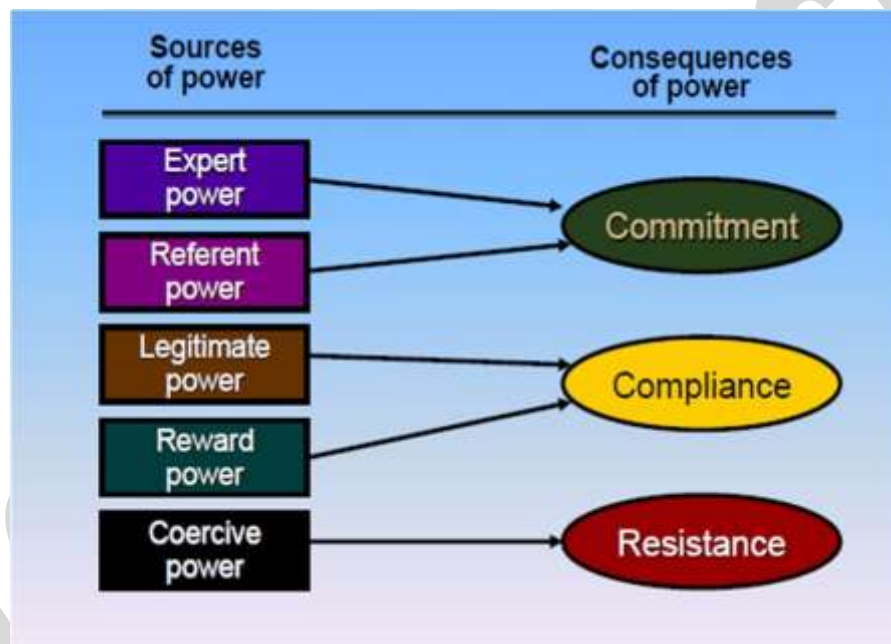
### Bases of Power

Power can be categorized into two types: Formal and informal

- A. **Formal Power:** It is based on the position of an individual in an organization. Formal power is derived from either one's ability to coerce or reward others or is derived from the formal authority vested in the individual due to his/ her strategic position in the organizational hierarchy. For example, a manager may threaten to withhold a pay raise, or even recommend the firing of a subordinate who does not act as desired. Such coercive power is the extent to which a manager can deny desired rewards or administer punishments to control other people. The availability of coercive power also varies across organizations. The presence of unions and organizational policies on employee treatment can weaken this power base significantly. Formal power may be categorized into four types which are as follows:



1. **Coercive Power:** The coercive power base is being dependent on fear. It is based on the application, or the threat of application, of physical sanctions such as the infliction of pain, the generation of frustration through restriction of movement, or the controlling by force of basic physiological or safety needs. In an organization one can exercise power over another if they have the power to dismiss, suspend, demote another assuming that the job is valuable to the person on who power is being unleashed.
2. **Reward Power:** The Opposite of coercive power is reward power. Reward power is the extent to which a manager can use extrinsic and intrinsic rewards to control other people. Examples of such rewards include money, promotions, compliments, or enriched jobs. Although all managers have some access to rewards, success in accessing and tainting rewards to achieve influence varies according to the skills of the manager.
3. **Legitimate Power:** The third base of "position" power is legitimate power, or formal authority. It stems from the extent to which a manager can use subordinates' internalized values or 'beliefs that the "boss" has a "right of command" to control their behavior. For example, the boss may have the formal authority to approve or deny such employee requests as job transfers, equipment purchases, personal time off, or overtime work. Legitimate power represents a special kind of power a manager has because subordinates believe it is legitimate for a person occupying the managerial position to have the right to command. The lack of this is legitimacy will result in authority not being accepted by subordinates.



Thus this type of power has the following elements:

- It represents the power a person receives as a result of his/her position formal hierarchy.
  - Positions of authority include coercive and reward powers.
  - Legitimate power, however, is not limited to the power to coerce and reward. It encompasses the acceptance of the authority of a position by members of an organization.
4. **Information Power:** This type of power is derived from access to and control over information. When people have needed information, others become dependent on them; (For example, managers have access to data that subordinates do not have). Normally the higher the level, the more information would be accessed by managers.

- B. **Personal Power:** Personal power resides in the individual and is independent of that individual's position. Three bases of personal power are expertise, rational persuasion, and reference.





**Expert power** is the ability to control another person's behavior by virtue of possessing knowledge, experience, or judgment that the other person lacks, but needs. A subordinate obeys a supervisor possessing expert power because the boss ordinarily knows more about what is to be done or how it is to be done than does the subordinate. Expert power is relative, not absolute. However the table may turn in case the subordinate has superior knowledge or skills than his/her boss. In this age of technology driven environments, the Second opposition holds true in many occasions where the boss is dependent heavily on the juniors for technologically oriented support.

**Rational Persuasion** is the ability, to control another's behavior, since, through the individual's efforts; the person accepts the desirability of an offered goal and a viable way of achieving it. Rational persuasion involves both explaining the desirability of expected outcomes and "showing how specific actions will achieve these 'outcomes.

**Referent power** is the ability to control another's behavior because the person wants to identify with the power source. In this case, a subordinate obeys the boss because he or she wants to behave, perceive, or believe as the boss does. This obedience may occur, for example, because the subordinate likes the boss personally and therefore tries to do things the way the boss wants them done. In a sense, the subordinate attempts to avoid doing anything that would interfere with the pleasing boss-subordinate relationship.

### **Empowerment**

Empowerment is the process by which managers help others to acquire and use the power required to make decisions affecting both themselves and their work. Moreover, today, managers in progressive organizations are expected to be competent at empowering the people with whom they work. Rather than concentrating power only at higher levels as found in the traditional "pyramid" of organizations, this concept views power to be shared by all working in flatter and more collegial structures

The concept of empowerment is part of the decentralized structures which, are found in today's corporations. Corporate staff is being cut back; layers of management are being eliminated the number of employees is being reduced as the volume of work increases. The trend clearly is towards creating leaner and more responsive organizations which are flexible and capable of taking decisions with minimum bottlenecks created out of power struggles, typical of bureaucratic tall structures. The need clearly is towards having fewer managers who must share more power as they go about their daily tasks. Hence, empowerment is a key foundation of the increasingly popular self managing work teams and other creative worker involvement groups.

### **CONFLICT- Introduction**

Conflict occurs whenever disagreements exist in a social situation over issues (work related or personal). Conflict is a process, that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about (Thomas, 1992). Conflict can be either constructive or destructive. Constructive conflict prevents stagnation, stimulates creativity, and allows tensions to be released. However, excessive level of conflict can hinder the effectiveness of a group or an organization, lessens satisfaction of group members, increases absence and turnover rates, and, lowers productivity

### **Functional vs. Dysfunctional Conflict**

Functional, constructive forms of conflict support the goals of the group and improve its performance. Conflicts that hinder group performance are dysfunctional or destructive forms of conflict. Task conflict relates to the content goals of the work. Low to moderate levels of task conflict are functional and consistently demonstrate a positive effect on group performance because it stimulates discussion,



improving group performance. Relationship conflict focuses on interpersonal relationships. These conflicts are almost always dysfunctional and the friction and interpersonal hostilities inherent in relationship conflicts increase personality clashes and decrease mutual understanding.

### Level of Conflict

At work people may encounter conflict at the interpersonal level (conflict within the individual), the interpersonal level (individual to individual conflict), the intergroup level, or the interorganizational level.

### Intrapersonal conflict

Some conflicts that affect behavior in organizations involve the individual alone. It can be of three types-

- **Approach-approach conflict** occurs when a person must choose between two positive and equally attractive alternatives. An example has to choose between a valued promotion in the organization or a desirable new job with another firm.



- **Avoidance-avoidance conflict** occurs when a person must choose between two negative and equally unattractive alternatives. An example is being asked either to accept a job transfer to another town in an undesirable location or to have one's employment with an organization terminated.



- **Approach-avoidance conflict** occurs when a person must decide to do something that has both positive and negative consequences. An example is being offered a higher paying job whose responsibilities entail unwanted demands on one's personal time.





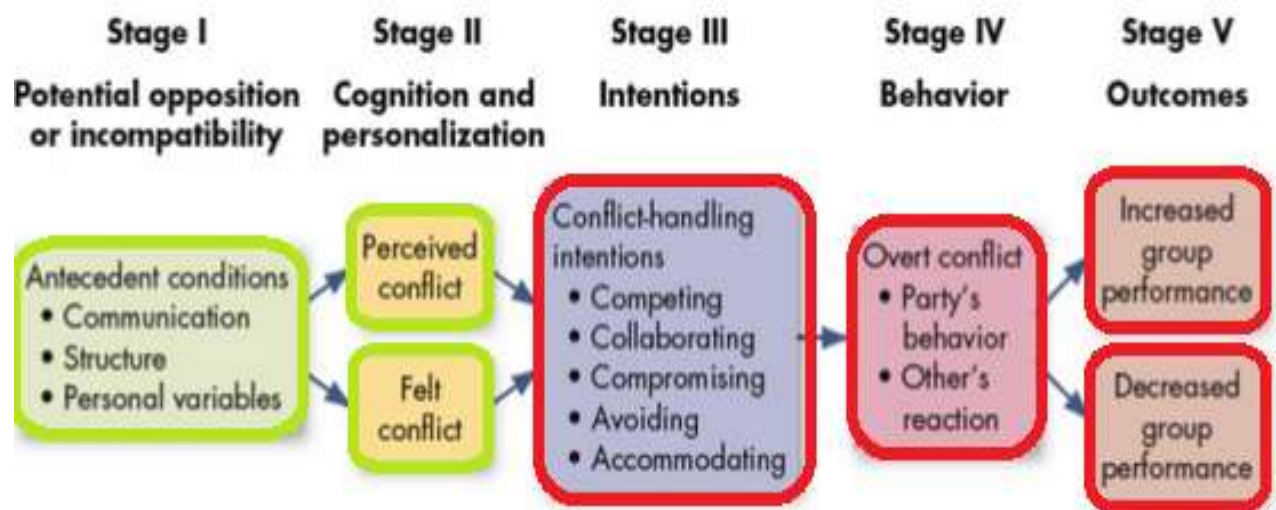
**Interpersonal conflict** occurs between two or more individuals who are in opposition to one another. It may be substantive or emotional or both.

**Intergroup conflict** occurs among Members of different teams or groups.

**Interorganizational conflict** occurs as the competition and rivalry that characterizes firms operating in the same markets.

### The Conflict Process

The process of conflict management has the following steps (Schermerhorn et al, 2002):



#### A. Stage I: Potential Opposition or Incompatibility

This stage concludes the conditions that create opportunities for Conflict to arise. The conditions are as follows:

1. **Communication:** Communication becomes a source of conflict due to semantic difficulties, misunderstandings, and "noise" (distortion) in the communication channels. Differing Word connotations, jargon, insufficient exchange of information, and noise in the communication channel are all barriers to communication and potential antecedents to conflict.
2. **Structure:** The term structure includes variables such as size, degree of specialization, jurisdictional clarity, member –goal compatibility, leadership styles; reward systems, and the degree of dependence. Size and specialization act as forces to stimulate conflict. The larger the group and more .specialized its activities, the greater the likelihood of conflict. The potential for conflict is greatest where group members are younger and turnover: is high. The greater the ambiguity in responsibility for actions lies, the greater potential for conflict.
3. **Personal variables Personal:** The variables include individual value systems and personality characteristics. Certain personality types lead to potential conflict. Value differences are the best explanation for differences of opinion on various matters.

#### B. Stage II: Cognition and Personalization

Antecedent conditions lead to conflict only when the parties are affected by and aware of it. Conflict is personalized when it is felt and when individuals become emotionally involved. Emotions play a major role in shaping perceptions. Negative emotions produce oversimplification of issues, reductions in trust, and negative interpretations of the other party's behavior. Positive feelings 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 (Robbins, 2003).



### C. Stage III: Intentions

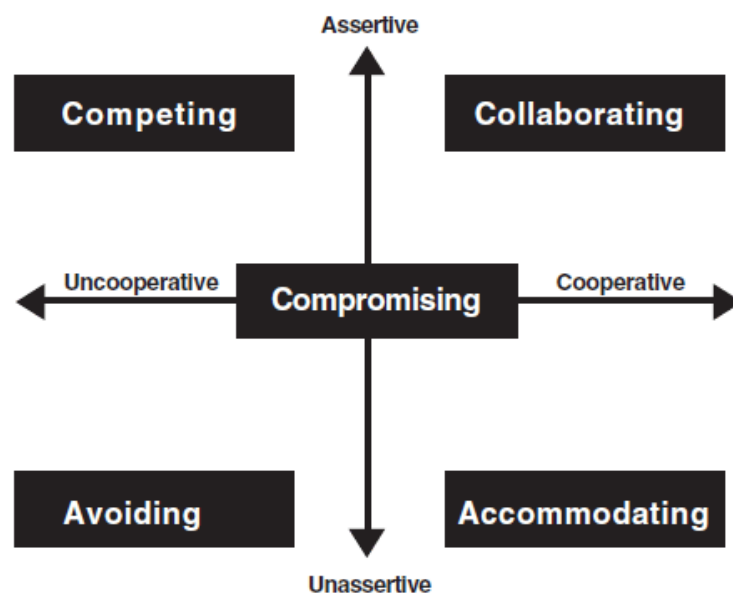
The primary conflict handling intentions are represented as follows:

Cooperativeness—"the degree to which one party attempts to satisfy the other party's concerns."

Assertiveness—"the degree to which one party attempts to satisfy his or her own concerns."

- **Competing:** When one person seeks to satisfy his or her own interests, regardless of the impact on the other parties to the conflict.
- **Collaborating:** When the parties to conflict each desire to fully satisfy the concerns of all parties. The intention is to solve the problem by clarifying differences rather than by accommodating.
- **Avoiding:** A person may recognize that a conflict exists and want to withdraw from it or suppress it.
- **Accommodating:** When one party seeks to appease an opponent, that party is willing to self-sacrificing.
- **Compromising:** When each party to the conflict seeks to give up something, sharing occurs, resulting in a compromised (income. There is no clear winner or loser, and the solution provides incomplete satisfaction of both parties' concerns.

### Conflict Management Styles



### Stage IV': Behavior

The behavior stage includes the statements, actions, and reactions made by the conflicting parties. These conflict behaviors are usually overattempts to implement each party's intention. It is a dynamic process of interaction with a continuum. At the lower part of the continuum, conflicts are characterized by subtle, indirect, and highly controlled forms of tension. Conflict intensities; escalate as they move upward along the continuum until they become highly destructive. Functional conflicts are typically confined to the lower range of the continuum.





## Stage V: Outcomes

Outcomes may be functional—improving group performance or dysfunctional in hindering it. Conflict is constructive when it (Robins, 2003):

- Improves the quality of decisions.
- Stimulates creativity and innovation.
- Encourages interest and curiosity.
- Provides the medium through which problem can be and tensions released.
- Fosters an environment of self evaluation and change.

Outcomes may be dysfunctional as well. They are as follows:

Uncontrolled opposition breeds discontent, which acts to dissolve common ties and eventually leads to the destruction of the group. Undesirable consequences include a retarding of communication, reductions in group cohesiveness, subordination of group goals to the primacy of infighting between members. Conflict can bring group functioning to a halt and potentially threaten the group's survival. The demise of an organization as a result of too much conflict is not as unusual as it might first appear.

## Conflict Management Approaches

There are two types of conflict management approaches:

- Direct
- Indirect

### Direct conflict management approaches

There are five approaches to direct conflict management. They are based on the relative emphasis on cooperativeness and assertiveness in the relationship between the conflicting parties. They are as follows:



- Avoidance** — It is an extreme form of inattention; everyone simply pretends that the conflict does not really exist and hopes that it will go away.
- Accommodation** involves playing down differences among the conflicting parties and highlighting similarities and areas of agreement. This peaceful coexistence ignores the real essence of a given conflict and often creates frustration and resentment.



- **Compromise** It occurs when each party gives up something of value to the other. As a result of no one getting its full desires, the antecedent conditions for future conflicts are established.
- **Competition** — here a victory is achieved through force, superior skill, or domination by one party. It may also occur as a result of authoritative command, whereby formal authority simply dictates a solution and specifies what is gained and what is lost by whom. This is a case of win lose situation and as a result, future conflicts over the same issues are likely to occur.
- **Collaboration** — It involves recognition by all conflicting parties that something is wrong and needs attention. It stresses gathering and evaluating information in solving disputes and making choices.



## UNIT – VI

### Organisational Change

**Meaning:** - Organisational change refers to a modification or transformation of the organisation structure, processes or goods. Organisational change is the process by which organisation move from their present state to some desired future state to increase their effectiveness. They often have to change the tasks they perform and learn new skills. The most flexible organisations have a culture that

(a) Values change.

(b) Managers who know how to implement changes effectively.



### Nature of Change :-

1. Change is vital if a company were to avoid stagnation.
2. A process and not an event.
3. Normal & Constant.
4. Fast & is likely to increase further in the present competitive business.
5. It is independent on organisational environment or culture.
6. It is 'natural', that is evolutionary or adoptive that is are action to external circumstances and pressures.
7. 'Directive' that is implemented by "top down" management or participative.
8. Forces for change in organization.

Change has become, the norm in most organization acquisitions, and downsizing failures, merge are and acquisitions and downsizing have become common experiences for most organizations.

### Causes for change

External forces	Internal forces
(a) Globalization	(a) Organizational Silence
(b) Work force diversity	(b) failing effectiveness
(c) Technological change	(c) Crises
(d) Managing ethical behavior	(d) Changing employee expections
(e) Government policies & economic conditions	(e) Change in the work climate
(f) Competition	
(g) Security of resources	
(h) value gap	
(i) Product and service obsolescence	
(j) Knowledge explosion	
(k) Market condition	



## External forces

1. **Technological change:** - Rapid technological innovation is a major force for change in organization, and those who fail to keep pace can quickly fall behind. Now machine and new technological processes have revolutionized not only production techniques, but also social conditions of work.
2. **Globalization:** - The global economy means competitors are likely to come from across the ocean. Globalization of an organization means, rethinking the most efficient ways to use resources, disseminate and gather information and develop people. It requires not only changes in the minds of employees but also the structural changes.
3. **Social & political changes:** - Many social trends such as changing lifestyles, expectations, social equality, better education, freedom of expression, etc. are emerging in human society. Managers must be turned in to these pressures and movements over which they have no control but which shape late of the firm.  
Many new loyal provisions in the corporate sector gets introduced every time, which affects organization.
4. **Work force Diversity:** - Work force diversity is a powerful force for change in organization. Various demographic trends contribute to work force diversity which necessities the need for change.
5. **Managing ethical behavior :-** Society expects organization to maintain ethical behavior both internally and in relationship with other organizations. Ethical behavior is expected in relationships with customers, environment and society these challenges are forces that place pressures to change in the organization.
6. **Knowledge Explosion:** The explosion of knowledge is on an accelerated path. It has influenced the working styles, values and thinking in modern organizations. Knowledge-based society is emerging very fast. Thus, new occupations have been created.
7. **Product and Service Obsolescence:** Obsolescence of procedures, programmes and treatments in service, and health is also happening due to the changing technology and knowledge. Due to the keen competition the product life cycle is getting shorter and shorter.
8. **Market Conditions:** The changing nature of market conditions such as demands fo customers, tastes and preferences of users, design and quality of products. Etc. has become a challenge for the management to adapt changes.





9. **Social Trends:** Many social trends such as changing lifestyles, expectations, social equality, better education, freedom of expression, democratic values etc. are emerging in human society. Managers must be “tuned in” to these pressures and movements over which they have no control but which shape fate of the firm. Governmental political chess and public opinion are environmental forces for change that organizations must cope with and recognize.
10. **Value Gap:** The socio-cultural climate of society is also changing. People now have a different set of values from that of people in their old decades. Douglas T. Hall has pinpointed six areas of value gap that are relevant to managing change behaviour in modern organizations.
  - (i) There is now more concern about values per se, not just different values.
  - (ii) Action is more important. Merely talking about values is not enough. One’s value must be backed by action:
  - (iii) Values such as integrity, honesty, openness, and realness are more important.
  - (iv) More humanistic values are emerging.
  - (v) There is increased concern for the ultimate social value of one’s work.
  - (vi) Authority based on expertise, personal style, and convictions of accomplishments is more legitimate than authority based on age or position.
11. **Population Dynamics:** In this field, three factors are important for managers to consider: (a) decline in the birth rate, (b) changing age distribution of the population, and (c) geographic movement of people. Thus, changing nature of population dynamics causes change.
12. **Economic Trends:** The economic trends are also responsible for causing changes in organizations. Such events are as follows:
  - (i) Increasing cut throat competition.
  - (ii) The fast speed of industrialization.
  - (iii) Increasing trends of mergers, takeovers and amalgamations in business organizations.
  - (iv) Increasing number of multinational corporations.
  - (v) Conditions of capital and stock market.
  - (vi) Growing relationship between business and government.
  - (vii) Increasing number of business collaborations and outsourcing agreements.
  - (viii) Global economic recessionary pressures which force organizations to become more cost-efficient.
  - (ix) Uncertainties about interest rates.
  - (x) Currency exchange rates.
  - (xi) Global economic shocks.
13. **Economic Policies and Conditions:** Various economic policies such as industrial, import-export, taxation, monetary licensing policies create conditions that may force organizations to change. State of inflation, deflation, recession, boom, rate of investment and savings, resources and infrastructural facilities, etc. may also cause changes in organizations.

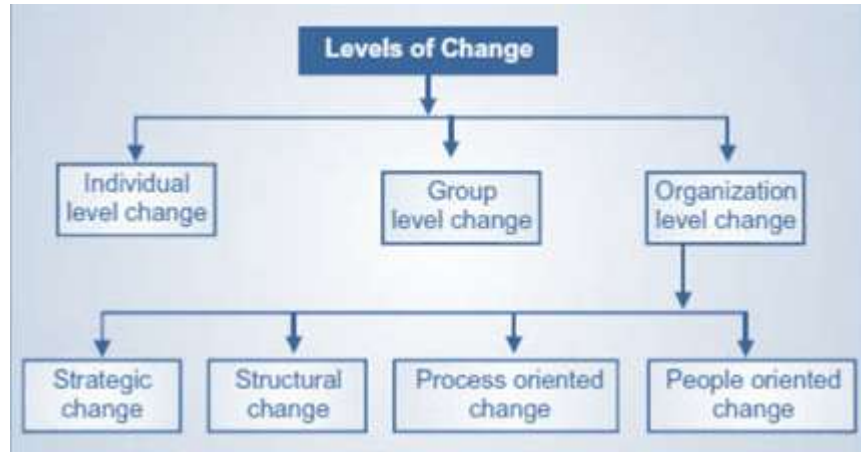
### Internal Force

Internal forces also can stimulate the need for change. The forces originate from the internal operations of the organisation. They can largely be controlled by the management. But they do cause certain changes in the organizations. Such forces include the following:

1. Change in top management, philosophy and policy of the organizations.
2. Change in the composition, skills, attitude, values, perception, goals expectations and demands of employees.
3. Change in organizational goals and objectives.
4. Change in styles of management.
5. Change in job technology, job design and product design, and production processes.
6. Change in organizational structure, allocation of responsibilities and office layout.
7. Change in organizational climate, such as creation of distrust, hostility and insecurity etc.
8. Change in organizational policies.
9. Change in strategy.



10. Introduction of new equipment and tools.
11. Job satisfaction and range of work or tasks.
12. Introduction of incentive wage plans.



## APPROACHES TO MANAGING ORGANISATIONAL CHANGE

Organisational change calls for a change in behaviour and attitudes of the employees. There are two popular approaches to managing change. These are-Kurt Lewin's Three Step Model and Action Research Model.

### A) Kurt Lewin's Change Model

Kurt Lewin, a famous behavioural scientist, has developed a model of change, which involves three basic phases: unfreezing, changing, and refreezing.



### 1. Unfreezing

Unfreezing is the state in which employees would become ready to learn new behaviour. It is the process of preparing the system for change through discontinuation of the old practices, attitudes, or behaviours. Unfreezing involves stimulating people to feel and recognize the need for changes. It is a 'thawing out' process where the forces acting on an individual are so rearranged that he sees the need for rejecting old behavioural patterns and adopting new ones. It is the breaking down of the mores, customs, and traditions of individuals to accept alternatives.

According to Edgar H. Schein, the unfreezing process, to be successful, needs the following elements:

- (i) The physical removal of the individuals being changed from the accustomed routines, sources of information, and social relationships;



- (ii) The undermining and destruction of all social supports;
- (iii) Demeaning and humiliating experience to help individuals being changed to see their old attitudes or behaviour as unworthy and thus to be motivated to change; and
- (iv) The consistent linking of reward with willingness to change and of punishment with unwillingness to change.

In terms of force analysis, unfreezing could be effected in two ways-either by increasing the driving forces or by reducing the restraining forces that resist change.

## 2. Changing or Moving

It is the phase where the changes that have been planned are actually initiated and carried out. Once individuals have become motivated to change, they are opened up to new patterns of behaviour, new information and new concepts. Changes could be related to the mission, strategy, objectives, people, work roles, technology, structure, or any other aspects of organisation. The process occurs through one of three mechanisms

- (i) **Identification:** It occurs when one or more models are provided in the environment from whom individuals can learn new behaviour patterns by identifying with them and trying to become like them.
- (ii) **Internalization:** It occurs when an individual is placed in a situation in which new behaviours are demanded of him, if he is to operate successfully in that situation.
- (iii) **Force or Compliance:** Kelman has described compliance as a third mechanism for attitude change. It occurs when an individual is forced to change by the direct manipulation of rewards and punishment by someone who has positional power. Compliance is often dropped when supervision is removed. Hence, it can be treated as a tool for unfreezing rather than a mechanism of changing.

## 3. Refreezing

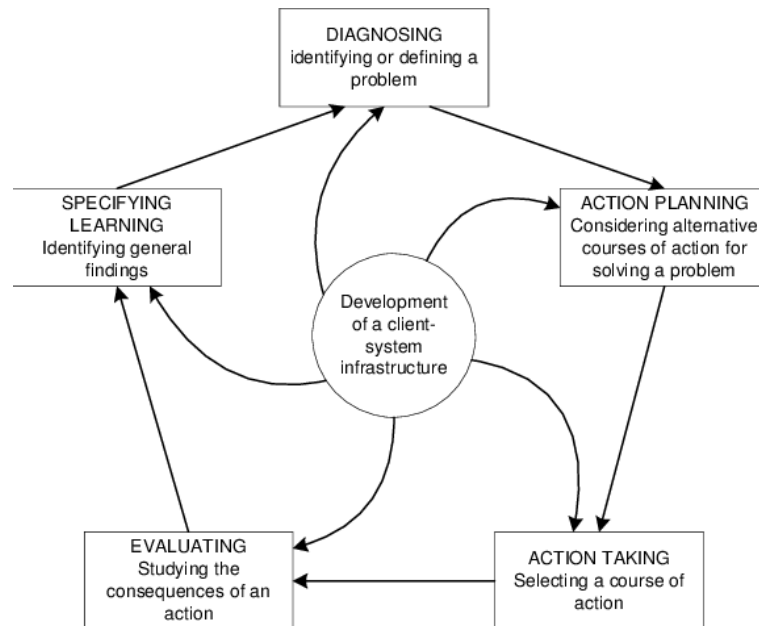
Refreezing occurs as the newly created patterns of behaviour become part of ongoing organizational processes and individual's personality. It means making new change permanent. It is the process of stabilizing new behaviour and integrating it into actual practice. As Schein contends, "if the new behaviour has been internalized while being learned, this has automatically facilitated refreezing because it has been fitted naturally into the individual's personality. If it has been learned through identification, it will persist only so long as the target's relationship with the original influence model persists, unless new surrogate models are found or support and reinforcement is obtained for expressions of the new attitudes."

As most individuals "try on" new behavioural changes before actually "buying", it is necessary to provide for recognition, reinforcement and training programmes to refreeze preferred behaviour.

## B) Action Research Model

The concept of action research was also proposed by Kurt Lewin. It is a research on action with the goal of making that action more effective. Action research is both an approach to problem solving and a problem solving process-a series of activities and events. It is change process based on systematic collection of data and then selection of a change action based on what the analyzed data indicates. As an ongoing series of events and actions, it provides for a scientific procedure for managing planned change.

The process of action research consists of the following steps:

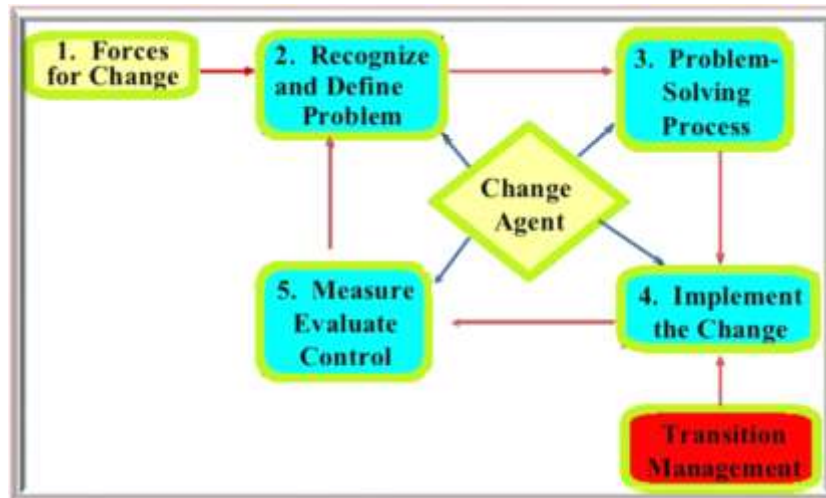


1. **Diagnosis:** The change agent sets to work by gathering data about problems, concerns, and needed changes. Data may be collected by various methods such as questionnaires, interview with employees, office records, observation, etc.
2. **Analysis:** Data thus collected form the basis of analysis of organisationo problem. The change agent, often an outside consultant, discusses the data with top executives. He synthesizes this information into problem areas and possible actions.
3. **Feedback:** This means the involvement of the change targets in change programmes. The people who will be affected by changes must be actively involved in determination of problem and creation of solution.
4. **Action Planning:** At this stage, joint action planning is done. The change agent, with the help of the employees, develops action plans for bringing about the needed change.
5. **Action:** Now the action plans are set in motion. Specific Actions and programmes are carried out to solve the problem or implement the change.
6. **Evaluation:** Finally, the change agent evaluates the effectiveness of the action plans. Action in the real world is accompanied by research.

### PROCESS OF ORGANISATIONAL CHANGE

Change can be managed. By observing external trends, patterns, and needs, managers use planned change to help the organisation adapt to external problems and opportunities. The management of change is a systematic process. It has a logical sequence. It is a cycle that feeds back information. Organizational change can be unplanned as well as planned. Change is most likely to be orderly when it has been planned. Hellriegel writes, "The planning process itself can help unfreeze the organisation by convincing people of the need for change and involving them in decisions about how to change." The process of planned change involves a number of distinct steps or sub processes.





Assess the environment  
↓  
Determine the performance gap  
↓  
Diagnose problem areas  
↓  
Articulate and communicate a vision  
↓  
Identify constraints  
↓  
Develop a strategic plan for change  
↓  
Anticipate resistance and take action to reduce it  
↓  
Implement the change plan  
↓  
Evaluate and feedback

### Resistance to change

As a manager initiates change in the organization one phenomenon that is likely to emerge any time in the change process is the Resistance to change. The sources of resistance to change can be categorized into two sources.

a) Individual resistance b) Organizational resistance





- a) **Individual resistance:** - Individual resistance change because they attach great preference to maintaining the status quo. The following are the reasons
- **Economic reasons** - The economic reasons to fear change are
    - fear of technology unemployment
    - Fear of reduced work hours and consequently less pay.
    - Fear of demotion and thus reduced wages.
    - Fear of speed-up and reduced incentive wages.
  - **Fear of unknown:** - This is especially a problem when there has been a lack of communication about the change.
  - **Fear of Loss:** - Employees may also fear losing their status because of a change.
  - **Security:** - People with a high need of security are likely to resist change because it threatens their feeling of safety.
  - **Status quo:** - As human being we are creatures of habit change may pose disturbance to the existing comforts of status quo.
  - **Peer pressure:** - Whenever change is unwilling to the peers they force the individuals who want to accept change to resist change.
  - **Disruption of Interpersonal relationships:** - Employees may resist change that threatens to limit meaningful interpersonal relationship on the job.
- b) **Organizational resistance**
- **Resource constraints:** - The necessary financial material and human resources may not be available to the organization to make the needed changes.
  - **Structural inertia:** - This is so because of formalization provides job descriptions rules and procedures for employees to follow.
  - **Sunk Costs:** - Huge amount of capital is needed to invest in fixed assets. If an organization wishes to introduce change then difficulty arises because of these sunk costs.
  - **Politics:** - Individual or groups who hold power under the current arrangement may be threatened with losing these political advantages in the advent of change.
  - **Threat to expertise:** - Change in organizational patterns may threaten the expertise of specialized group.

Managing resistance to change:-





Some suggestions to deal with resistance to change are

1. **Education and communication:** -The details of the change should be provided but equally important is the rationale behind the change. Employees want to know why change is needed.
2. **Participation:** -It is difficult for individuals to resist a change decision in which they participated. Prior to make a change, those opposed can be brought into the decision process. When employees are allowed to participate, they are more committed to the change.
3. **Empathy and Support:** -Active listening is an excellent tool for identifying the reasons behind resistance and for uncovering fears.
4. **Negotiation:-** Negotiation as a tactic may be necessary when resistance comes from a powerful source.
5. **Manipulation and cooptation:** - Manipulation refers to covert influence attempts. Twisting and distorting facts to make them appear more attractive, withholding undesirable information and creating false rumors to get employee to accept a change are all examples of manipulation.
6. **Coercion:** -Coercion is the application of direct threats or force on the resisters. They essentially force people to accept a change.