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ORGANIZATIONAL BEHAVIOR

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SYLLABI-BOOK MAPPING TABLE

Organizational Behavior

Syllabi	Mapping in Book
Unit 1 **Organizational Behaviour:** Meaning, Elements, Need, Approaches, Models, Global scenario; Individual Behaviour: Personality & Attitudes, Development of personality, Nature and dimensions of attitude, Organizational Commitment, Learning, Attitudes, Perception, Motivation, Ability, Their relevance to organizational behaviour.	**Unit 1:** Introduction to Organizational Behaviour **(Pages: 3-76)**
Unit 2 **Group Behaviour:** Theories of Group Formation, Formal Organization and Informal Groups and their interaction, Importance of teams, Formation of teams, Team Work, Group dynamics, Group norms, Group cohesiveness, Their relevance to organizational behaviour.	**Unit 2:** Group Behaviour **(Pages: 77-93)**
Unit 3 **Organizational Power and Politics:** Organizational Power: Definition, Types of powers, Sources and Characteristics, Effective use of power, Organizational Politics: Factors and Impact.	**Unit 3:** Organizational Power and Politics **(Pages: 95-109)**
Unit 4 **Organizational Stress and Conflict Management:** Stress Management: Meaning, Types, Sources, Consequences, Management of stress, Organizational conflict: Constructive and Destructive conflicts, Conflict Process, Strategies for encouraging constructive conflict, Strategies for resolving destructive conflict.	**Unit 4:** Organizational Stress and Conflict Management **(Pages: 111-143)**
Unit 5 **Organizational Dynamics:** Organizational Dynamics, Organizational Efficiency, Effectiveness and Excellence: Meaning and Approaches, Organizational Culture, Meaning, significance, Organizational Climate, Implications on organizational behaviour.	**Unit 5:** Organizational Dynamics **(Pages: 145-177)**
Unit 6 **Organizational Change and Development:** Organizational Change: Meaning, Nature and Causes of organizational change, Resistance to change, Management of change, Organizational Development: Meaning, Nature and scope of OD, OD Interventions, Challenges to OD, Learning Organizations.	**Unit 6:** Organizational Change **(Pages: 179-208);** **Unit 7:** Organizational Development **(Pages: 209-271)**

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INTRODUCTION

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A lot of water has flown under the bridge, as they say, since Fredrick Taylor's scientific management principles, where the emphasis was on productivity rather than people. While these principles were considered to be valid and valuable and gained a considerable attention by the industrial world at the time, the Hawthorne experiments of the late 1920s shifted focus from productivity to people and it was recognized that productivity, as a by-product, automatically increased when workers were truly happy with their jobs. Thus the field of organizational behaviour took roots and considerable research and study focussed on the human behaviour in the work environment. Even though intuition and common sense can help us in understanding, predicting and controlling human behaviour, these are poor substitutes for a systematic and analytical approach to the field. This books is specifically designed and prepared to serve such purpose.

We are fast becoming a part of a new area of management. No longer does a manager sit in an ivory tower and issue directives from a distance. The traditional authority structure is giving way to employee involvement, work teams, group spirit, participative decision-making, lateral relations, flexible work structures and more. High productivity and high quality-of-work-life are going hand in hand. The management is becoming more and more aware that an organization has no life but for the people in it. Accordingly, it is becoming more and more people oriented as against task oriented of the previous years.

Organizational behaviour is the study of individual and group behaviour in work settings. This study, complex as it is, has acquired new dimensions with the dynamic social and technological changes of the past two decades. Changing demographics, cultural diversity, more educated work force and awareness of rights and privileges has prompted a new look at the entire organizational structures and systems.

This book has been painstakingly and thoroughly prepared to cover extensively various facets-both micro as well as macro-of the field of organizational behaviour. Its coverage is broad and up to date and it is balanced in terms of concept and application. Since people are the most important asset of any organization, there is increased emphasis on the need for understanding people in a manner that is easily understandable by the students of this subject. The language of presentation is highly communicative so that it becomes interesting and comprehensible.

The book is intended for a wide readership. It will be useful to not only all the students of management, human reasources management, organizational behaviour and behavioural sciences but also to management practitioners who want to understand and enrich their understanding of human behaviour to more effectively manage their work force.

UNIT 1 INTRODUCTION TO ORGANIZATIONAL BEHAVIOUR

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Structure

1.0 INTRODUCTION

Very few people will disagree that the success of any organization is a direct reflection of its managerial efficiency and effectiveness. A well-managed organization can survive and even prosper during the most difficult economic times whereas business history is full of instances where badly managed companies declared bankruptcy even during economic upturns. Even though organizational vitality depends upon a number of factors such as general state of the economy, management and even luck—which means being in the right business at the right time—it is primarily the managerial ability or inability that determines the success or failure of an organization.

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If the success of an organization is directly dependent upon the ability of management then which critical aspect of management differentiates a 'good' management from a 'bad' management? In other words, out of all the skills required of management such as technical, analytical, conceptual and human skills, which one is the most crucial as to determine the success or failure of the organization? It is human skills that pose the greatest challenge to management due to complexity of human psychological processes and unpredictability of human behaviour. Human skills require effective interaction with others and the quality of this interaction determines the team spirit and dedication within the organization.

Management is commonly defined as 'getting work done through other people'. This simple definition explains the significance of the role of the people. The work will not be done unless 'people' want to do this work and if the work is not done, then there will be no organization. Hence, it is the understanding and the cooperation of the organizational workers that is crucial to the success or failure of the organization.

1.1 UNIT OBJECTIVES

After going through this unit, you will be able to:

- Explain the meaning and significance of understanding organizational behaviour
- Analyze the various approaches to organizational behaviour
- Discuss the different models of organizational behaviour
- Evaluate the assets of individual behaviour
- Trace the nature and dimensions of personality and attitudes
- Explain the key aspects of learning, perception, motivation and ability

1.2 MEANING AND NEED

'Organizations', according to Gary Johns, 'are social inventions for accomplishing goals through group efforts'. This definition, though simple, covers a wide variety of groups such as businesses, schools, hospitals, fraternal groups, religious bodies, government agencies and the like. There are three significant aspects in the above definition that require further analysis. These are:

Social inventions: The word social as a derivative of society, basically means gathering of people as against plants, machines, buildings, even though plants, machines and buildings are necessary contributors to the existence of the organization. However, organization will cease to exist if there were no people to run these organizations even if other things remain. For example, if everybody resigns from a company and no one is replaced, then it is no longer an organization even though all material assets of the company remain until they are disposed of. On the other hand, there are organizations such as neighbourhood associations that have only people in them and are without any physical assets. Accordingly, it is the people that primarily make up organizations.

Accomplishing goals: An organization is not simply a group of people at a given place. For example, a group of people in a department store would not be

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considered an organization even though they all have the same goal, which is shopping. However, this goal is not the common goal and there are no coordinated efforts to achieve this goal. All organizations have reasons for their existence. These reasons are the goals towards which all organizational efforts are directed. While the primary goal of any commercial organization is to make money for its owners, this goal is inter-related with many other goals. Accordingly any organizational goal must integrate in itself the personal goals of all individuals associated with the organization. For example, General Motors may have the commercial goal of producing and selling more cars every year, community goal of reducing air pollution created by its products and the employee goals of earning and success achievement. Similarly, non-profit organizations such as universities may have the main goal of creating and communicating knowledge along with other goals such as scholarly reputation and teaching excellence. The degree of achievement of such goals reflects the overall performance and effectiveness of the organization.

Group effort: People, both as members of the society at large and as a part of an organization, interact with each other and are interdependent. The concept of marriage and family itself is based upon sharing of life and efforts. The need for such interdependence has both sociological and anthropological roots. From the very beginning of human era, people formed groups to go hunting, and to protect their families from intruders. Secondly, interdependency is necessary for survival as a lone man can accomplish little because of many constraints placed upon him, both physiological as well as societal. Additionally, technological complexities of modern day products necessitate working in groups. For example, no single person can put together a 747 Jumbo Jet. Literally hundreds and thousands of people are involved in coordinated activities in the process of designing and building such an airplane. Individuals in themselves have physical and intellectual limitations and these limitations can only be overcome by group efforts.

The study and understanding of human behaviour has posed a strong challenge to both the scientific thinkers as well as behaviourists. They have long been interested in finding out the causes of human behaviour. Science has always been involved in the cause and effect phenomenon and the relationship between them as to how a cause causes its effect. Similarly, the behaviour scientists want to find out why people behave the way they do. They want to find a common denominator of human behaviour that can be generalized and classified into standard causes that result into identifiable and functionally dependent patters of behaviour. By discovering and analyzing these causes, the behaviour can be predicted, manipulated and controlled.

Organizational behaviour is concerned with people’s thoughts, feelings, emotions and actions in a work setting. Understanding individual behaviour is in itself a challenge, but understanding group behaviour in an organizational environment is a monumental managerial task.

As Nadler and Tushman put it:

> Understanding one individual’s behaviour is challenging in and of itself; understanding a group that is made up of different individuals and comprehending the many relationships among those individuals is even more complex. Imagine, then, the mind-boggling complexity of a large organization made up of thousands of individuals and hundreds of groups with myriad relationships among these individuals and groups..... Ultimately, the organization’s work gets done through people,

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individually or collectively, on their own or in collaboration with technology. Therefore, the management of organizational behaviour is central to the management task—a task that involves the capacity to understand the behaviour pattern of individuals, groups and organizations, to predict what behavioural responses will be elicited by various managerial actions and finally to use this understanding and these predictions to achieve control.

Organizational behaviour can then be defined as the study of human behaviour in organizational settings, the interface between human behaviour and the organizational context, and the organization itself.

1.3 ELEMENTS

The above definition has three facets—the individual behaviour, the organization and the interface between the two. Each individual brings to an organization a unique set of beliefs, values, attitudes and other personal characteristics and these characteristics of all individuals must interact with each other in order to create an organizational setting. The organizational behaviour is specifically concerned with work-related behaviour that takes place in organizations. Organizational behaviour is a synthesis of many other fields of study and is built upon contributions from a number of behavioural disciplines. The predominant area of psychology is concerned with the study of individual behaviour. Other behavioural disciplines affect the group dynamics and the organizational system. The interdisciplinary influences on organizational behaviour are shown in Figure 1.1.

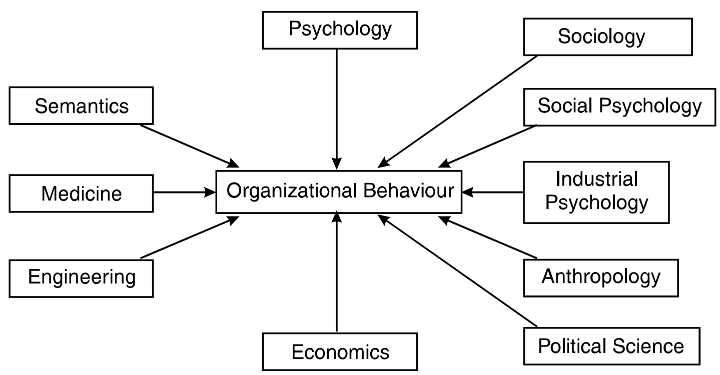

Fig. 1.1 *Interdisciplinary Influences on Organizational Behaviour*

Psychology: Psychology is a science that seeks to study, understand, measure, explain and possibly change the behaviour of humans. Relative to organizational environment, it assists in understanding motivation at work, individual and interpersonal perceptions, functioning of personality, effects of training, leadership effectiveness, job satisfaction and attitude measurement. It also studies such behaviour patterns as fatigue, boredom and monotony that impede efficient work performance. It also studies methodologies for behaviour modification, so as to facilitate repetition of desirable behaviours.

Sociology: Sociology, as a science, has a major impact on the field of organizational behaviour. It involves the study of social systems in which individuals exercise their social roles in relation to their fellow human beings, be it within the family or within the organization. Some of the organizational processes considered are group dynamics, organizational structure, bureaucracy, power and conflict.

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Social psychology: While psychology deals with individual behaviour, and sociology deals with group behaviour, the social psychology examines interpersonal behaviour. The social psychologists are concerned with inter-group collaboration, group decision making and integration of individual needs with group activities. Another area under investigation by social scientists is the effect of change on individuals and how people adjust to change both in individual and group context.

Industrial psychology: Industrial psychology helps to understand the individual reactions to industrial environment. It involves selection and placement of individuals into particular jobs through psychological tests, study of mental health as affected by physical industrial environment, impact of organizational structure on human performance and the types of jobs affecting safety and morale of workers.

Anthropology: Anthropology primarily studies the cultural impact on individual behaviour. It is our cultural heritage that builds our value system and our sense of right and wrong that in turn affects our norms of acceptable behaviour. The differences in behaviour under the same set of circumstances can be traced to cultural upbringing and the values learned in the cultural environment. Thus, the behaviour to some degree, can be predicted on the basis of cultural generalities.

Political science: Political Science, even though considered as the study of political systems, has many ingredients that directly affect human behaviour in organizations since politics dominates every organization to some degree. Many themes of interest directly related to organizational behaviours are political manipulation, allocation of power, conflict and conflict resolution, coalition for power and self-interest enhancement.

Economics: Economics aids in the understanding of economic conditions at a given time, economic policies of the government, allocation of scarce resources to different competing alternatives, and all these factors affect the organizational climate. Organizational behaviour has learned a great deal from such economic factors as labor market dynamics, cost-benefit analysis, marginal utility analysis, human resource planning and forecasting and decision making.

Engineering: Engineering, especially the industrial engineering branch, has contributed significantly in the areas of time and motion study, work measurement, work flow analysis, job design and wage and salary administration. Each of these areas has some impact on organizational behaviour.

Medicine: is perhaps the newest field affecting organizational behaviour. The primary area of interest is work related stress, tension and depression. The study of causes and consequences of stress and use of medicinal drugs to reduce stress is fast becoming an area of study within the organizational setting.

Semantics: Semantics, one of the more recent disciplines, helps in the study of communications within the organization. Misunderstood and misdirectred communication or simply lack of communication creates many behavioural problems. Accordingly, total, right and properly understood communication is very important in effective and efficient performance as per directives.

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1.4 APPROACHES

The scientific management school is primarily attributed to the ideas and works of Fredrick W. Taylor, who is known as the father of scientific management. He called for a careful analysis of tasks and offered four principles as basis for scientific management. These principles are:

1. Every job should be broken into its elements and a scientific method to perform each element should be established.
2. Workers should be scientifically selected with right attitudes for the job and ability and then properly trained to perform the work.
3. Management should cooperate with workers to ensure that all work is done in accordance with the scientific principles.
4. Scientific distribution of work and responsibility between workers and the managers. The management should design the work, set up and supervise the task and the workers are free to perform the task in the best possible way.

Scientific management quickly became the mainstay of American business thinking. It helped lay the foundation for job specialization and mass production and resulted in the following specific applications.

1. Maximum utility of efforts, thus eliminating waste.
2. More emphasis on fitting workers to particular tasks and training them further to best utilize their abilities.
3. Greater specialization of activities with proper design of jobs, specification of methods and set time and motion standards.
4. Establishment of standards of performance as average output and maximum output per capita.
5. The role of compensation and other incentives for increase in productivity.

The scientific management primarily emphasized on economic rationality, efficiency and standardization and ignored the roles of individuals and groups in the organizations. It basically ignored the social needs of the worker. This resulted in criticism of scientific management and advent of behavioural approach to management that formed the foundations for organizational behaviour. The basic assumption of scientific management that most people are motivated primarily by economic rewards seems to be too mechanical and physiological and it does not take into consideration the organizational and motivational concerns such as job satisfaction and self actualization. There has been opposition to scientific management from its very inception, both from the workers as well as the management. Dr. Mathur has listed some of these areas of opposition as follows:

1. It promotes individualism rather than team spirit because of the competitive nature of 'more work, more pay.'
2. Specialization makes the worker unfit for other types of jobs and thus he is at the mercy of his employer.
3. It ignores or excludes the average worker because of tough competition to be more efficient and productive.

4. Specialization makes the work repetitive and monotonous. Workers are merely converted into machines to carry out a set of instructions thus leaving no room for initiative and innovation.
5. It puts in the hands of employers an immense mass of information and methods that may be used to the detriment of workers because all workers are not going to measure up to the set standards.
6. It is anti-democratic in the sense that it separates manager from the worker, since it gives the management the right and the prerogative to manage, while the workers have a duty to work. In a truly democratic situation, the workers and the management are expected to work together to achieve the integrated individual and organizational goals.

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The Human Relations Approach

The behavioural approach, also known as human relations approach, is based upon the premise of increase in productivity and managerial efficiency through an understanding of the people. The growth and popularity of this approach is attributable to Elton Mayo (1880–1949) and his Hawthorne experiments. These studies (1927–1932) were conducted at Western Electric's Hawthorne plant near Chicago to determine the effect of better physical facilities on worker output. These studies showed that better physical environment or increased economic benefits in themselves were not sufficient motivators in increasing productivity. Thus, the emphasis of the study shifted to psychological and social forces. These experiments demonstrated that in addition to the job itself, there are other factors that influence a worker's behaviour. Informal social groups, management-employee relations and the interrelatedness of many other facets of work environment were found to be quite influential in improving productivity. Mayo discovered that when workers were given special attention by management, the productivity increased irrespective of actual changes in the working conditions. The Hawthorne studies represented a major step forward in systematically studying worker behaviour, thus laying the foundation for the field of Organizational Behaviour.

Central to this approach was an increased understanding of the individual worker with emphasis on motivation, needs, interpersonal relationships and group dynamics. These experiments suggested that an office or a factory is not only a work place but also a social environment in which the employees interact with each other. This gave rise to the concept of the social man whose interactions with others would determine the quality and quantity of the work produced. It must be understood, however, that in spite of the fact that this social environment is an important factor in improving the quality and output, it does not replace economic benefits for low level salaried workers and indeed it may increase turnover of employees, even if the working conditions are satisfactory.

In support of Mayo's contention and findings, Abraham Maslow presented a theory of individual needs. The basic aim of this approach is to increase the organizational effectiveness of its human resources, which could be achieved by properly taking care of human needs. The human needs could be physiological or psychological. According to Maslow, these needs fall into a hierarchy. At the bottom of the hierarchy are the lower level needs such as the need for food, water and physical comfort as well as security of job and love and affection needs. At the upper level are the needs for

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respect and self-fulfillment. In general, the lower level needs must be satisfied before the higher level needs arise. Being aware of these needs enables a manager to use different methods to motivate workers. This is important and significant because of the complexity of man's nature. Different people will react differently to the same situation or their reactions may be similar even when the situations are different. Hence the management must be aware of these differences and react accordingly. The level of performance of an employee is a function of his ability and his motivation. The first determines what he can do and the latter determines what he will do. The ability can always be judged and measured and depends upon background, skills and training. Motivation, on the other hand, is the force within. Wherever there is a strong motivation, the employee's output increases. A weak motivation has opposite effect. Hence management must understand what motivates people towards better performance and take steps to create an environment that induces positive and strong motivation.

The behavioural approach had a major impact on management thinkers right through the 1970s and indeed changed the structure of the organization from the bureaucratic to participative in which the workers have more freedom to participate in the affairs of the organization.

Lately, however, some serious questions have been raised whether man is entirely a social man and not an economic man. Not all employees seek self-actualization as their ultimate goal. While some professionals may be motivated by recognition and a feeling of self-fulfillment, it may not be generally true for blue collar workers for whom the increased economic benefits are the only motivators and who may not seek additional challenges or higher responsibility. Additionally, the research results generally do not support the contention of behavioural scientists that an increase in job satisfaction alone leads to higher productivity. Since the human behaviour is highly complex, a number of factors may affect the workers' productivity and indeed the importance of feeling of belonging, recognition and participation cannot be minimized.

1.5 MODELS

There are four major models of organizational behaviour. These include:

I. **Autocratic:** According to this model, managers have the prime authority in the organization or in other words, the power center are different managers. In this type of organizational behaviour, the need of the employees that is fulfilled is subsistence. However, minimal performance results are assured in these types of organizations.

II. **Custodial:** The prime basis of this type of model is the economic resources. However there is a managerial orientation of money. The employees of such an organization are oriented towards dependence on the organization particularly in terms of security and benefits.

III. **Supportive:** The prime basis of this type of model is leadership with the managerial orientation of support. The employees of such an organization are oriented towards job performance and participation. The employee needs related with status and recognition are met by such organizations.

IV. **Collegial:** The prime basis of this type of model is partnership with managerial orientation of teamwork. The employees are mainly oriented towards self-discipline and responsible behaviour. Self-actualization needs of the employees are met by such organizations.

Though different models of organizational behaviour have been categorically defined, but most of the organizations are not based exclusively on a single model. It is observed that in most organizations, there is generally a predominance of one model and with some overlapping characteristics of other models also visible in the functioning of an organization.

The first organizational behaviour model is based on Mc Gregor's Theory X and has its roots in the Industrial Revolution. The remaining three models are built on Mc Gregor's Theory Y. These theories will be discussed in the units ahead. It cannot be outrightly stated that as we move from first model to the other three, they are getting better and better. It can be however said that there has been evolution and better models have resulted over a time. The collegial model cannot be described as the best model of organizational behaviour. It may be however considered as the basis for the next new model or it may serve as a prototype for the next model that will be developed.

Rational Decision-Making Model

Based on the organizational behaviour, a model of decision-making has evolved known as the Rational Decision-Making model. It may be associated with ensuring logical decisions.

Method: This model transpires from the organizational behaviour. It is based on following a logical path of steps from identification of solution to obtaining a solution. The model comprises seven steps and is aimed at rational and logical decision making.

(*i*) **Defining the problem:** The first and foremost step that needs to be taken is defining a problem. The top management of an organization most of the times forgets to define the exact problem. This is because most of the times, it may be mistaken as an obvious process. The problem identification is extremely crucial so that all the members of the decision making group understand the problem in one language and have the same definition for the problem. If a problem will not be defined properly, every individual of the group may have a different definition for the problem. Thus, it becomes extremely important before being able to evaluate the various possible solutions or to ensure that problem solving happens in an effective manner.

(*ii*) **Arriving at all possible solutions:** As the next step, it is now important to arrive at the different possible solutions for the defined problem. Different groups should be formed and ideas should be brainstormed keeping the original problem as the focus. This step becomes very important because if all the options are not carefully evaluated, then it may be possible that one may not be able to finally reach at a logical or rational decision.

(*iii*) **Formulate criteria for objective assessment:** This step involves the formulation of the criteria on which validation of the decision-making will be done. After the different criteria have been formed, now each and

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every solution alternative should be evaluated based on these criteria in order to understand the ultimate consequences of choosing a particular alternative of solution.

(*iv*) **Choose the best solution amongst the different solution alternatives:** Finally, based on the analysis conducted in the previous step, the group must now choose the final solution which appears to be the best considering all the aspects. When the group members go through all the steps, it becomes easier to ensure the implementation of the forth or the final step.

These four steps form the core of the Rational Decision-Making model. However, there are three more steps which include:

(*i*) Implementing the finally selected decision

(*ii*) Evaluating the success of the finally selected solution alternative

(*iii*) Modifying the actions and the decisions based on the evaluation conducted in the previous step

Requirements and Limitations of the Rational Decision-Making model

The success of this model is however based on some assumptions and requirements and therefore it becomes important to consider them. The model assumes that all the information required to effectively go through the different steps of the model is adequately available. The information that is available is also sufficient in quality as well as quantity. Not only this, it is assumed to be accurate as well. Another assumption that has been made is that the decision making group is capable of implementing the cause and effect relationship for the different solution alternatives. It is also assumed that sufficient knowledge is available to establish the same.

However, there are several limitations of the Rational Decision-Making model. The major ones include:

(*i*) It is extremely time consuming in nature.

(*ii*) It requires a lot of information.

(*iii*) The model assumes that everyone in the decision making group agrees with the rational criteria which are also measurable in nature.

(*iv*) The model also assumes that the group members have an accurate, stable and complete knowledge of the alternative, preferences, goals and consequences.

(*v*) The model also assumes that the operational organizational universe is rational, reasonable as well non-political in nature.

The Bounded Rational Decision-Making Model: A more realistic approach

The Rational Decision-Making model is based on the assumption that the desired outcomes can be achieved through a single, best solution. However, this is not the case with the Bounded Rational Decision-Making model. According to this model, it is important that the problems and decisions need to be reduced to a level where it is easier to understand them completely. Thus, the Bounded Rational Decision-Making model suggests that important interpretations need to be made out of the available information and within the limitations of the information that is available; an appropriate and logical decision needs to be taken. Thus, according to this model, to some extent the decision making process has to be compromised upon.

According to this model, the leader of the decision-making group is expected to take a solution which appears to be the best within the prevailing circumstances. It may or may not be a perfect solution but it however takes care of all the operational limitations which may be present due to the complexity of the situation, the ambiguity in the available information, etc. However, in this model also, the steps involved in the decision making process are similar to those in the previously discussed model. The model assumes that it is not possible for a human being to have all the knowledge related to the different possible solution alternatives and therefore a decision has to be taken within the constraints of the available information.

In simple words, it may be concluded, that though the decision that is taken is rational in nature but it is bounded in nature. Additionally, the choice of the solution alternatives may not be perfect but it is close to perfect within the operational limitations. The assumption that is made in the Rational Decision-Making model is that the exact problem, all the possible solution alternatives and the knowledge substantiating the same is completely available. However, realistically speaking, this may not be the case. Thus, the humanly limitations in a realistic scenario are completely ignored in this model they are definitely considered in the Bounded Rational Decision-Making Model. Therefore it is also referred to as a realistic approach for the Rational Decision-Making process.

The prime assumptions made in this model are:

(*i*) Clarity of problem

(*ii*) Options or alternatives are known

(*iii*) Preferences are clear

(*iv*) Preferences are constant

(*v*) Absence of any time constraints

(*vi*) Absence of any cost constraints

(*vii*) Payoff is maximum

SOBC Model of Organizational Behaviour

The SOBC model of organizational behaviour has four components:

(*i*) Stimulus (*ii*) Organism (*iii*) Behaviour and (*iv*) Consequence

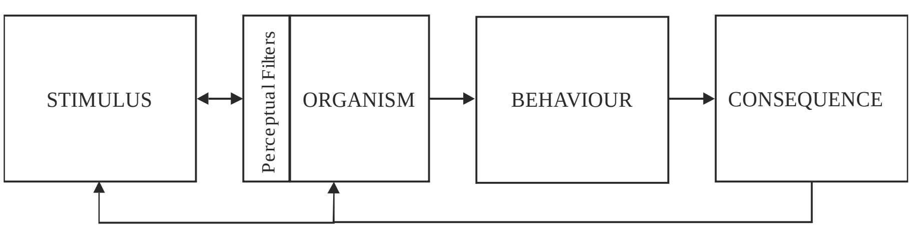

Fig. 1.2 *The SOBC Model*

(*i*) **Stimuli:** In this model, the stimulus is provided by the environment. There are two types of stimuli: (*a*) *Overt stimuli:* These are the observable

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clues in the environment that trigger behaviour. (*b*) *Covert stimuli:* These are the cues in the environment that are not consciously noticed.

(*ii*) **Organism:** The individual constitutes organism of the SOBC Model. Perceptual filters, sensory screens (seeing, hearing, feeling, smelling and tasting), emotional screens (personality, self-concept, attitudes, beliefs and habits), learning and motivation largely determine the organizational behaviour of the individual.

(*iii*) **Behaviour:** It refers to individual behaviour that comprises overt and covert responses and patterns of behaviour. The overt response is open and observable behaviour, while the covert response is hidden, concealed or secret kind of behaviour.

(*iv*) **Consequence:** It refers to results of behaviour. The result may be positive or negative. The positive result is the consequence that results in satisfaction. It leads to a desire to repeat the behaviour. The negative result is the consequence that ends in dissatisfaction. It leads to a desire not to repeat the behaviour.

1.6 GLOBAL SCENARIO

'With rapid globalization, and with more and more businesses going international, the need for managers to deal with employees from varying backgrounds and cultures is also increasing. Managers are required to understand that employees from various cultures and backgrounds are bound to have similarities and differences.'

Workforce diversity

Workforce diversity: The similarities or differences that exist among employees in terms of their gender, age, ethnic background, physical characteristics, abilities, mental abilities, race and sexual orientation

Workforce diversity refers to the similarities or differences that exist among employees in terms of their gender, age, ethnic background, physical characteristics and abilities, mental abilities, race and sexual orientation. Diversity pertains to the way people perceive themselves as well as others. It is essential for managers of diverse workforces to thoroughly understand how the social conditioning of their members influences their work-related beliefs. It is also important for managers of diverse workgroups to be able to communicate well with the group members. This enables them to develop confidence and self-esteem in their employees.

A diverse workforce cannot benefit from management systems that are built on prejudices and stereotypes. Prejudice refers to judgements that concern others' superiority or inferiority which may result in a certain group's efforts and worth being exaggerated and another group's efforts/work being criticized or belittled.

In modern as well as future organizations, the focus would be on utilizing the differences existing among workers in a way that will provide advantages to the workers as well as the organization.

Diversity can be primary or secondary. Diversity of the former nature pertains to the dimensions that are inborn, such as gender, race, ethnicity, etc. that influence socialization. The factors that define an individual and are important to an individual fall under secondary dimensions of diversity. These factors are changeable or adaptable, for example, location, marital status, level of education, religious beliefs, military experience and work experience.

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To manage a diverse workforce, it is necessary to try and build a multicultural organization wherein all employees, despite their varying levels of experience, varying backgrounds and cultural differences, are able to give their best and attain their maximum potential for their own good and for the benefit of the organization. This leads to the sustenance of a competitive edge in the market. Among other things, a multicultural organization should not discriminate and should not have inter-group conflicts.

The need for managing workforce diversity

Managing workforce diversity involves increasing cultural competency, recognizing people as individuals and not as groups, creating and maintaining productive relationships within the organization and focussing on the intelligence, emotions and habits of the individual.

To manage diversity effectively, an individual should examine his/her own values and beliefs and learn the art of dealing with individuals whose values are different.

Workforce diversity management has the following benefits:

(i) It can help managers deal with the modern diverse workforce in an effective manner.

(ii) It can help organizations perform well in a competitive global economy.

(iii) It can guide managers to create a congenial work environment where all employees, regardless of their differences/similarities are treated equally and with respect.

(iv) A diverse workforce can offer better solutions in terms of sourcing, servicing, and allocating resources.

(v) It can result in the flexibility required to adapt to fluctuating demands and markets.

(vi) Workforce diversity will result in providing a broader range of services as it involves people with varying levels of experience, expertise and skills.

(vii) It encourages sharing of viewpoints resulting in productive brainstorming and a bigger experience/idea pool.

(viii) With all employees being encouraged to perform their best, there are more chances of strategies being effectively executed, increase in profits and higher return on investment.

The challenges posed by workforce diversity management

(i) There are language, cultural and perceptual barriers that need to be tackled.

(ii) Morale may go down in case communication of the major objectives is poor.

(iii) Improper or poor communication may result in confusion and absence of teamwork.

(iv) There will always be a set of people to resist change, and hence, hamper progress.

(v) New ideas may not be welcomed/accepted by one and all.

(vi) It is a rather difficult task to build a customized strategy that will maximize the effects of diversity.

Ways to overcome challenges

(i) Making the assessment and evaluation of the diversity process an integral part of the organizational system.

(ii) Ensuring that the executives and managers are personally committed.

(iii) Ensuring the cooperation of the management in creating a culture that is suitable for the success of your organization.

(iv) Involving as many employees as possible in the formulation and execution of diversity-related plans.

(v) Encouraging openness among employees and respecting everybody's opinions and inputs.

Cross-cultural dynamics

Culture can be considered as a constellation of factors that are learned through our interaction with the environment and during our developmental and growth years. A growing baby learns a basic set of values, ideas, perceptions, preferences, concept of morality, code of conduct and so on through family and cultural socialization and such prevailing culture with which the member of the family is associated determines many of the responses that an individual makes in a given situation.

The organizational culture is a system of shared beliefs and attitudes that develop within an organization and guides the behaviour of its members. It is also known as 'corporate culture', and has a major impact on the performance of organizations and specially on the quality of work life experienced by the employees at all levels of the organizational hierarchy. The corporate culture 'consists of the norms, values and unwritten rules of conduct of an organization as well as management styles, priorities, beliefs and interpersonal behaviours that prevail. Together they create a climate that influences how well people communicate, plan and make decisions.' Strong corporate values let people know what is expected of them. There are clear guidelines as to how employees are to behave generally within the organization and their expected code of conduct outside the organization. Also, if the employees understand the basic philosophy of the organization, then they are more likely to make decisions that will support these standards set by the organization and reinforce corporate values.

The word 'culture' has been derived symbolically from 'cultivation'. Cultivation refers to the process of developing land while culture is related with the development of a society. It is related to the system of knowledge, ideology, values, ideas, laws, social norms and day-to-day practices and rituals. Since the pattern of development differs from society to society, the cultural phenomenon varies according to a given society's stage of development. Accordingly, culture varies from one society to another requiring a study of cross-national and cross-cultural phenomenon within organizations. For example, Japanese work culture is very different from American work culture. In America, the ethics of competitive individualism shapes the organizational management and operational performance. The industrial and economic performance in America is taken as a kind of a game in which each individual desires to be a 'winner' in order to receive a reward for successful behaviour. This work culture is a continuation of general culture and family upbringing where children are encouraged to 'think for themselves', and show a sense of assertion and independence.

The Japanese culture, on the other hand, encourages individuals as a part of the team thus encouraging interdependence, shared concerns and mutual help. The organization is viewed as a family to which workers frequently make life long commitments as they see the organization as an extension of their own families. The authority relations are often paternalistic in nature and strong links exist between the welfare of the individual, the corporation and the nation.

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Typical American organization

- Usually short-term employment. Layoffs are quite common. Lateral job mobility is also common.
- Performance evaluation and promotion relatively fast.
- Career paths are very specialized. People tend to stay in the same area such as accounting and become experts in their area.
- Decisions are carried out by individual managers who are responsible for the outcome of such decisions.
- The control systems are very explicit via policies, rules and guidelines and people are expected to strictly follow these guidelines.
- The organization is concerned primarily with the worker's work life and his role in the organization.

Typical Japanese organization

- Fairly long-term, usually life time employment.
- Rigorous evaluation and slow promotion.
- People are primarily generalists, and they become familiar with all areas of operations.
- Collective decision-making is the norm.
- Primary reliance is on implicit control (self-control). People rely heavily on trust and goodwill.
- Organization is concerned with the whole life of the worker, business as well as personal and social.

Theory Z: The middle path

These cultural views are so contrary to each other, even though both American as well as Japanese organizations are successful in their own ways. Theory Z essentially combines these two approaches and in most cases, it modifies American corporate culture to be more consistent with the Japanese corporate culture. However, since total adherence to Japanese corporate cultural values such as life time employment and slow promotions can stifle creativity, dilute the intensity of challenges and restrict upward mobility, the modified Theory Z falls short of accepting the Japanese management style to replace the American style of management.

The modified Theory Z emphasizes the following aspects in relation to the specific areas of differences between the operating styles of a typical American organization and a typical Japanese organization as discussed earlier. These specific aspects are:

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- Long-term employment and recycling of human talent through training This will develop a sense of loyalty and dedication among workers.
- Relatively slow evaluation and promotion: The emphasis is more on training and enhancement of skills and promotions are based on skills rather than seniority.
- Ensuring highly focused career paths: Career paths are not highly focussed in that a person acquires a variety of skills through job rotation and training so that he/she has a better feel of the entire organization rather than just his/her job.
- Control is both explicit and implicit: Self-control is encouraged along with respect for established policies and regulations.
- Decision-making is by consensus: Especially on those key issues that would affect the activities of the workers, decision-making should be encouraged through mutual consensus.
- Responsibility is not collective but is assigned to individual managers: The managers are then held accountable for their decisions. They do have the authority to delegate some of their decision-making authority to their subordinates but the accountability still remains with the individual managers.

In addition to the work and performance of workers, the organization takes active interest in the worker's family and social life and provides facilities where social interaction among all members of the organization, irrespective of the rank is encouraged.

While many of these factors are common to all successful organizations such as participative decision-making and encouraging team spirit by rewarding group efforts, some other factors are indeed culturally based and the organizations must make decisions in accordance with their own unique culture.

Global dimensions of culture

Although international business to some degree has existed for centuries, the second half of the last century, was most influential in bringing the world closer to itself. The world, since 1950s has entered an era of unprecedented global economic activity, including worldwide production, distribution and global strategic alliances. More recently, in the last decade of the last century, India and China have opened up for entry of multinational companies. Some other closed markets under communism and social economies, such as one time Soviet Union and Eastern Europe have joined the international economic arena. Some multinational companies such as IBM, GE, BP and Siemens do business in more than fifty countries. According to Mitroft, 'For all practical purposes all business today is global. Firms, industries and whole societies that clearly understand the new rules of doing business in a world economy will prosper; those that do not will perish.'

Culture defines behaviour of people and organizations and international managers are increasingly recognizing the influence of national culture on organizational functioning. They are being trained in acquiring the skills of cross-cultural management and they study the behaviour of people in organizational settings around the world. Efforts are being made to understand and improve interaction with different co-workers, clients, suppliers and partners who belong to different countries and cultures. Often multilingual,

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the global manager thinks with a world view and develops his strategy on the basis of diverse beliefs, behaviour and practices of people of different countries. He adapts well to different business environments and solves problems quickly relative to the environment he is in. He understands and respects different government and political systems and he communicates in the cultural context of a given class of people. Experienced international managers understand the need for 'global mindset' of cultural adaptability, flexibility, patience and respect.

According to Adler and Bartholomew, some of the skills and approaches required of global managers are as follows:

Global perspective: A global manager should broaden his focus from one or two countries to a global business perspective.

Cultural responsiveness: He should become familiar, understand and respect the diversity and variety of cultures in different countries. He should also learn the dynamics of multinational interaction and situations.

Cultural adaptability: In addition to cultural responsiveness, a global manager should be flexible enough to adapt to the culture of the people of the host country and be able to live and work with and among them. He should indulge in cross-cultural communication on a day-to-day basis, whether he is in the home country or the host country.

Acquired broad foreign experience: He should be exposed to a variety of experiences by serving in different countries, and this will expand his horizons of thinking and interaction.

Understanding cultural differences

The world has an extraordinary number of distinct cultures. In Africa alone, there are more than 800 separate cultures with distinct languages, customs and values and these are not entirely defined by national boundaries. China may have as many as 200 distinct cultural groups. Indian states are organized basically on the basis of language and each language specifies its own culture. Punjabi culture is different from Bengali culture. India being a secular country also has cultural differences on the basis of religions.

Then there are cultures within cultures. Nearly all societies have their subcultures and distinct groups. In the United States, for example, there is a visible difference between Caucasians, Americans and African–Americans, between Northerners and Southerners. Sometimes these subcultures clash with tragic results. In Nigeria, for example, an elitist tribal society had come close to committing mass genocide of Ebo tribe in Biafra. The violent tribal clashes in Rawanda and rivalry among warlords of Somalia and Afghanistan has resulted in the death of over one million people. Accordingly, an international manager is trained to be culturally sensitive. Cultural sensitivity implies that the individual has become sufficiently aware of these cultural differences to function effectively without becoming openly judgemental or taking sides with one group or the other.

People behave according to their values, beliefs and attitudes. From organizational behaviour point of view, global managers must understand and appreciate these values, beliefs and attitudes of the people of the host countries, in order to achieve success.

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Values are basic assumptions about how things should be in a given society. They are collective convictions regarding good or bad, important or trivial, ethical or non-ethical, and so on. Values are ingrained in the social fabric and are difficult, if not impossible to change. Hindus do not eat beef because cow is considered holy. Muslims do not eat pork because it is considered unclean. Sikhs do not smoke because it is considered anti-social. These are values that have existed for centuries. In most Islamic countries, women are expected to cover themselves from head to toe. In Saudi Arabia, women are not allowed to drive a car. Even where they are allowed to work, it is with the permission of their husbands, and the husbands are interviewed for jobs for their wives.

Beliefs are conscious assertions about what is right or wrong, good or bad or the way of doing things. Even within a given society or religion, there may be different beliefs. Hindus, for example, believe in different deities, even though all of them belong to the same religion. Among them, some believe in eating meat, others do not. McDonalds restaurants do not sell hamburgers in India. Brahmins are strictly vegetarian. Knowledge about beliefs of natives in a given country helps organizations in avoiding some costly mistakes.

Attitudes define proper behaviour of individuals and these are also generally formed within the context of social values and group beliefs. Attitudes are important in understanding the psychology of individual relationships. An influential person with a bad attitude can create problems for the organization. Collective attitude of a government, for example, towards foreign investment can encourage or discourage the extent of foreign direct investment (FDI).

Cross-cultural communication

For proper and correct communication, an international manager must be aware of the various languages in the host country and must be able to grasp the proper meaning of the words and sentences. There are over 6,000 languages in the world, many of them highly localized. English is the most popularly used language for international business transactions. Over 80 per cent of the information stored in all the world's computers is in English and over 85 per cent of all the World Wide Web (WWW) sites are in English. However, English as an official language is used in about sixty countries out of nearly 200 and hence, it is necessary to understand the language of the host country, both in content as well as context, for example, 'come any time' does not mean the same thing in India as it does in America. 'See you later' a common good-bye word in America does not mean meeting again on the same day.

For example, a truck in America is known as a 'lorry' in England. A 'lift' in England is an 'elevator' in America. Accordingly, an international manager is trained to be sensitive to the differences in the words and their meanings.

Ethical behaviour across cultures

In the global business arena, special ethical challenges arise as a result of cultural diversity and variations in government and legal system. Ethical and moral behaviour does not have many universally recognized characteristics and may differ from culture to culture. This poses a dilemma for many multinational companies, for example, bribery is the cost of doing business in many developing countries, that may be considered

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unethical by some. It is quite common for some country leaders to amass fortunes by unethical means such as Marcos of Philippines and Suharto of Indonesia. Even in America, more recent developments with Enron and World Com and with the accounting firm of Arthur Anderson show an unethical side of the business environment. Many types of unethical conducts are legally forbidden and such laws are strictly enforced. President Nixon had to resign because of unethical conduct. Many of his cabinet members went to jail. Such laws, even though present in legal books, are not strictly enforced in most of the developing countries.

In addition to bribery, some of the other current prominent issues include poor safety and poor working conditions in factories, employment of child labour and support for such governments, that fail to protect and respect the basic human rights. Child labour is very common in India and Pakistan. China has been accused of using prisoners as labourers in manufacturing industries. Unsafe working conditions are common in Haiti and many other Caribbean and African countries. There are two types of influences that culture has on ethical behavior. One is known as cultural relativism and the other is known as ethical imperialism. According to cultural relativism, no culture is superior in terms of ethics and the values and practices of the local setting determine what is right or wrong. In other words, ‘when in Rome, do as the Romans do.’ In contrast, ethical imperialism implies that certain absolute truths apply everywhere. Universal values transcend cultures in determining what is ethically right and what is wrong, for example, if bribery is ethically wrong, then it is wrong everywhere and in every culture. The critics of ethical imperialism argue that it is wrong to enforce your own moral values on others and that moral values are not absolute or universal in nature and should be evaluated in the cultural context of a given population, for example, child labour is morally as well as legally unacceptable in America. However, in India or Pakistan, where there is extreme poverty and many people have large families, child labour is essential to meet the basic needs of the family. Similarly, the concept of bribery, that can be considered as morally wrong but which is necessary to get a license in order to open a manufacturing plant in a developing country can be considered acceptable when it helps the nation’s economy and provides jobs for many workers. In other words, morality should not be judged by the act itself but by the outcome of the act.

Managing diversity

Organizations are moving away from simply accepting and accommodating diversity to actually seeking and managing diversity. Diversity is not an easy term to define in specific terms. For some, diversity refers to primarily racial, ethnic and gender differences and others define diversity in terms of much broader range and also include such differences as in religion, social class and age. Basically, diversity has two dimensions. One is primary and the other is secondary. The primary dimension has six elements that basically are fixed and generally do not change. The secondary dimensions are learned and acquired and can be changed to fit in with the given environment. Individuals are defined and distinguished from each other in terms of these dimensions. The primary dimensions are:

Age: Elderly people behave differently than younger people since younger generation is much more open to new ideas and change than elderly people who are more or less fixed in their views and attitudes.

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Gender: Men and women sometimes react differently to the same situation and their attitudes towards certain issues may also differ.

Ethnic heritage: It is a collection of customs and rituals that are passed on from one generation to the next.

Race: A race is defined as the people of the same stock. Caucasian, Asians and Africans would come into this category.

Mental or physical abilities: These include people with superior intelligence, or people with physical disabilities.

Sexual orientation: These include homosexual or lesbian tendencies.

The secondary dimensions that differentiate people from one another are characteristics that are acquired and are a function of the environment in which a person lives. These include language, education, religion, geographic location, work experience, communication skills, position in hierarchical structure, and so on.

Managing diversity well can be helpful in gaining a competitive edge. It helps an organization become more socially responsible and this helps in improved public relations. Diverse groups have a broader and richer base of experiences and thus the potential for creativity, team spirit and innovation. This means that the culturally diverse workforces create competitive advantage through better decisions.

Preparing for a foreign assignment

According to Jennifer Scott, there are over 3,50,000 Americans working abroad for American companies. Those people who work and live abroad are known as expatriates. Hence, they are said to be expatriated when sent to another country and repatriated when transferred back home. Due to high cost of sending employees and their families to foreign countries, it is important that expatriates be fully trained to adjust to the local environment of the host country in every way. Not only the employees themselves but their families are also to be trained for such adjustment. Such training primarily includes cross-cultural adjustment training for the entire family. This training should include information materials about the host country along with language learning and experiential training through case studies, videos and role playing. There is no substitute for an intimate knowledge of the local language and culture.

The expatriate manager goes through three phases of adjustment in a foreign country. Initially, the first few days or few weeks are interesting and exciting because of discovering a new environment. Second is a stage of disillusionment when adjustment to a new environment creates some difficulties, in terms of local language, food, and so on. Third stage is the cultural shock. If the cultural shock is well handled, then the expatriate feels more comfortable with the new environment and functions more effectively.

1.7 INDIVIDUAL BEHAVIOUR: PERSONALITY AND ATTITUDES

Human behaviour, a complex phenomenon as it is, is most difficult to define in absolute terms. It is primarily a combination of responses to external and internal

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stimuli. These responses would reflect psychological structure of the person and may be a result of a combination of biological and psychological processes. It is a system by which a human being senses external events and influences, interprets them, responds to them in an appropriate manner and learns from the result of these responses.

Psychologist Kurt Levin has conducted considerable research into the human behaviour and its causes. He believes that people are influenced by a number of diversified factors, both genetic and environmental, and the influence of these factors determines the pattern of behaviour. He called his conception of these influences 'the field theory' and suggested this formula:

$$B = F(P, E)$$

in which behaviour (B) is a function (F) of a person (P) and environment (E) around him. It is important to recognize the effect of the 'person' and that of the environment individually as well as their interaction and dependence upon each other in order to understand the pattern of behaviour. These two factors are highly linked with each other. Any one of these two factors individually cannot fully explain the behaviour characteristics. An individual's behaviour may change due to a change in the same environment or exposure to a different environment. For example, a person who loses a well paying job may behave differently when he is unemployed. Similarly, just the environment in itself cannot be the cause of or explain a given behaviour. Different people behave differently in the same or similar environment. However, when the situation demands, the environment may change the behaviour of an individual. For example, certain training programmes or rehabilitation programmes have changed the human attitudes and behaviour. Sometimes a sudden and unexpected turn of events or a shock can also induce significant and permanent changes in the human behaviour. For example, there are a number of stories in the Indian religious scriptures where a known killer or a dacoit came to a temple and his whole personality and outlook changed. Thus, the environment can change the individual in his or her behaviour. Similarly, the individuals can also change the environment by setting goals and standards and by determination and motivation.

Biological Foundations of Behaviour

It has been established that certain characteristics of behaviour are genetic in nature, and a human being inherits a certain degree of similarity to other individuals, as well as uniqueness in the form of genes and chromosomes. Some of the characteristics such as physical traits including physical height, slimness, dexterity, intellectual capacity and the ability to learn and logicalize are all inherited and have a wide impact on behavioural patterns.

According to R.S. Dwivedi, the structures of the nervous system play a significant part in the emerging pattern of behaviour thus bringing about the integration of human behaviour and personality. Some psychologists believe that some aspects of human behaviour can be explained in terms of neural activity and neuro-physiological processes. Dwivedi further explains:

'Integration of human behaviour takes place because of the constant functioning of receptors, effectors and connectors. Here the nervous system is primarily involved in the connecting process. The numerous receptor cells attached to the individual's

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sense organs tend to convert physical and chemical events from the environment into neural events while the several effector cells attached to the muscles and glands convert these neural events into responses.'

These responses result in behavioural activity ranging from simple reflex action to the complex creative activity.

Behaviour is sometimes easily explained by laymen as a reflection of the state of the nervous system. This causal relationship is referred to continuously during our daily routine impressions and conversations. For example, when somebody loses patience quickly, we tend to brand him as 'stupid', and the behaviour is explained by a lack of intelligence where intelligence reflects a state of neural system. Similarly, a person whose behaviour is depressive is considered to be having a 'nervous breakdown'. In other words, it is implied that a man exhibits a certain type of behaviour because he was 'born that way', again pointing to genetic structure.

Causes of Human Behaviour

As discussed earlier, both scientific thinkers as well as behaviourists have always been interested in finding out the causes for a given human behaviour. Science has always been involved in explaining a phenomenon by looking at its causes and then establishing a relationship between a cause and its effect. For example, the cause of formation of water is mixing of two parts of hydrogen and one part of oxygen in a given manner. Accordingly, the effect of water can be explained by its cause. This relationship is scientific and everytime, the same cause will produce the same effect. Similarly, the behaviour scientists want to find out the causes for why people behave in a certain way. If these causes can be established, then certain types of behaviour can be predicted, manipulated and controlled.

The assumption that the study of any subject begins in the realm of superstition has some validity. For example, the scientific field of astronomy started as astrology. Similarly, the study and prediction of behaviour has its roots in superstitious beliefs in supernatural phenomenon. Even though such beliefs are not supported by science, they are still socially prevalent. Any conspicuous event that coincides with some part of general human behaviour is likely to be seized upon as a cause. Many such beliefs have been extensively discussed by B.F. Skinner. He cites as an example, the belief of many people that the position of various planets at the exact time of the birth of the individual determines many aspects of his behaviour, such as whether he is temperamental, impulsive, trustworthy, and so on. Millions of people who read the daily horoscope would testify to this belief, even though these horoscopes describe only general characteristics and general predictions that could be interpreted to be applicable to any person, irrespective of when he was born. The 'science' of astrology is taken very seriously in most underdeveloped countries and even in the technologically and scientifically advanced countries, astrologers are seriously consulted. In India, for example, many business meetings are arranged on the advice of astrologers. Prime Minister of India, Indira Gandhi and Ronald Reagan, President of America have been known to have arranged important political conferences in consultation with astrologers. The position of planets at birth, as a cause, is not considered as predicting specific actions or unique aspects of behaviour of an individual, but only general characteristics such as whether the person is impulsive or thoughtful, even though some of these general characteristics may be explained as being responsible for some specific action of the individual. For example, a quick but wrong decision can be attributed to 'impulsiveness', that is identified by astrology. It is strange that there is a lack of serious questioning to its validity, even though the process proposes that all mankind can be divided into 12 monthly categories as far as their behaviour pattern is concerned.

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Then there are numerologists who propose another cause of behaviour. This has to do with a person's name. They believe and propose that the choice of a person's name is not a coincidence but a predetermined and predestined phenomenon that is associated with the person's behaviour. Based upon this philosophy, certain patterns of behaviour are identified and predicted by the number and types of letters in a person's name. Each letter of the alphabet has been assigned a number. Thus, the letters of the name are replaced by their respective numbers. These numbers are then manipulated and an end result of a single number is obtained. This last number can be used to find some behavioural characteristics associated with this number, as explained by numerologists.

Another common practice is to explain behaviour in terms of certain physical characteristics of a person, the most important of these characteristics being the lines on the palm. Palmistry or palm reading is often explained as a science and has been made popular by Cherio and Saint Germain, who practised the 'art' of palmistry and wrote extensively about it. The four major lines on the palm of the hand are the Life line, the Heart line, the Brain line or the line of education and intelligence and the Fate line. These major lines are supported by scores of smaller lines, crosses, stars, islands and branches. There are special lines about number of marriages and children and all these lines are supposed to predict not only how long the person will live or whether he will be rich or poor but also such behavioural traits such as intelligence, patience, restlessness, trust worthiness, and so on.

Another common practice is to explain behaviour in terms of the physical structure of the individual. It is sometimes said that the eyes betray the character of the person. Similarly, certain ideas can be formed about behaviour on the basis of whether the person is fat or tall or slim. Whether there is a correlation between body structure and behaviour has not been scientifically demonstrated. Even if there is such a correlation between the two, it is not always clear which is the independent variable and which is the dependent variable. For example, we cannot be sure whether fat people are jolly because, being at a disadvantage, they develop jolly nature as a competitive edge or whether jolly people are fat because they are free of emotional disturbances and enjoy their life by eating, drinking and not caring too much about their physique.

The theory of 'born' leaders suggests that some people behave in a certain manner, because they were born that way. The belief is based upon the assumption that certain behavioural characteristics are genetic in nature and are inherited. If we know that a person has certain inherited qualities and limitations, then we may be able to use our control techniques more intelligently.

There are two categories in which the causes of human behaviour can be classified. These are: (1) inherited characteristics and (2) learned characteristics. Let us explain each of these two in more detail.

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Inherited characteristics

Some of the inherited characteristics that may or may not be changed by external forces and may or may not be important determinants of performance are as follows:

Physical characteristics: Some of these characteristics relate to physical height, slim body, vision, dexterity and stamina and have some bearing on performance. Manual dexterity, for example, results in quality performance in such jobs that require artistic manoeuvring. Similarly, tall and slim people are expected to dress well and behave in a sophisticated manner, and fat people are assumed to have a jovial nature.

Intelligence: Intelligence is primarily an inherited trait, even though children of some very intelligent parents have turned out to be less intelligent and vice versa. It is also known that intelligence can be enhanced by proper environment or by proper motivation. Einstein was not considered very intelligent during his earlier years. In any case, intelligence as a trait is related to certain behaviour. Intelligent people are easy to convince if the point is right and they can be expected to be much more stable and predictable.

Sex: Being a male or a female is genetic in nature and can be considered as an inherited characteristic. However, it is highly debatable whether being a male or a female in itself is indicative of any behavioural patterns. Man is expected to be tough while a woman is expected to be gentle. Men 'never cry' and women are 'highly emotional', are some of the stereotyped assumptions that have no basis in genetic influences. These behaviour are developed, if at all, due to differences in treatment that boys and girls receive in the family environment.

Even though some work roles are assumed to be the exclusive domain of women, such as nurses or airline stewardesses, these roles are being modified to accommodate men in these positions. As far as the administration of the management process is concerned, women in general do not differ from men in their operative behaviour.

Age: Since age is determined by the date of birth, it is a kind of inherited characteristic. Age may affect the behaviour in physiological as well as psychological ways. Psychologically, young people are expected to be more energetic, innovative, risk taking and adventurous, while old people are supposed to be conservative and set in their ways. Physiologically, with age, older people experience waning of some of their faculties such as memory, stamina, coordination, and so on, and hence the related behaviours change as well. According to Lehman, the peak of creative ability is among people between the ages of 30 and 40.

Religion: Religion and cultures based on it play an important role in determining some aspects of individual behaviour, specially those that concern morals, ethics and a code of conduct. Highly religious people have high moral standards and usually do not tell lies or talk ill of others. They are highly contented and thus strive for achievement and self-fulfilment. Additionally, religion and culture also determine attitudes towards work and towards financial incentives.

Learned characteristics

Some of the behavioural characteristics that account for enormous diversity in human behaviour are a product of our exposure to various situations and stimuli, both within the family and the outside environment. These characteristics are acquired by learning where learning is defined as a 'relatively permanent change in behaviour resulting from interactions with the environment.'

These characteristics involve an individual's attitudes, values and perceptions about the environment around him. They are the result of parental values and expectations and the values and norms of our culture and sub-cultures. Children learn the need and values of being honest and truthful and the value of love and affection from the family environment. If the parents are always fighting, if the father is always drunk or if the mother resents the child, it is most likely that the child will grow up lacking the warmth of love and respect. Similarly, a loving family instills certain positive values about life in the minds of the children.

The physical environment itself has a profound effect on the individual behaviour. Persons who have come through the rigorous routine of the armed forces or students who have been active sportsmen may have learned the spirit of competition as well as cooperation. Similarly, students who have studied in religious schools and convents may have learned different values about truth and human decency.

Since inherited behavioural characteristics are more difficult to change or modify, it is the learned characteristics that the managers want to study, predict and control. Hence these will be discussed in more detail in the following units, but a brief familiarity with this factor is necessary here. Some of these learned characteristics are as follows:

Perception: Perception is the process by which information enters our minds and is interpreted in order to give some sensible meaning to the world around us. It is the result of a complex interaction of various senses such as feeling, seeing, hearing, etc. Sayings and proverbs like 'things are not what they seem' or 'all that glitters is not gold', reflect a sense of perception. 'One man's meat is another man's poison', is in a psychological sense an indication that different people see and sense the same thing in different ways.

Perception: The process by which information enters our minds and is interpreted in order to give some sensible meaning to the world around us

Perception plays an important part in human as well as organizational behaviour. For example, if a manager perceives a subordinate's ability as limited, he will give him limited responsibility, even if the subordinate, in fact, is an able person. Similarly, we lose a lot of good friends due to our changed perceptions about them.

Attitude: Attitude may be defined as the organization of a perception within a frame of reference. It can also be described as the manner in which an individual behaves, reacts, thinks or perceives a particular object in a given situation. It is a tendency to act in a certain way, either favourably or unfavourably concerning objects, people or events. For example, if I say that 'I like my job,' I am expressing my attitude towards my work.

Attitude: The organization of a perception within a frame of reference

Attitude has three elements in it that lead to measurable outcomes. These are feelings, thoughts and behaviour. Feelings and thoughts can be measured by simply asking individuals about their feelings and opinions. Behaviour can be measured either by actual overt actions or simply by asking the person how he would act in a certain situation. By measuring and integrating these three elements, a person's attitude towards a given situation can be established.

In general, a person may have a positive attitude that is good outlook of life, or negative attitude that means continuous complaining about problems in life. Organizationally speaking, an employee's negative attitude about work may be reflected

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by substandard work performance, excessive absenteeism, excessive complaining about work environment or disobedience to rules of authority. These attitudes can be changed either by simple persuasion or by training and coaching. Kelman has identified three processes that act as instruments of change. The first is *compliance*, that is application of subtle pressure either through reward or punishment in order to change the behaviour, and expecting this change to be lasting.

The second process is that of *identification* with the person who is affecting the change and is acting as a change agent. This change agent could be a close friend who wants you to change and you respect and love him enough to do so to please him. In marriage, for example, both the husband and the wife make a lot of sacrifices and change their behaviour to please each other. The third process is the process of *internalization,* that is more permanent in nature. This means that the new attitude is integrated with the other attitudes and becomes a part of the person's total personality. This change may occur through internal soul searching and the desire to change that comes from within.

Personality: When we describe people as quiet and passive or loud and aggressive or ambitious, we are portraying an aspect of their personality. A set of traits, habits and characteristics comprise the personality of an individual. This may also include conditioned responses that an individual may express to a set of given stimuli which in a way also contribute towards creating an impression of an individual upon others. This personality may come out as warm and friendly, or arrogant and aggressive. Many psychologists contend that personality traits develop in the early childhood years and very few personality changes can be made after the childhood years. There are different types of personality traits. Some of them can be biological in nature while others may be learned over a period of time. Examples of biological traits include physical build and intelligence. The traits which are learned over a period of time are patience, open mindedness, outspoken nature, introvertness or extrovertness in behaviour, etc.

Some of these personality traits are highly influential in certain organizational operations from organizational behaviour point of view. For example, Tedeschi and Lindskold propose that people who are open minded seem to work better in bargaining agreements than people who are narrow minded. Similarly, people who are extroverts and outgoing are more likely to be successful as managers than those who are introverts.

Values: Values, according to Milton Rokeach, represent basic convictions that 'a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence.' They generally identify a person's moral structure on which the concept of good or bad and right or wrong is based. Values are emotionally charged priorities and are passionately defended. Values and behaviour are highly correlated. Values indicate behaviour pattern and while they do not necessarily and accurately predict behaviour, when behaviour occurs, it is likely to be in line with the values one holds. Value system, according to Prof. A. Dasgupta, 'is a framework of personal philosophy which governs and influences the individual's reactions and responses to any situations.' These reactions and responses direct individuals in a society to selectively attend to some goals and to subordinate other goals. In other words, value systems represent a prioritizing of individual values in relation to their relative importance. This value system develops from the cultural environment in which the individual is brought up, the concept of nuclear family, religious influences on his code of conduct, respect for traditional concepts of ethics and morality, and degree of faith in the socially inherited religious elements and beliefs. The values often define the actions of the individuals. The values are most of the times stable and lasting in nature. A value generally acts as a criterion for consciously or subconsciously defining the actions of an individual. Values are also important while developing and maintaining the attitudes towards a particular object or situation.

An individual may justify his behaviour or actions based on his attitude. Not only this, in order to morally define one's actions, attitude may be used. Attitude may also be used to compare two individuals.

The value system also determines the form of social organization in terms of family, groups or community and the role and status positions of individuals within the community. This will also determine the decision maker in the family or the opinion leader in the community or the leader in the organization.

Values are important in relation to the study of organizational behaviour because an organization is a composite of attitudes, perceptions, personalities and individual behaviour of managers as well as workers. Values determine what is right and what is wrong where right or wrong is interpreted in terms of perceived values of the decision maker. Values sometimes overpower even objectivity and rationality. For example, in order to open a profitable manufaturing plant in a developing country, it may be necessary to bribe a government official for the granting of the license. This bribe may be customary and routinely accepted and rationally it could be justified. However, the value system of the management may be such as to consider bribery unethical and hence the value system would overpower rationality.

The study of value system of the managerial class becomes important when one appreciates the areas over which the value system can significantly influence the manager's outlook and behaviour. It is now generally accepted that:

- A manager's value system influences his perception of problems and his understanding of the various situations that he faces from day-to-day.
- Value system effectively influences a manager's decision-making process as well as his interpersonal behaviour.
- Each manager largely functions within certain ethical and moral parameters and the value systems play an important role in determining the boundaries of such parameters.

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Environmental Effect on Behaviour

While behaviour is a reaction to situations and the type of reaction is based upon some inherited and some learned behavioural characteristics, the environment is an important catalyst in determining such type of reactions. If the environment is complementary to established behaviour, then the actions are positively reinforced. However, if the environment is hostile to the values and skills of the worker, then negative reactions take place. For example, some of the coolest people have been known to lose temper under certain situations. Highly skilled people have changed jobs because the environment in the job situations was not conductive to their enhancement. On the other hand, less skilled people have learned skills and forged ahead because of the right environment.

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The environment surrounding the workplace has two elements. These are physical and social. The physical environment at a workplace is the arrangement of people and things so that this setting has a positive influence on people. Some of the physical factors that influence behaviour are noise level, heat, light, ventilation, cleanliness, accessibility to work tools, space utilization, colour coordination, nature of job, office furnishing and number of people working at a given place. The open communication between the manager and the subordinates has a positive effect on behaviour. The common cafeteria for management and workers in the factories and offices in Japan has been known to be highly motivating to workers. Recent studies in 'open wall' office concept showed that some employees were more productive and satisfied with their workplace in open space when their jobs did not require private office space.The social environment relates to interaction among people and respect for numerous social and societal laws, rules and norms created by people to regulate and control behaviour of people. These social influences are affected by family environment, friends, associates, peers at work and groups to which an individual belongs. Much of the behaviour is an outcome of respect for norms and laws. Norms are unwritten rules and informal expectations about how people behave in certain social situations. For example, standing at the back of a line for a service is expected behaviour from people. Any person bypassing the line will be ridiculed and perhaps not allowed to do so. These norms are useful in standardizing behaviour of all people in a particular environment. 'When in Rome, do as the Romans do' is perhaps intended to respect the norms of a certain social group that you come in contact with.

Rules and laws on the other hand are formalized and written standards of behaviour. Both rules and laws are strictly enforced; laws by the legal system and rules by the social system. Laws relate to all members of the society. For example, stealing property of others is illegal and punishable by law and applies to all people within the system. Rules on the other hand affect only a particular segment of the society. These may be rules of a family, a group, a club or an organization. Working from 9 a.m. to 5 p.m. is an organizational rule. Airlines have certain rules about wearing safety belt and smoking. There are rules for visitors visiting a public place or a tourist place.

Observing the norms, rules and laws voluntarily makes for an orderly society and allows for predictability of behaviours.

Behaviour as an Input–Output System

We have discussed earlier that human behaviour is a function of the person and his environment where the 'person' is primarily shaped by general biological characteristics, and environment that generates external stimuli. It does not include the possibility of randomness of human behaviour, and it assumes that all human behaviour is goal directed so that a measurable correlation exists between the goals and behaviour. The external stimulus is most important since it excites the internal processes to activate and the behaviour takes place, so that an external input is necessary to elicit behavioural responses.

The basic input–output model can be described as the SOB model where *S* stands for the stimuli generated by the external environment as input, *O* stands for human organism that is activated by physiological as well as psychological processes, and *B* stands for behaviour as the output. Before behaviour is exhibited, there is mutual interaction between the stimulus and the organism and except for reflex actions, the organism 'decides' as to the type of behaviour outcome. This interaction results in perception and it becomes the cause of human behaviour.

Another input–output model has been proposed by Kolasa that describes human behaviour in terms of a systems model that may describe the process in a more objective manner. The input from the external environment is processed and analyzed through a central processing function that is similar to human organism '*O*' in the previous model except that this central processing region is the crucial region of cognition consisting of perception and such core processes as thinking, reasoning, logic, problem solving and decision-making.

Here the stimuli forms the input and is transformed into information by various sensory organs. This information is organized by the central information processing function in a manner that is meaningful to the individual. This organization takes place through the perceptual processes that are formed through experience in the social setting, and is a function of the personality traits as far as the values and the utility of information is concerned. The second step in the behavioural sequence is the analysis of the information, choice of alternatives in dealing with the information, then selecting the most beneficial alternative to the individual and taking action. This step is known as decision-making and action taking and becomes the output of the system and this output reflects the behaviour of the person.

Code of Ethics

People in an organization are expected to follow certain ethical principles, ethical rules and guidelines. They are also expected to comply with the general value system of an organization. All this is defined by a formal statement or code of ethics which acts as a guide for all the employees of an organization. Also known as company 'Credo', it is a declaration of business principles, statement of core values and other written statements involving ethics which commonly address issues related to political contributions, bribes or giving of gifts, conflict of interest and privacy of information, etc. and so on. Most American firms have such ethical codes. For example, Martin Marietta, a major defence contractor in America has the following credo.

- To our 'employees', we are committed to just management and equality for all, providing a safe and healthy workplace and respecting the dignity and privacy due all human beings.
- To our 'customers', we are committed to produce reliable products and services at a fair price that are delivered on time and within budget.
- To the 'communities' in which we live we are committed to be responsible neighbours, reflecting all aspects of good citizenship.
- To our 'shareholders' we are committed to pursuing sound growth and earning objectives and to exercising prudence in the use of our assets and resources.
- To our 'suppliers' we are committed to fair competition and the sense of responsibility required of a good customer.

An organization's code of ethics can serve several purposes. First, it creates employee awareness that ethical concerns are to be an integral part of decision-making. Second, it demonstrates the commitment and direction in stating its standards and

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incorporating these standards into daily operations. Finally, a credo can bring unity of purpose among all employees of the organization.

However, the code of ethics has to go beyond mere words and must be strictly followed and monitored. It is not always easy to translate general statements regarding the code of conduct into specific and clear cut directive of operation. For example, most life insurance companies forbid their salesmen to share their commission with their clients as this practice is considered unethical. But the competition, as it is, makes it difficult for salespeople to make a sale without giving any financial incentive to clients. Accordingly, some organizations are finding it exceedingly harder to enforce the application of such ethical policies. The difficulty in specifically defining morality or ethical behaviour makes an acceptable code of ethics highly cumbersome for the organizations. This creates a dilemma for organizations because clear-cut policies regarding ethical conduct are difficult to establish, especially for those organizations that operate in a number of countries because the code of conduct may vary from country to country.

Organizations usually establish a code of ethics that is consistent with the viewpoints of the prevailing society. However, the same code may not be valid in a different society and may change within the same society over a period of time. For example, in the 1900s, society considered it unethical for a person to purchase merchandise on credit, while these days credit purchase are an integral part of living. This makes defining and specifying the code of ethics very difficult. Accordingly, if the ethical guidelines are not specific, they could lead to different interpretations, thus defeating the very purpose for which these guidelines are designed. On the other hand, if these guidelines are highly specific, these will not equally apply to all because of different norms among different cultures and subcultures.

Behaviour and Performance

According to Schermerhorn, Hunt and Osborn performance is a reflection of three characteristics. These are:

- Individual's 'capacity' to perform
- Individual's 'willingness' to perform
- Organizational support

While organizational support basically provides an individual with an 'opportunity' to perform that does affect behaviour to some degree, the 'capacity' and the 'willingness' are directly associated with the human behaviour.

The capacity to perform is an outcome of such competency characteristics as ability and aptitude that can be considered as inherited characteristics of behaviour. Ability, that is partly a measure of intelligence, is the basic and important ingredient for effective performance and all the motivation and organizational efforts will not be of any help towards performance if the basic ability does not exist. Accordingly, job performance is facilitated when ability matches the requirements.

Even when the ability fits the task requirements, it does not necessarily result in high performance. To achieve high levels of performance, the individuals must show willingness to perform and put in adequate work effort. The effort or the degree of willingness to perform effectively would depend upon the degree of motivation of the individual. This motivation that is a behavioural concept defines the forces within the individual that account for the direction and level of effort relating to a given task. For example, in a classroom setting, all students generally come from a similar background, similar age, and similar abilities and are exposed to the same instructor and similar study requirements, but all students will not get similar grades because some students will be highly motivated to work harder than the others.

Organizational support and resources affect human behaviour in a significant way and the performance is influenced by this behaviour. Physical facilities and technology in the organizational structure, as well as advice and direction from the leaders are highly conducive to positive outlook towards work, resulting in high quality performance. Inadequate support systems such as rush jobs, unavailability of best tools to perform work with unclear guidance and instructions; are all negative influences on behaviour and performance. Some of the symptoms of inadequate organizational support are given as follows:

- Lack of time
- Inadequate budgets
- Inadequate tools, equipment, supplies
- Unclear instructions and job related information
- Unfair levels of expected performance
- Lack of job-related authority
- Lack of required services and help from others
- Inflexibility of procedures

All the above constraints intrude on work performance.

1.8 DEVELOPMENT OF PERSONALITY

The concept of **personality** is often discussed in our daily routine and while coming across different people, one may associate different individuals with different personalities. For example, one particular individual may be having a pleasing personality while another one may be having an arrogant personality. Similarly, one individual may be having an aggressive personality while another individual may have a submissive personality. Sometimes, we refer to disagreements among people which possibly arise due to personality conflicts. Personality of an individual can be found out from his behavioural traits or temperament. Personality of an individual plays an extremely important role in assessing the behavior of a person at an organization. In case an individual who is holding a senior position in an organization has a wrong type of personality, it may lead to a very bad impact on the relationship between superior and his subordinates and ultimately it may lead to protests and unrest at the workplace. Sometimes the personality difficulties are the root cause of labour strikes. No matter how good the superior is in technical knowledge or other behavioural characteristics, it is the 'temperament' of the superior that is crucial in ensuring a cordial interaction with subordinates.

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

Personality has been defined by Salvatore Maddi as follows:

> 'Personality is a stable set of characteristics and tendencies that determine those commonalties and differences in the psychological behaviour (thoughts, feeling and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment.'

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This definition however has several aspects which must be considered. Stability of characteristics is the first important aspect which needs to be considered. Consistency in an individual's characteristics will actually define the consistency of the behavioural patterns that may be expressed by an individual. If a person's entire personality could change suddenly, then we would not be able to predict his personality traits. For example, if a person is sometimes warm and friendly and at other times he is cold and hostile, then we cannot conclude that his personality is warm and friendly. Accordingly, when assessing a person's personality, we need to look for characteristics that are relatively stable or that change only very slowly over a long period of time.

Understanding the 'commonalities and differences' is another important aspect. This helps in assessing the different aspects that an individual has similar to others and what are those points which actually make him different from the others and set him apart as an individual. Each and every person

- like all other people
- like some other people
- like no other person

Organizationally, a manager must understand that all subordinates are not alike and that each subordinate is unique and may or may not respond to the same stimuli, such as pay raise or reprimands.

Finally, we are interested in such aspects of personality that induce people to behave in a manner as required by social pressures or biological pressures. For example, if your boss wants you to do a job in a certain way, you will do it even if you disagree with your boss. That is a kind of social pressure. Similarly, you will stop working and go for lunch because you are hungry. That is a biological pressure. Hence, these behaviours do not require any explanation in terms of personality factors because the causes of such behaviour are clearly understood.

Type A and Type B Personality

One dimension of personality that is getting attention both from organizational as well as medical researchers is the Type A and Type B behaviour profiles. The Type A behavior individuals are most of the times restless and impatient in their expressions. They generally aim at perfectionism and want to achieve results as quickly as possible in lesser amount of time. The other type of the individuals are those with Type B behavior. These are generally more relaxed and patient in their expression. They do not feel the pressure of timelines. These individuals are more philosophical in nature and are however less competitive.

Some of the characteristics of the individuals with Type A personality are as follows:

- They are generally restless so they eat rapidly and keep walking or are generally on the move.
- They have the tendency to perform several tasks at one given time.
- They are generally impatient in their expressions; do not like to waste their time in waiting for others.
- They are also impatient about other individuals who are not really impatient.

- They have habit of starting with newer tasks before completing the previous ones.
- They normally schedule greater number of activities in lesser time though they are initially themselves not really sure that whether everything will be done or not.
- At times, they are involved in nervous gestures such as banging on the table and using clenched fists, etc.
- They generally do not have time to relax or enjoy life.

Thus, the Type A personality individuals are generally obsessive in nature. The managers who possess the traits of this personality pay attention to details, are hard-driving in nature and also keep their team members pushed towards achieving performance.

Individuals with Type B personality are generally the opposite to the Type A individuals. These type of individuals are more relaxed and sociable in nature. They have a balanced outlook in life.

Type A managers have difficulties in creating cordial interpersonal relationships and create a lot of stress for themselves and the people they deal with. They specially feel pressurized if they have to complete a task within a given deadline. Type B persons on the other hand, do put in extra effort in order to meet a deadline but do not feel pressurized.

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

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

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

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

Assessment of Personality

While we know what personality is, we are interested to know how a given personality is formed. What determines an individual's personality? Personality can be compared

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to a jigsaw puzzle in which we are interested in finding out the sources of all the pieces in the puzzle as well as their interrelationships.

There are two broad categories of factors that influence the formation and development of personality. These are heredity factors and environmental factors. It is debatable as to which of these factors have a greater influence on the structure of personality. Some behaviour scientists argue that personality characteristics are derived from heredity factors and the right type of environment only brings them out. Others feel that the effect of environment is quite strong. According to Maier, 'knowledge, skill and language are obviously acquired and represent important modifications of behaviour. Learned modifications in behaviour are not passed on to children, they must be acquired by them through their own personal experience.'

Thus a probable consensus can be reached that it is both hereditary and environmental factors together affect the personality development of an individual. There may be some environmental constraints or limitations at times which may not allow an individual to completely realize his potential. However, the complete potential of an individual comprising both physical as well as psychological aspects may be determined by the hereditary aspects that is the complex set of genes.

An illustration of the different factors that determine personality development is presented in Figure 1.3.

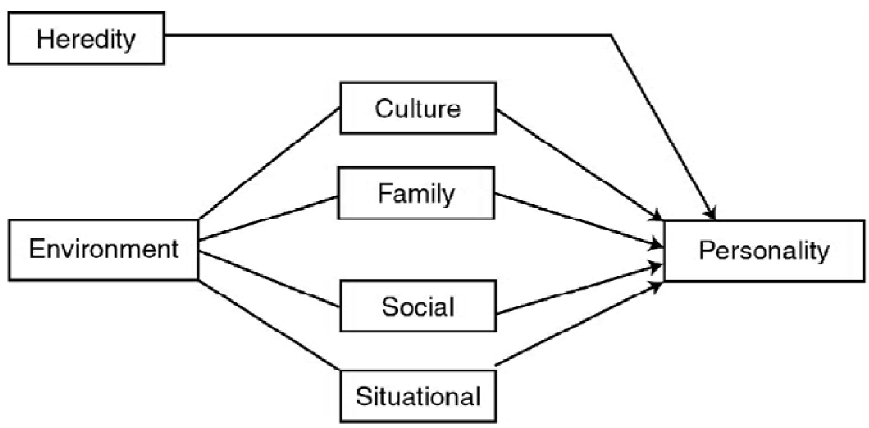

Fig. 1.3 *Factors affecting Personality Development*

Personality Traits

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

Authoritarianism: When an individual blindly accepts the authority, it is referred as authoritarianism. The individuals believing in this concept have a high respect for authority and follow all the directions extended by the authority extremely obediently. They adhere to conventional values, are generally conservative, endorse strong parental control in keeping the family close and together, are concerned with toughness and power, are closed minded and generally less educated.

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Such people generally prove to be very good followers. This is because of their strong belief in the hierarchical order. They prove to be very good assets for a company when they work under the directions of a defined supervisor and they are extremely productive under an authoritarian organizational set up.

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

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

Machiavellianism: A sixteenth century author named Niccola Machiavelli worked in the field of personality and identified personality profiles of the noble men of the day. The term called Machiavellianism has also been associated with the name of this author. This type of personality wishes to exercise a control over others simply by manipulating others. They do this primarily with the objective of achieving some personal goals. The individuals having this type of personality have high self-confidence and high self-esteem. They always take calculated steps and do not hesitate while using others for their own advantage and selfish interest. Their sole objective is to meet their own objectives and goals. They believe that ends justify means and do not feel guilty in using unethical means to serve their own interests. They are skilled in influencing others, and they approach the situations thoughtfully and logically. They would not hesitate to lie if necessary, and they are not easily swayed by a sense of friendship, trust or loyalty. They are specially successful in exploiting structured situations and vulnerable people.

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

(i) Collecting and organizing data.

(ii) Making decisions using the data and information gathered from the data.

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

(i) Sensation: The first style is known as sensation. Sensation-oriented people prefer routine and order, structured situations, and put emphasis on precise and well-defined details.

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(ii) The second style known as intuitive style, involves individuals who dislike routine, dislike repetition and prefer new problems. They enjoy learning new skills but follow their instinct and jump to conclusions. Such persons often enjoy fantasy, daydream a lot and thus are subject to greater error of fact. They change their mind quickly and often do not finish what they start before going to a new project.

Evaluation involves making judgements on the basis of the information so gathered. There are two dimensions involved in the evaluation style. These are:

(i) Emphasis on feeling

(ii) Emphasis on thinking

Feeling type people are sensitive to conflict and try to avoid issues that might result in disagreements. They are emotional and spontaneous and base their decision on how they feel about the situations. They do not like to hurt other people and friendly relationships to them are more important than efficiency or achievement. Feeling type managers find it hard to reprimand their subordinates for inadequate performances and would rather advise, guide and help them.

Thinking type people are more logical, analytical and use reason when solving problems. They are unemotional and are unsympathetic to other people's feelings when making judgements. They are very stubborn about defending their 'principles' and what they believe is right. They are organized and well-structured, and they carefully consider all options before making decisions.

Introvert and Extrovert Personalities

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

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

Self-esteem

Self-esteem: The level of respect that one may have for himself

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

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

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

Theories of Personality

Since personality variables reflect consistent and enduring patterns of behaviour, these patterns can be classified into certain categories, so that the behaviour can be predictable once we identify the pattern of behaviour as belonging to a given category. People in a given category would have a similar pattern of attributes, and personality theories tend to identify such attributes in order to group people into these various categories. Some of the personality theories are illustrated as follows:

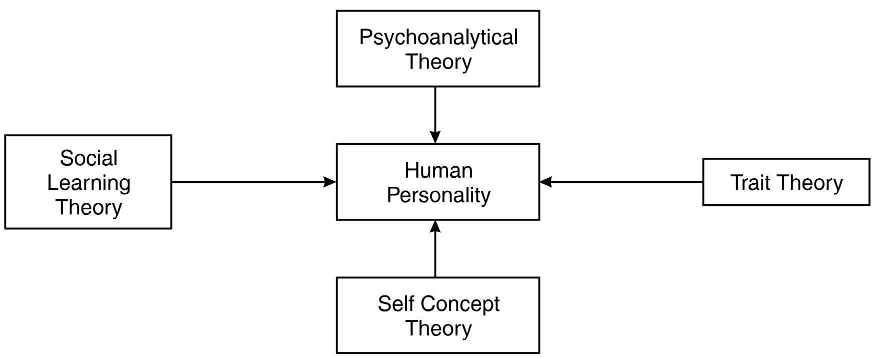

Fig. 1.4 *Personality Theories*

These theories are explained in detail as follows:

Psychoanalytical Theory

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

Psychoanalytical theory: A reflection of behaviour based primarily on the Freudian concept of unconscious nature of personality

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

Trait Theory

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

Self-Concept Theory

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

Social Learning Theory

The social learning theory differs from the psychoanalytical theory in two ways. Firstly, personality development has been believed to be a result of the social variables rather than of the biological drives. Secondly, motives can be traced to known and conscious needs and wants rather than unconscious and latent desires. According to the learning theory, personality may be defined as the cumulative total of all the learnings of a person.

'Reinforcement and punishment' approach has been used to understand personality according to the social learning theory. For example, one may be frustrated because of the external environment and this can actually bring forward aggression as one of his personality traits. Similarly, an individual's good behaviour may be rewarded by the society in terms of appreciation and this further helps in reinforcement of the good behaviour. Thus, it can be understood that there is a mutual interaction that exists between external environment and behaviour.

1.9 NATURE AND DIMENSIONS OF ATTITUDE

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If you ask some one '*how are you?' h*is response would depend upon his attitude towards life. If his attitude towards life is positive, he will say he feels very good and thank God for what he has. If his attitude towards life is negative, he will start complaining about everything that is wrong with the world. Similarly, if you ask someone about his job, you will find him to be very opinionated. He might say he likes his job very much or he might complain about the job bitterly. This would be a function of his attitude towards his job. Attitude is a collection of the type of personality, feelings towards the outside world, confidence within self and more.

1.9.1 Characteristics and Components of Attitude

Attitudes have four basic characteristics—direction, intensity, salience and differentiation. The direction of an attitude is favourable, unfavourable or neutral. We may like, dislike or be neutral in our views about a person, a job or a situation. The intensity of the attitude refers to the strength of the effective component. For example, we may dislike a person but the extent of our disliking would determine the intensity of our attitude towards him. Such dislike may range from weak to strong. In general, the more intense the attitude the more persistent will be such behaviour. Salience refers to the perceived importance of the attitude. Some people may not like to work with computers as they may not perceive it to be as important as a student in computer information systems for whom the knowledge of computers is mandatory for a career. Finally, attitudes can be high or low in differentiation depending upon how strong the supporting beliefs and values of the person are.

Components of Attitude

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

1. **Evaluative Component**. The evaluative component of attitude is a function of how we feel about something. It refers to our liking or disliking for a particular person, any particular event or any particular situation. Such person, event or situation becomes the focus of our attitude and is known as *attitude object*. For example, you may feel positively or negatively about your boss, about your friend, about the movie you have seen or about anything you happen to see.
2. **Cognitive Component**. Feelings, however, do not simply and automatically develop. Most often they are based on knowledge. For example, if you know that your friend is talking ill about you behind your back, such knowledge would result in negative attitude towards your friend. Similarly, you might believe that your supervisor does not know much about the job. This belief is based upon your knowledge of how the supervisor is handling the job. These beliefs, which may or may not be justified comprises the cognitive component of attitude.
3. **Behavioural Component**. What you believe about something and how you feel about it would determine your behavior regarding that particular person, event or situation. For example, if you believe that your boss is embezzling company funds, and you feel negatively about it, you are likely to behave with

Check Your Progress

1. Define organizational behaviour.
2. Who is the father of scientific management?
3. State the basis of the behavioural approach.
4. Define perception.
5. Define attitude.
6. State the three characteristics that reflect performance according to Schermerhorn, Hunt and Osborn.
7. State the features of introvert personalities.
8. Define dogmatism.

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little respect for such a boss. You may either inform his superiors about it or you may want to look for another job. Such predisposition to act in a certain way contributes the behavioral component of the attitude. Such a predisposition may not actually predict your behaviour. For example, if your boss is embezzling company funds, you may take some steps or you might simply ignore it by convincing yourself that it does not directly concern you. In other words, your intention to behave in a certain way dictates how you actually do.

Based upon these components, attitudes can be defined as relatively stable clusters of feelings, beliefs and behavioural predispositions. By including the words *relatively stable*, we are referring to something that is not permanent nor fleeting. In other words, once attitudes are formed, they tend to persist and can only be changed by strong outside or inside forces. For example, your attitude towards someone may be negative but may change if situations or circumstances change.

1.9.2 Attitude and Behaviour

It is assumed that the relationship between the attitude of a person and his behavior is causal in nature, meaning that the attitudes that people hold determine their behaviour and what they do. Logic also suggests such a relationship. For example, people watch television programs that they like, that is, their attitude about such programs is positive.

Research conducted in the late sixties concluded that the relationship between attitude and behaviour is, at best, minimal. More recent studies have indicated that there is indeed a measurable relationship if moderating contingency variables are taken into consideration. The moderating variables which have been found to be most powerful include:

- Importance of the attitude
- Specificity of the attitude
- Accessibility of the attitude

Additionally, they have been also linked to existence of any social pressures on the individual and the direct experience of the attitude.

Attitudes that are considered important by the individual tend to be strongly related with behaviour. Similarly, attitudes that are specific are more predictable of behaviour. For example, if someone really likes his job, it can be predicted that he will stay with the company for a longer period of time. Attitudes that are frequently expressed are more reliable and more accessible to the memory and hence greater predictors of behaviour. Social pressures have a strong influence on attitudes and behaviour. For example, a member of a group may not agree with the group on certain issues but may go along, because of the social pressures within the group. Finally, the personal experiences with people and situations affect strongly the attitude and behaviour of a person. Positive experiences result in positive attitudes and negative experiences result in negative attitudes. For example, a student who has taken a course with a professor is in a much better position to evaluate him as compared to someone who has not taken his course.

The relationship between attitude and behaviour is well documented. However, a debate is still going on as to whether the changes in attitudes affect the changes in behaviour or whether the changes in behaviour affect the changes in attitudes. In other words, it is not clear as to which one is the cause and which one is the effect.

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1.9.3 Attitude Formation

The question often arises, 'how are the attitudes and subsequent behaviours formed?' While attitudes are basically learned over the years, some inherited characteristics do affect such attitudes. For example, physical characteristics such as the height of the person. Tall and slim people are expected to dress well and behave in a sophisticated manner. Similarly, intelligence is primarily an inherited trait and it is related to certain behaviours. Intelligent people are considered to be much more logical and this affects their attitude. Religion and religious beliefs can be considered as inherited, as the religion of the child is determined by the religion of his parents and it determines some aspects of individual behaviour, especially those that concern attitudes based on morals, ethics and code of conduct. Similarly, whether a person is born a male or a female determines some stereotype traits such as aggressiveness and physical stamina. Most of the inherited traits are strengthened by learning and experiencing.

While some attitudes are adopted early in life from our family values or cultural environment, most are developed gradually over time through experiences and observations. Some of the learned characteristics responsible for attitude formation are:

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

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

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

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

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Personality: Personality is a set of traits and characteristics, habit patterns and conditioned responses to certain stimuli that formulate the impression that a person makes upon others and this impression is a function of a person's attitude. This personality may come out as warm and friendly or arrogant and aggressive. From an organizational behaviour point of view, it is believed that people who are open-minded seem to work better than those who are narrow minded. Similarly, people who are extroverts and outgoing are more likely to be successful as managers than those who are introverts.

1.9.4 Attitude Measurement

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

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

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

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

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

- At workplace, your opinions are given importance
- You are encouraged to become a leader if you are willing to do so

- Your personal development has been discussed with you in the period of last six months

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The answers were totally unexpected. The results of the survey indicated that disagreement to the first statement was expressed by 43 per cent of the employees, disagreement to the second statement was expressed by 48 per cent of the people and 62 per cent employees expressed their disagreement for the third statement. Based on this survey, the management made some changes to boost the employee morale, especially giving attention to such matters that caused alienation among the employees.

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

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

1.9.5 Attitudes and Productivity

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

1.10 ORGANIZATIONAL COMMITMENT

Organizational commitment refers to an employee's involvement and dedication to the organization and identification with it. Such commitment goes beyond loyalty and requires a serious and sincere effort on the part of employees to accomplish organizational goals. Organizational commitment continues to be influenced by continuous job experiences, with factors that affect job satisfaction and hence organizational commitment such as pay, relationship with superiors and coworkers, working conditions, opportunities for advancement, challenges and so on. With the passage of time, organizational commitment becomes stronger as the workers spend more time in the organizational environment and get to know the other workers at a more personal level. Organizational commitment leads to low absenteeism, high morale and high productivity. Committed individuals tend to be more goal-directed which has a positive impact on productivity.

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Three component model of commitment

There are three mindsets according to which one can characterize an employee's commitment towards his or her organization. This can be explained through Meyer and Allen's three-component model of commitment which researched certain behavioural patterns and came to the conclusion that an employee's mindset determines their commitment toward their organization.

The three different mindsets have been discussed as follows:

- **Affective Commitment:** This can be defined as an employee's positive emotional attachment towards the organization. Under effective commitment, an employee is happy to be a part of the organization and has a strong desire to work their in long term. These types of employees also identify the goals of their organization and vis-à-vis their goals. This theory drew largely from Mowday, Porter and Steers' concept of commitment who were further influenced by the early work of Kanter.
- **Continuance Commitment:** In this type of commitment an employee remains to be a part of the organization because he or she has to. Here the fear of losing organizational membership, including various other economic or social costs plays a decisive role in remaining within the organization.
- **Normative Commitment:** In this type of commitment a person chooses to remain in an organization because of feelings of obligation. These feelings of obligation may originate from many factors. For instance, he or she may have joined the organization through a relative or a friend, thus has to remain loyal to the organization. Also, he or she might have undergone some sort of training for which they feel they have a moral obligation to remain in the organization.

There are five rules that organizations should follow in order to enhance organizational commitment:

- **Commit to people-first values:** Put it in writing, hire the right-kind managers, and walk the talk.
- **Clarify and communicate your mission:** Clarify the mission and ideology; make it charismatic; use value-based hiring practices; stress values-based orientation and training; build tradition.
- **Guarantee organizational justice:** Have a comprehensive grievance procedure; provide for extensive two-way communications.
- **Community of practice:** Build value-based homogeneity; share and share alike; emphasize barn raising, cross-utilization, and teamwork; getting people to work together.
- **Support employee development:** Commit to actualizing; provide first-year job challenge; enrich and empower; promote from within; provide developmental activities; provide employee security without guarantees.

1.11 LEARNING

There are four general approaches to learning—classical conditioning, operant conditioning, cognitive learning and social learning. Each of these theories is explained in more detail.

1.11.1 Classical Conditioning

The most effective and well-established experiments related to classical conditioning were conducted by I.P. Pavlov. This experiment was conducted on dogs and Pavlov tried to establish a Stimulus-Response (S-R) connection. According to him, it was possible to predict certain responses which could occur in response to some stimuli. In his experiments, Pavlov put some meat in front of dogs. This presentation of meat is 'unconditioned stimulus', that is 'unlearned' stimulus. The dogs responded to this stimulus by salivating. This response was instinctive or unconditioned. Pavlov next began to ring a bell at the same time when the meat was presented. Ringing the bell in itself, without the presentation of meat was not connected to any responses. But by ringing the bell at the same time as presentation of meat, Pavlov established a relationship between the two stimuli—the bell and the meat—in the mind of dogs. By continuing this process, the ringing of the bell alone was sufficient stimulus to elicit a response of salivating, even when no meat was presented. Thus the bell became a conditioned stimulus, resulting in conditioned or learned response. This process is shown in Figure 1.5.

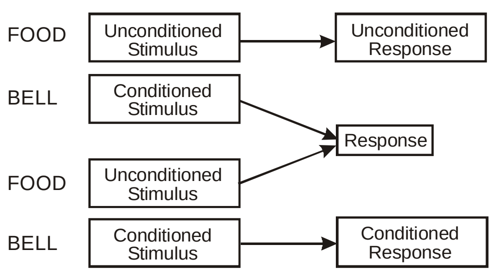

***Fig. 1.5** Classical Conditioning*

***Source:**Based upon Ricky W. Griffin and Gregory Moorehead, Organizational Behaviour, Houghton Mifflin, p. 106, 1986.*

The concept of classical conditioning as was studied by Pavlov tried to establish a cause-and-effect relationship between a stimulus and an end response. According to this concept, once the stimulus-response relationship has been established, the response turns spontaneous or involuntary in nature. Thus, there is no basis for differentiating the behaviour of human beings from dogs. Infact, classical conditioning concept also explains the behaviour of human beings under certain situations. For example, if in the morning hours, it is the milkman who comes and rings the bell of a house on a daily basis, then the house owner without fail will carry the packet to receive milk as soon as the bell rings. This happens because of the past association that the house owner has built with a particular stimulus.

Another work related example of classical conditioning has been provided by Ivancevich, Szilagyi and Wallace, as follows:

'An illustration of classical conditioning in a work setting would be an airplane pilot learning how to use a newly-installed warning system. In this case the behaviour to be learned is to respond to a warning light that indicates that the plane has dropped below a critical altitude on an assigned glide path. The proper response is to increase the plane's altitude. The pilot already knows how to appropriately respond to the trainer's warning to increase altitude (in this case we would say the trainer's warning is an unconditioned stimulus and the corrective action of increasing altitude is an unconditioned response). The training session consists of the trainer warning the pilot to increase altitude every time the warning light goes on. Through repeated pairings of the warning light with the trainer's warning, the pilot eventually learns to adjust the plane's altitude in response to the warning light, even though the trainer is not present. Again, the unit of learning is a new S-R connection or habit.'

Since classical conditioning relates to involuntary responses, it does not explain situations where people rationally and objectively choose a course of action. Also, managers are more interested in voluntary and free responses from their workers rather than involuntary and reflex responses.

An alternate approach to classical conditioning was proposed by B.F. Skinner, known as operant conditioning in order to explain the more complex behaviour of humans, especially in an organizational setting.

1.11.2 Operant Conditioning

Operant conditioning: A voluntary change in the behaviour of an individual

Operant conditioning may be defined as a voluntary change in the behaviour of an individual. It is because of the change in this behaviour that 'learning' occurs in an individual. The other name that has been given to this concept is that of reinforcement theory. The theory propagates that the behaviour is primarily the function of the consequences. Thus, it also establishes that behaviour of individuals at an organization or job performance of an individual is actually the function of the results or outcomes that one expects out of a job and it is not a function of the inner feelings, thoughts, emotions or perceptions that one may have. It is actually the result or consequence of a particular behaviour which goes to determine that whether a particular behaviour will happen again or not. Thus, it is possible to modify the behaviour of the individuals by altering the consequences. At an organization, the management can carefully identify and study this relationship that exists between behaviour and consequences and can thus aim at achieving desired behaviour from the employees. In other words, the behaviour of the employees can be controlled by the management by effectively studying this relationship and making changes accordingly.

The relationship between the behaviour and consequences is primarily based on two principles. These are:

(i) Behaviour associated with positive consequences is most of the times repeated by individuals and the behaviour that leads to the negative consequences is generally avoided or is not repeated by the individuals.

(ii) Based on the different types of consequences, it is definitely possible to predict and hence control the behaviour of different individuals. Thus, it is possible to increase the probability or occurrence of the desired behaviour and it is also possible o reduce or decrease the probability of the undesired behaviour simply by modifying these consequences.

In the work environment of an organization, different stimuli are generated. Any stimulus that is generated at the workplace is expected to bring forth a response. The consequence of such a response will determine the nature of the future response. For example, working hard and getting the promotion will probably cause the person to keep working hard in the future.

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1.11.3 Cognitive Learning

While both the classical conditioning and operant conditioning result in a Stimulus Response (S-R) situation that is primarily cause and effect phenomenon, cognitive learning deviates from this model in that, learning is considered as the result of the intentional thinking related to both problem as well as the circumstances. This thinking is both spontaneous and is based on the different available facts. Additionally, the learning that happens is objective in nature and is aimed at achieving specific goals. An individual aims at achieving cognitive cues in the process. **Cognition** is the act of knowing specific things and thus an individual can use the knowledge gained as a result of cognition to modify his behaviour in order to achieve a well defined and expected goal.

Cognition: The act of knowing specific things and using this knowledge to modify behaviour in order to achieve a well-defined and expected goal

The theory of cognitive learning is based upon experiments conducted by Tolman. Using rats in his laboratory, he showed that they learned to run through a complicated maze towards their goal of food. It was observed that rats developed expectations at every choice point in the maze. Thus, they learned to expect that certain cognitive cues related to the choice point could ultimately lead to food. The learning took place when the relationship between the cues and expectancy was strengthened because the cues led to expected goals.

In an organizational setting, based upon Tolman's ideas, some training programs were designed to strengthen the relationship between cognitive cues such as supervision, job procedures and worker expectations such as monetary and other rewards. It was believed that the worker would learn to be more productive by building a relationship between following directions and procedures and expectancy of monetary rewards for these efforts.

1.11.4 Social Learning

Social learning integrates the cognitive and operant approaches to learning. It establishes that learning actually takes place as a result of both environmental stimuli as well as the knowledge gained by the individual himself. Thus, according to this approach, learning is a combined effect of the different facets discussed in classical and operant conditioning and that discussed in cognitive approach. None of them is independently responsible for ensuring the process of learning. Additionally, it brings forth the point that people also learn as a result of observing others and imitating different people in a given social set up. Additionally, an individual may also learn because of his own willingness to acquire knowledge and newer skills and a result of his self-control to make efforts in this direction. This willingness of the individuals is generally not dependent on the external rewards or consequences. It is however dependent on the different types of influences on the growth and development of an individual such as the various societal and cultural influences.

Learning by observing others is also known as vicarious learning or modelling, in which another person acts as a role model, whose behaviour we tend to imitate. For

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example, subordinates may observe their managers in their efforts and attitudes and may try to learn from them and be like them. As Albert Bandura put it:

'Although behaviour can be shared into new patterns to some extent by rewarding and punishing consequences, learning would be exceedingly laborious and hazardous if it proceeded solely on this basis… it is difficult to imagine a socialization process in which the languages, mores, vocational activities, family customs and educational, religious and political practices of a culture are taught to each new member by selective reinforcement of fortuitous behaviours, without benefit of models who exemplify the cultural patterns in their own behaviour. Most of the behaviours that people display are learned either deliberately or inadvertently, through the influence of example.'

In addition to observing others as role models, human beings have the capacity of self-regulation. By simply thinking about their behaviour, they can change their behaviour towards betterment and in accordance with the norms of social and organizational living. This process of self-thinking can be reinforced by the help of a friend whom you trust or by organized psychiatric evaluation and assistance.

1.12 PERCEPTION

Perception is primarily an individual process so that different people may perceive an identical situation differently. 'All that glitters is not gold' and 'things are not what they seem', are all reflections of various perceptions about the same situation. People behave on the basis of what they perceive reality to be and not necessarily as what reality is.

The following two examples amply illustrate the difference between what reality is, and as is perceived by different individuals. The first example involves former US President Richard Nixon and one of his aides.

'The President was working alone, very late at night, in a hotel room while on a trip. He opened the door, beckoned to a waiting aide and ordered, 'Get me Coffee.' The aide immediately responded to the directive. Most of the activities at the hotel including the kitchen, were not operating at such a late hour. Hotel personnel had to be called in and a fresh pot of coffee was brewed. All of these activities took some time and the President kept asking about 'coffee' while waiting. Finally, a tray was made up with a carafe of coffee, cream, sugar and some sweet rolls and was rushed to the President's suite. It was only at this point that the aide learned that the President did not want coffee to drink, but rather wanted to talk to an assistant whose name was Coffee.' The second example is quoted by an author, from his personal experience and it is given as follows:

'I was in a supermarket when a girl about eight years old came running around a corner. She looked back and screamed, 'Stop! Stop! you are killing him. You are killing my father!'. I dropped my things and hurried in the direction from which the girl had come. As I turned the corner, I was greeted by a grisly scene. A man was stretched out on the floor and another was on top of him. The man on the top must have been six feet six inches tall and must have weighed 300 pounds. He looked only half human. He had his victim by the throat and was beating his head against the floor. There was blood everywhere. I ran for the store manager.

By the time the manager and I returned to the scene, the police were just arriving. It took quite a while to straighten things out, but here are the facts that emerged. The man on the floor was a diabetic who had suffered an insulin reaction. As a result, he passed out and hit his head as he went down. This caused the cut (actually quite a minor one) that accounted for the 'blood everywhere'. The 'man on the top' had seen the diabetic man fall and was trying to prevent him from injuring himself further while unconscious. He also had been loosening the man's collar.

If I had not returned, I would have sworn in court that I had seen a murder. This perhaps is understandable. But I will never probably recover from the shock I felt when I met the 'murderer'. This is the man, you will recall that I had seen a few moments before, in broad daylight as a huge, vicious creature. The man was not a stranger. He was my neighbour. I had seen him dozens of times before and knew him by name. He is a rather small man'.

These two examples illustrate rather dramatically, what an important role perception plays in our understanding of the world around us and our decisions based upon such perceptions. Both these examples bring to light three influences on the concept of perception about these and other incidents. These influences are:

1. The characteristics of the perceiver
2. The characteristics of the perceived
3. The characteristics of the situation

The characteristics of the perceiver include factors such as needs, values, experience and attitudes. The characteristics of the perceived include his appearance, communication and personal behaviour and the characteristics of the situation include physical location, social setting and organizational setting. These influences are shown diagramatically Figure 1.6.

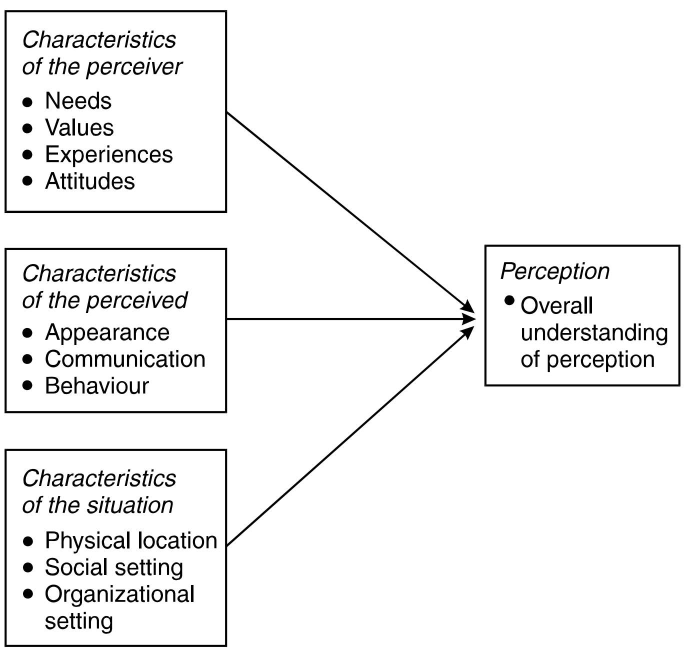

Fig. 1.6 *Major Influences on the Perception Process*

1.12.1 Characteristics of the Perceiver

A person's needs, habits, impact of past experiences, ethics and values, attitudes and personality, all influence the perception process. For example, a person with strong ego needs would look at other people or situations either as ego satisfying or ego threatening, thus perhaps making the perceptions inaccurate. Similarly, less secure people often find faults with others. Secure persons tend to see others as warm and friendly.

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Our ethics and values and our cultural upbringing also play an important role in our perception about others. A non-smoker may prejudge a smoker. Similarly, it is difficult to perceive the personality of a person raised in another culture, because our judgement is based upon our own values.

As an example, a negative attitude towards unions may inhibit the manager towards honest and straight-forward talks with the unions during labour-management negotiations. Similarly, a personnel manager who is biased against women, minorities or handicapped persons will be very sensitive to them during an employment interview. This happens because when we don't like a person, then we always look for negative aspects of that person.

Our attitude towards others is also influenced by our previous experiences with them. For example, if an employee was promised a bonus or a promotion on certain accomplishments and did not receive the promised rewards in spite of such accomplishments, then he would perceive the manager with distrust.

1.12.2 Characteristics of the Perceived

It may defy logic and objectivity, but we cannot deny that our perceptions about others are influenced by their physical characteristics such as appearance, facial expressions, age, gender, manner of communication as well as personality traits and other forms of behaviours. For example, when we see a person who appears to be assertive and confident, we assume him to be an executive or a leader. People dressed in business suits are generally thought to be professionals while people dressed in ordinary work clothes are assumed to be lower level employees.

Both verbal and non-verbal communication affect our perception about others. The choice of words and precision of language can form impressions about the education and sophistication of the person. The tone of voice sometimes indicates the mood of the person at a given time. The depth of conversation and choice of topics provide clues to people's intelligence. The body language or expressive behaviour such as how people sit and the movement of their eyes or a smile can indicate whether people are nervous or self confident.

Similarly, the status or occupation of a person creates an impression in our minds. We are awed by people of fame, wealth or professional status. We tend to behave in a more respectful way when we are introduced to a president of a large corporation or a judge of the supreme court or a movie celebrity. When we meet a person who is described to us as warm and friendly, we treat him differently as compared to meeting a person who is known to be cold and calculating.

1.12.3 Characteristics of the Situation

Physical, social and organizational settings of a situation or event can also influence perceptions. For example, if you meet some lady for the first time and she is with another person whom you respect and admire, you will create a favourable image about her in your mind as compared to a situation in which you see her with a person whom you intensely dislike. Of course, these initial impressions may change over a period of time, but the saying that the 'first impression is the last impression' is very valid. Location of a given event is also an important factor in determining behaviour. You will behave with your boss differently at a social function than in the office. In an organizational setting where people are given an opportunity to interact in a friendly and sociable work situation, they become more trustworthy and less defensive.

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1.12.4 Perceptual Organization

Perceptual organization is the process by which we group outside stimuli into recognizable and identifiable patterns and whole objects. Once the stimulus is received from outside, the mental processes begin organizing this stimulus into a meaningful and identifiable whole. For example, a table has a top and four legs and we know what a table looks like so that whenever we see a flat top with four legs attached to it, we immediately organize this stimulus into a whole and recognize it as a table. The top alone or a leg alone would not be meaningful in the organization of the stimulus.

Perceptual organization: The process by which outside stimuli is grouped into recognizable and identifiable patterns and whole objects

Another example of the process of perceptual organization would be a graphical presentation of data. It is not possible to establish a meaningful interpretation of trends or other conclusions simply from one data point on the graph. The more data points we assemble on the graph, the more likelihood of a pattern emerging so that the graph organized as a whole gives us a meaningful trend on which intelligent decisions can be based. Another example would be reading this sentence. We do not look at each letter of the word separately, but we take the word as a whole and sometimes the entire sentence as a whole in order to make sense, unless we find a misspelled word. Then we look at that word more carefully and consider each letter.

While it is still not clear how the human mind or brain assembles, organizes and categorizes informations, certain factors are considered important contributors. These are: figure-ground and perceptual grouping.

Figure-ground

The figure-ground principle simply means that we tend to be attentive to such perceived objects that stand out against a background. For example, this sentence is easy to read because it is printed in black against a white background and black stands out. Black words also stand out because we have been mentally locked into one way of organizing what we see and we have been used to black printing against the white paper background. It would be a different story, if we were used to reading white words against a black background. As a matter of fact, there are many advertisements with white words against a black background and the idea is to attract attention.

Because our senses are used to perceptually organizing the incoming stimuli into recognizable words in black against a white page, the following illustration shows the difficulty of recognizing a white word against a black background. The figure itself shows a jumble of black and irregular shapes against a white page. Only when the white letters are perceptually organized against a black background do the words become clear.

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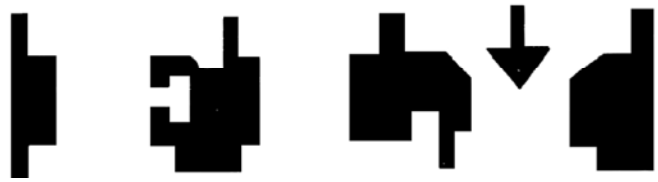

Fig. 1.7(a)

Source: Warner Brown and Howard Gilhousen, College Psychology, Prentice Hall, 1949, p. 330.

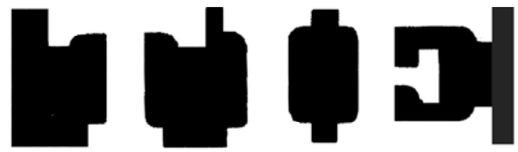

Fig. 1.7(b)

Source: *Jerome Kagen and Ernest Haveman, Psychology: An Introduction. Harcourt Brace & World, 1968, p. 166.*

Only a careful and attentive perceptual organization would recognize the world 'FLY' in Figure 1.7(a) and the word 'TIE' in Figure 1.7(b).

The following figures illustrate further the ambiguity that can be caused when there is no clear figure-ground pattern. These illusions are known as 'reversible figure-ground patterns'. For example in another following example in Figure 1.8(a), do we see a white wine glass or a white table leg against a non-white background or do we see two persons facing each other against a white background? Similarly in Figure 1.8(b), do you see six blocks or seven blocks? If you see as it appears, you see only six blocks. However, if you see it from the bottoms up (reverse this page upside down) then you will see seven blocks as shown in Figure 1.8(c) [Figure 1.8(b) reverse].

Fig. 1.8(a)

Fig. 1.8(b)

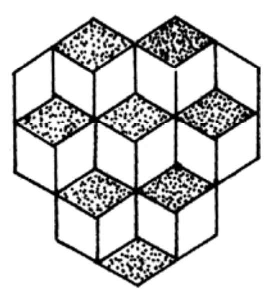

Fig. 1.8(c)

Perceptual Grouping

Perceptual grouping identifies our tendency to group several individual stimuli into a meaningful and recognizable pattern. This tendency is very basic in nature and largely seems to be inborn. Some of the factors underlying this grouping are:

Continuity: Continuity relates to the tendency to perceive objects as continuous patterns. If several dots lie in a straight line, we tend to perceive it as a continuous phenomenon such as lights of a road as seen from an airplane at night. This type of continuity leads to inflexible and non-creative thinking. Only the obvious continuous patterns and relationships will be perceived. Because of this perception of continuity, the inflexible managers may require that employees follow a set and step by step routine leaving no ground for implementation of out of line innovative ideas.

Closure: Closure is the tendency to perceive objects as a whole, even when some parts of the objects are missing. We tend to close the gaps to make a familiar whole. For example, in the following figure, the sections of the circle are not complete, but being familiar with the shape of the circle, we tend to close the gaps and perceive it as a circle as presented in Figure 1.9.

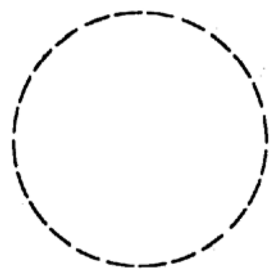

Fig. 1.9 *Closure Represented in a Circle*

Organizationaly speaking, if a manager perceives a worker, on the whole, a hard working, as diligent and sincere one, then even if he 'goofs up' some time (which is a kind of a gap), the manager will tend to ignore it, because it does not fit in with the overall impression that he has about the worker.

Proximity**:** The principle of proximity states that a group of objects or people who are physically close to each other may be perceived as related to each other so that they stand out as one unit. For example, several people working on a machine may be considered as a single group, so that if the productivity on that particular machine is low, then the entire group would be considered responsible even though only some people in the group may be inefficient. Similarly, if four persons from a large group working together resigned, the tendency would be to investigate the entire group in terms of morale, working conditions and motivational problems, even if they all resigned for personal reasons.

Similarity**:** The principle of similarity states that the greater the similarity among the objects or people, the greater the tendency to perceive them as a common group. For example, a cluster of bright stars stands out as a unit from the background of dimmer ones. Similarly, if all visitors to a plant are required to wear white hats while the supervisors wear blue hats, the workers can identify all white hats as the group of visitors. Another example would be our general tendency to perceive minority and women employees as a single group.

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1.12.5 Perceptual Selectivity

There are a variety and a multitude of stimuli confronting us every day affecting all our senses. Out of all these stimuli, we select only some. Perceptual selectivity refers to the tendency to select certain objects from the environment for attention such that these objects are consistent with our existing beliefs, values and needs. Without this ability of selection, the individuals will not be able to consider all available information necessary to initiate behaviour. This selectivity is enhanced by two related processes. First, it is believed that our senses are activated only by a certain type of stimuli so that some stimuli may go unnoticed if these are not strong, bright or loud enough to activate our senses. The second process, known as 'sensory adaptation' relates to our ability to tune out certain stimuli to which we have been continuously exposed. For example, a new home owner near an airport might be excessively bothered by the noise, but such noise does not bother those who have been living there for a long time and have been exposed to this noise over a long period.

Thus many objects or stimuli are stopped from entering our perceptual system by the above two processes. All the remaining stimuli must compete for attention. Various external and internal factors influence our process of stimuli selection. These are:

External Factors

External factors relate to the characteristics of objects or people that activate our senses and thus get our attention. Some of these external factors are:

Size: The larger the size of the object, the more likely it will be noticed. We are most likely to notice things that stand out because of their size relative to other things in that area. For example, a basketball player, more than seven feet tall will stand out in a crowd. Conversely, we also become aware of the objects that are smaller in size than their surroundings. For this reason, advertising companies use large billboards and signs that capture the perceiver's attention. This factor is shown in Figure 1.10.

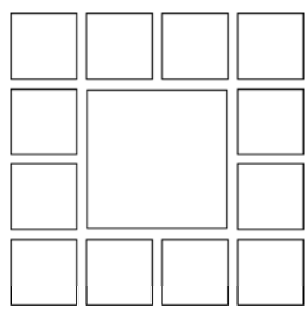

Fig. 1.10 *Role of Size in Perception*

Intensity: Intensity refers to brighter, louder and more colourful objects as compared to other objects around. If all objects are very bright, then the intensity of brightness does not necessarily activate our senses. For example, we tend to listen more carefully to some one who is either yelling or whispering because the intensity of yelling or whispering is different from the usual routine. Similarly, bright lights of a theatre or a hotel on the highway attract attention of a person much more than ordinary lighting. Similarly, a memo from the boss that reads, 'report to my office immediately' is more intense and gets immediate attention than a memo that reads, 'please stop by my office at your convenience'.

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Contrast: If an object in some way contrasts with its surroundings, it is more noticeable. For example, a warning sign in a plant, such as 'DANGER' written in black against a yellow background would be noticed more quickly because of the contrast factor. A manager who interviews twenty women and one man for a job would remember the man first because of contrast. In the following diagram, the shaded square would be noticed first because of its contrast with other squares.

Repetition: A repeated message is more likely to be perceived than a single message. Work instructions that are repeated tend to be received better. Marketing managers and advertisers use this principle in order to get the customers' attention. As noted by Morgan and King, 'a stimulus that is repeated has a better chance of catching us during one of the periods when our attention to a task is waning. In addition, repetition increases our sensitivity or alertness to the stimulus'. In the following illustration, the letter M will be more often remembered than other letters.

M	M	G	M	M
M	P	M	M	M
M	M	M	M	A
B	M	M	M	O

Movement: Moving objects are more likely to be perceived than stationary objects. Movement increases our awareness of the object before we become aware of the stationary surroundings. A flashing neon sign is more easily noticed. A moving car among parked cars gets our attention faster.

Novelty and familiarity: This principle states that either the familiar or the novel factor can serve as an attention getter. New objects in a familiar setting or familiar objects in a new setting will draw attention. People quickly notice an elephant walking along a city street. Similarly, among a group of people walking towards you, you are most likely to perceive the face of a friend in the crowd. People with unusual clothing will be attention getters.

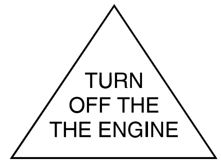
Order: According to Secord and Backman, the order in which the objects or stimuli are presented is an important factor influencing selective attention. Sometimes, the first piece of information among many pieces received, receives the most attention, thus making the other pieces of information less significant. Sometimes, the most important piece is left to the end in order to heighten the curiosity and perceptive attention. For example, a writer of a communication may intentionally build up to a major point by proceeding through several smaller and less important points.

Internal or Personal Factors

The internal factors relate to the perceiver and include such factors as learning and motivation. These factors are explained as follows:

Learning and Perception

Learning is an important factor in developing perceptual sets. A perceptual set is basically what a person expects from the stimuli on the basis of his learning and experience relative to same or similar stimuli. This is also known as cognitive awareness by which the mind organizes information and forms images and compares them with previous exposures to a similar stimuli. For example read the phrase in the triangle below in a routine manner:



Because of the familiarity with the phrase, a person is apt to read 'Turn off the engine' and it will take some time for the reader to realize that this phrase is different than expected, in that it contains the word 'THE' twice. Thus expectation plays an important role in cognitive explanation of behaviour. This view simply states that people initially see what they expect to see. Another example of cognitive awareness is the following illustration.

Ambiguous Picture of a Young Woman and An Old Woman

What do you see in the preceeding figure? Do you see an attractive and wealthy young women or do you see an ugly, poor and old woman? Obviously, two completely distinct women can be perceived from the given illustration. The difference between the perception of the young woman or the old woman would depend upon the cognitive awareness of the person regarding his prior exposure to the young woman or the old woman. For example, if a person is shown the illustration of a young woman that is clear and unambiguous, as shown below, and then he is exposed to such as ambiguous illustration, then such a person will invariably perceive the illustration to be of a young woman.

Young Woman

However, if the person looking at the ambiguous picture was previously exposed to the following picture of an old woman, then the viewer of the ambiguous picture will report seeing an old woman, because of his cognitive comparison with the previous exposure.

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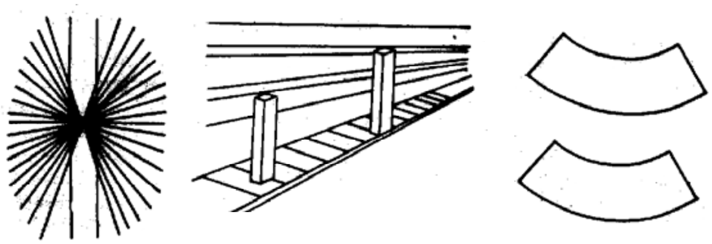
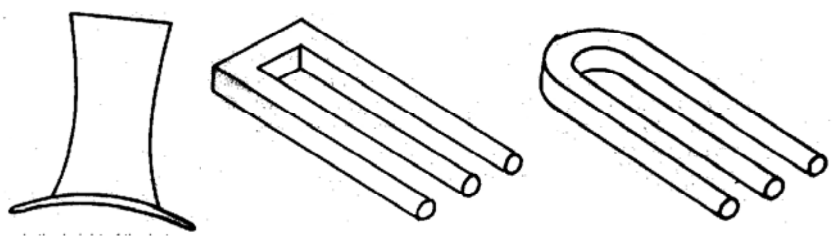
Old Woman

Some of the other examples and illustrations that reflect upon our cognitive awareness are shown below. Our perceptions and interpretations of such illustrations would depend upon our previous exposure to such situations.



Are the vertical lines parallel? Which vertical post is larger? Which figure is smaller?



Is the height of the hat longer is the above illustration possible?
than the width of the brim?

In an organizational setting, some employees learn to perceive the environment around them the same way as their previous exposure to similar situations. According to John Swanda, the following statement was distributed to several managers in the same organization for their interpretation.

'I cannot recommend this young man too highly'. Although this statement is ambiguous and does not have a single clear interpretation, all the managers interpreted it to be a positive recommendation, simply because they all had learned to perceive the statement in a positive way.

Motivation and Perception

Motivation also plays an important role in influencing the process of perception. A hungry person would be very sensitive to sight or smell of food than a non-hungry person. Similarly, because of the traditional American culture, any mention of sex or a sexually explicit stimulus would be an instant attention getter. In some tribal societies, nudity may not get any attention at all. Another example would be of a person who has a strong need for affiliation. An employee with such a need would look for situations in

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which he can be with a lot of people. For example, when such an employee walks into the lunch room, he may go to the table where several of his co-workers are sitting, rather than a table that is empty. Similarly, people who are motivated by a need for power will be more attentive to such relative environment variables that enhance power.

1.12.6 Barriers to Perceptual Accuracy

Human beings, as complex as they are, cannot be absolutely objective about their judgements regarding their environment. There are a number of factors that taint our judgements about other people and situations. Since the success of our efforts and decisions is contingent upon the accuracy of the information, as well as the accuracy of impressions, it is necessary to know what the barriers to perceptual accuracy are, so that these can be considered in our judgements or can be eliminated, if possible. Some of these barriers are:

Stereotyping

It is perhaps one of the most common barriers in accurately perceiving others. In order to simplify matters, we often tend to classify people and events into already known or perceived general categories. As an example, suppose you get into an executive's office and notice a man and a woman talking to each other besides a secretary's desk. Our first reaction would generally be to assume that the woman is the secretary and the man is the executive even though the case may be just the opposite. This reaction is based upon our stereotyped impressions that the secretaries tend to be women and executives tend to be men.

In our minds we have established certain categories with certain characteristics or attributes. For example, the category of teenagers would have such attributes as independence, parental defiance, sexual liberation and so on. Then we infer that all persons who fit in a category exhibit the attributes that are associated with that category. Similarly, people associate some positive attributes when they meet a doctor, a judge, a company president or a college professor and negative attributes when they meet a school dropout, a drug addict or an alcoholic, even though, not all people strictly fit into these categories.

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

From organizational point of view, some of the more established stereotypes are:

Sex role stereotype: Both men and women have been stereotyped into separately perceived categories. Men have been considered as tough with leadership ability, self confidence, competitiveness, ambitiousness and analytical ability, while women are stereotyped as emotional, impulsive and submissive. Studies conducted by Bartol and Butterfield found that in inter-personal relations, female managers were rated as more effective and in task accomplishments, male managers were rated as more effective.

An interesting anecdote relating to classic sex role stereotype appeared in *Wall Street Journal*. A part of it is reproduced below:

'Your secretary came outside to inspect the no-parking signs we put up at the drive-in teller,' the police lieutenant told Martin Hartman, an assistant branch manager from Continental bank. 'Hey, that was no secretary', objected Mr. Hartman, 'that was my boss'.

This example illustrates the traditional perspective that managerial positions are the domain of males and not females. Some of the other stereotype categories in which women workers are traditionally placed are: nurses, airline stewardesses, waitresses and some of the male stereotypes categories are: policemen, firemen, truck drivers, managers and so on.

Age stereotypes: Age is another stereotype that presents problems in the organizational environment. Such capabilities as physical, psychological and intellectual are sometimes presumed on the basis of the age of the person. Studies conducted by Rosen and Jerdee found that some business students have clear stereotypes of older employees. The older employees are thought to be:

- More resistant to organizational change
- Less creative
- Less likely to take calculated risks
- More conservative in nature
- Lower in physical capacity
- Less interested in learning new techniques
- Less capable of learning new techniques

Not all impressions about older people have a negative connotation. On the positive side, they are considered more experienced for consulting positions. They also tend to be perceived as more honest, dependable and trustworthy. These stereotype impressions affect business decisions regarding hiring, promotions and career development training programs.

Halo Effect

The halo effect refers to the tendency of judging a person entirely on the basis of a single trait that may be favourable or unfavourable. Sometimes, we judge a person by our first impression about him or her. A charming smile may create a favourable impression about the person. Similarly, if we are conscious of how a person is dressed, then a poorly dressed person will create a negative impression on us and a well dressed person would impress us positively. The halo effect can colour a person's image of others with regard to many other 'unrelated' attributes based upon the impression regarding one attribute. In studies conducted by Asch, two sets of personality traits of the same person were given to two groups of people. The two lists were the same except that one list contained the trait 'warm' and the other list contained the trait 'cold'. This difference of one word led to significantly different evaluations of the person. The group with the list containing the word 'warm' described the person as friendly, humorous, imaginative and intelligent, and the group with the list containing the word 'cold' described him as aloof, serious and without many friends.

The halo effect is also likely to be related to our self image. A manager who is always at work on time would view his subordinates who are habitually punctual more favourably than those who are not. This one trait of punctuality can influence a supervisor's rating of the employee's productivity and quality of his product more favourably, even if the actual performance is not up to the mark.

In our social interaction, we sometimes change our impressions about our long-term friends on the basis of a single act. Many marriages have ended in a divorce on the basis of a single unlikeable trait of the partner.

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Expectancy

Expectancy is a tendency to perceive people, objects or events on the basis of what we expected them to be in the first place. It is sometimes referred to as 'pygmallion effect.' Pygmallion was a mythical Greek sculptor who made a statue of a girl that he wanted and made her come to life so that what sprang to life was what he expected. Through expectancy, you may create certain things in the work situation that you expected to find to start with. This aspect is also known as 'self-fulfilling prophecy'. For example, if you have become a member of an important committee and you have been told that it is a high-level committee with a membership of intellectuals, you would meet the committee members with certain perceptions and would try to find in the membership what you expect to find based upon these perceptions. On the other hand, if you were told that the committee was set up under pressure for political reasons, you would have different perceptions about the membership of the committee. Now, even if the behaviour of the members was similar, it would be interpreted according to your own preconceived perceptions.

1.12.7 Perceptual Defense

Perceptual defense is the mental process by which we tend to protect ourselves from such objects, situations or stimuli that are emotionally disturbing or perceptually threatening. We tend to ignore such disturbing part of our environment that does not require confrontation. For example, people who live near rail-road tracks may not even hear the trains, because they tend to become unaware or tend to ignore such happenings. Thus, through our perceptual defenses, we tend to distort or ignore information or stimuli that is culturally unacceptable or is in conflict with our established beliefs.

In a study conducted by Haire and Grunes, some college students were provided with a description of some factory workers. Included in the list of characteristics was the word 'intelligent'. Since the word 'intelligent' is perceived to be contrary to the established belief about factory workers, the students chose to reject the description by using conceptual defenses. Four types of rejections were reported:

Denial: Some of the students outrightly rejected the notion that factory workers could be intelligent.

Modification and distortion: This was one of the most common forms of defense in which intelligence was accepted but the common modification was 'not intelligent enough' or no initiative to rise above the group to which they belonged.

Change in perception: Some students changed their perception of the worker because of the intelligence trait, though not very enthusiastically.

Recognition, but refusal to change: Some students stated that they recognized the conflict with respect to what they knew about the factory workers and what was told to them regarding the trait of intelligence.

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Projection

Projection refers to the tendency of people to see their own traits in other people, meaning that when they make judgements about others, they project their own characteristics into others. For example, while in America, an Indian person meeting another person from India would presume certain cultural characteristics in him that would be similar to his own characteristics. Similarly, when a professor meets another professor, he would make the same assumptions. As the saying goes, 'to an honest man, everybody is honest.'

In the case of undesirable or threatening circumstances, projection can serve as a perceptual defense. A person who cheats on his income tax return, can justify this action by thinking that 'everybody is doing it'. The dishonest worker may say, 'sure, I steal from the company, but so does everybody else.'

1.12.8 Organizational Implications

Perception has many implications in organizational situations in the sense that biased assessments of ourselves and others can occur in many ways. For example, perceptual distortions can occur during the hiring process and factors like stereotyping, halo effect or selective perception can affect the appraisal. There are several areas of performance appraisal where perceptual distortions can occur. First, a work group is likely to blame other groups or departments for their own failure. For example, the marketing department may blame production department for poor sales or it may blame administration for low hiring and training budgets. Secondly, a superior may evaluate many subordinates at the same time and it is likely that first two or three subordinates in the beginning will be rated higher than the following subordinates due to possible fatigue and boredom. Also, if the first two evaluations happen to be excellent then the following subordinates will be judged by comparison thus creating a bias in the mind of the evaluator. Thirdly, research has indicated that in evaluating performance, both effort and ability are taken into consideration, but more weight is given to effort. Thus a poor performer would be seen as 'not trying hard enough', rather than his lacking in ability. Finally, if the superior has a particularly favourable impression of a subordinate, then minor instances of poor performance may be ignored. Halo effect and stereotyping may also influence the evaluation.

1.13 MOTIVATION

People are different with respect to their capabilities to perform a particular activity or task and also with respect to the degree of willingness they have in order to take up a task. It has been observed that the people who have greater willingness to work hard or perform tasks are more successful and exhibit higher levels of performance than the ones who have though greater ability but possess lesser willingness levels. According to Albert Einstein, 'genius is 10 per cent inspiration and 90 per cent perspiration'. Going with this thought, though hard work is extremely crucial and important but even more important than hard work is the will to do this hard work and this will is referred to as motivation.

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Thus, motivation has been defined as a dynamic force which is capable of inspiring people for performing some actions or motions. Viteles defines motivation as follows:

'Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to move in a goal directed pattern towards restoring a state of equilibrium, by satisfying the need.'

1.13.1 Motivation: An Overview

It has been researched and found out that people who are motivated generally remain in a state of tension. They are able to relieve this tension only by achieving something substantial or by achieving their stated goals and objectives. This constant tension will actually inspire them to do a greater activity in order to arrive at the desired outcomes as fast as possible. Thus, greater the tension in an individual to reach to one's goals, greater are the levels of motivation or in other words, the more the tension, the more motivated an individual is. Thus, the basic motivation process can be depicted as follows:

The concept of motivation has three basic characteristics. These are:

1. ***Effort:*** The amount of effort put into the activity identifies the strength of the person's work-related behaviour. Hard work usually reflects high motivation. A student who works very hard to get top grades can be referred to as highly motivated. A professor who is engaged in research and publishes many high-quality articles is exerting extensive effort relating to his job.

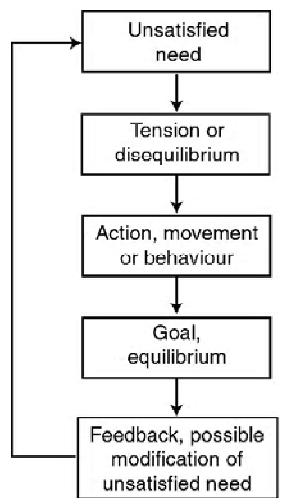

Fig. 1.11 *The Motivation Process*

2. ***Persistence:*** Motivation is a permanent and an integral part of a human being. Its second characteristic is persistence in the efforts. Motivation is continuously goal directed so that once a goal is achieved, a higher goal is selected and efforts are exercised towards this higher goal; for example, a professor who published a book simply to get a promotion and then stops or reduces his research efforts is not a motivated individual. Accordingly, high motivation requires persistent efforts.
3. ***Direction:*** Persistent hard work determines the quantity of effort while direction determines the quality of the anticipated output. All efforts are to

be directed towards the organizational goal. This would ensure that the persistent effort is actually resulting in accepted organizational outcomes, for example, a quality control inspector is consistently expected to direct his efforts in discovering defects in the produced items so that the organizational goal of high-quality output is met.

As an example, let us assume that a professor has established a goal for himself to get a promotion and monetary raise in order to improve upon his standard of living. Thus, the professor will shape his behaviour to achieve that goal. He will choose a course of action designed to obtain a promotion. This course of action may comprise five published articles or one published book. He will be highly motivated and will put in persistent efforts in research and publish the desired number of articles or the book.

Once the promotion has been obtained, the professor will re-evaluate his achievement relative to his initially established objective. If the pay raise is not adequate and there are grounds for further promotion and pay raise, the professor will establish a higher goal and strive towards it. This example fits the basic motivational process.

In this example, if the motivator (publishing) does not serve the required purpose then the professor will look at other alternatives as motivators such as service to the college and community, student guidance and curriculum development and good interactive relations with peers and superiors. Thus, the process of motivation involves the following steps.

1. *Analysis of situation:* The situation that needs motivational inducement must be sized up so as to ascertain the motivational needs. From organizational behaviour point of view, it must be recognized that since the needs of different employees differ both in nature as well as in intensity, a composite view of the collective needs of the group is established with appropriate recognition of differences in individual needs.
2. *Selecting and applying appropriate motivators:* A list of all devices of motivation is drawn and a selection made of such motivators that motivate different types of people under different circumstances. Proper timing and the extent of motivation is also to be considered. The individual goals should be given adequate attention within the framework of group goals and the organizational goals.
3. *Follow-up:* It is important to know that the selected motivators are indeed providing the desired motivation. This can be accomplished by getting and evaluating the feedback. If these motivators are not showing the optimum effect, then alternative motivators should be selected and applied.

1.13.2 Sources of Motivation

Different opinions exist with respect to the different factors of motivation. The various organizational behaviour scientists and researchers have varied opinions in this respect. Some feel that motivation is largely driven by external factors such as rewards and fear while the others feel that motivation is largely self generated and there is actually no great role played by the external factors. This is because, under the influence of similar

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set of external factors, not all the individuals perform equally and it is the self-motivation factor that plays a significant role in deciding the motivation levels of an individual. Thus, there can be different motivational forces, some of which are as follows:

Positive motivation—Positive motivation generally refers to driving motivation levels using positive forces. For example, appreciating or acknowledging an individual for his good work or extending a reward to an individual for his contribution towards the organizational goals and objectives. Such motivational efforts are at times very useful in building the team spirit and in retaining an employee for a long time with the organization. This also helps in giving an individual a feeling of achievement, a sense of happiness and also belongingness to the organization. Examples of some of the actions that may be described as positive motivators include:

- Appreciation of one's work
- Acknowledging the effort of an individual
- Sincerely taking interest in the welfare of the team members
- Authority delegation
- Extending important responsibilities to subordinates and making them feel accountable
- Involving the subordinates in the decision-making process

Negative motivation—This is also termed as fear motivation. In this type of motivation, a superior or management generally makes use of authority, power, fear or force, etc. in order to invoke desired actions from the subordinates working under them. When an individual is subjected to fear, then he is expected to act in a manner that can possibly avoid the different undesirable consequences. This is because he has some kind of fear with respect to such consequences. There are different types of negative motivators. Some of the examples include:

- Fear of failure in a task or examination
- Fear of losing a job
- Fear of getting demoted
- Fear of losing some responsibilities

Thus the different types of negative motivators can actually make a person feel responsible and may drive his actions accordingly. For example, a student who may have the fear to fail in an examination may actually study more sincerely or an individual at an organization who has the fear of losing the job may actually perform his duties and responsibilities much more diligently. Additionally, the workers at an organization who may have the fear of losing a job will always try to follow the organizations rules, regulations and policies in the best possible manner.

Though fear of failure or getting a punishment has avoided the misbehavior of individuals under several circumstances and because of threats associated with negative motivation, they have tried to keep up to the performance standards. However, this is not really recommended in the current business environment as it can go to negatively impact the work culture of an organization especially in the long term. Therefore, the implementation of the negative motivation is really not recommended as a viable alternative. This is also because of the changing trends at the workplace and the changing expectations of the workers at an organization. Organizations are comprised of more and more educated employees for whom self-respect and self-esteem are the two most important motivational attributes. Not only this, negative motivation may not lead to a healthy work culture especially in presence of extensive employee unionization.

However, in different aspects of life, punishment or fear factor is generally used to ensure the correction of misbehaviour of individuals. For example, when a child is continuously misbehaving, his parents try to scare him with something or the other in order to correct the behaviour of the child. Similarly, at workplace also, if an individual does not work in alignment with the organizational rules and regulations and does not follow the policies of the organization, he is still fired or is at least threatened to lose his job. In society also, when a person does not follow the rules and regulations made by the government or when he does not abide by the law, then he is punished by the respective authorities by some mode of punishment or the other. Similar kind of practices are also adopted by different religious followers.

However, it is important to ask different questions that does the fear factor always work? Does it contribute to invoke desired change in the behaviour of an individual? Lots of debates have been going on in this field. Some researchers favor the concept of negative motivation while the others say that it should be completely avoided. Most of the researchers feel that negative motivators have definitely got a short-term effect and they may go to change the behaviour of the individual almost immediately but their long-term effects are not really healthy and there is a big question mark attached with the same. An individual who is punished for a deed in a particular scenario may promise to not repeat the same again under the influence of some negative motivation at that spur of the moment but he is actually expected to repeat the same again over a period of time.

Similarly, at a work organization, all employees look upto getting respect for their work and for themselves and no one actually wants to be threatened or questioned by any means. They do not like to be criticized and cannot live with the fear of their termination. Most of the times, when a worker is punished for an undesired behaviour, he is expected to get demotivated or his morale is expected to go down with time. This could badly affect the sense of belongingness that he feels for the organization or the feeling of loyalty that he may have while working with a given organization. Thus, it is extremely important to carefully consider the impact of the negative motivators before implementing the same especially in a given organizational set up as they can actually lead to employees turning hostile.

***Extrinsic motivation*—**The extrinsic motivation may be described as a motivation which is particularly induced by the different external factors especially the ones which are financial in nature. This motivational approach is based on the theory that the behavior of an individual when results in a positive financial reward will most of the times be repeated and a continuous pattern of desired behavior is expected to result. However, in order for this to happen, it is extremely important that the reward should be substantial and should be recognized as important by the individual who is receiving it. Additionally, the reward should be able to increase the probability of repetition of the desired behaviour.

Money has been defined as the most important positive financial reward. This is because in most circumstances it generates maximum motivation as it can be used for

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Extrinsic motivation: A motivation that is particularly induces by the different external factors especially the ones which are financial in nature.

varied purposes. However, it has been debated rigorously that whether these financial incentives and rewards can actually motivate the employees enough or do they only push them to perform their regular responsibilities and duties.

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The different types of financial rewards and incentives that have been identified include higher pay, fringe benefits, retirement options and plans, company medical policies, medical and conveyance benefits, medical insurance benefits, special allowances, etc.

Intrinsic motivation: The feelings the individual gets for himself when he achieves something substantial

Intrinsic motivation—Intrinsic motivation is generally related with the feelings that the individual gets for himself when he achieves something substantial. For example, feeling of achievement, feeling of recognition for an individual's work, contributing towards the organizational goals and objectives or feeling of accomplishment, etc. In this type of motivation, feeling of achieving something important further motivates the employees to perform further different tasks and activities. It is actually related with a state of actualization that an individual may reach because of his own achievements. For example, some of the people contributing to the different societal causes without getting any financial rewards for their services. Similarly, some of the retired doctors offering free services in some slum dispensaries, people extending free education in slums, social workers working towards defined objectives and goals, etc. All these set of people are actually not getting any financial incentives for their services rather they are performing these services because they are capable of attaining a feeling of self actualization by getting involved in these activities and they have an intrinsic motivation for doing the same.

1.14 ABILITY

According to Michael A. Hitt performance is a function of both ability and motivation. We have already learnt the various sources and theories of motivation. It is now important to examine the role of ability in the organizational context. Individual ability and work environmental factors exert a substantial influence on performance that are separate from the effects of motivation.

Kinicki in *Organizational Behavior* has explained the two types of abilities. The first is featured as a general mental ability for all cognitive tasks. The second is specific pertaining to the activity at hand. Mental abilities are listed as follows:

- Verbal comprehension
- Word fluency
- Numerical
- Spatial
- Memory
- Perceptual speed
- Inductive reasoning

This multiple factor theory has been used to construct intelligence texts that help to achieve a profile of individual performance on each of the ability texts.

- **Intellectual Abilities:** These require doing mental abilities and ability is measured by performance or an intelligence test in this case. This is also used in the context of discussing one's performance in an academic or real world setting.
- **Cognitive Abilities Tests:** Paper and pencil or individualized assessment of an individual's general mental ability or intelligence. These tests may be categorized as:
  - o General Intelligence Tests
  - o Aptitude Tests
  - o Mechanical Aptitude
  - o Clerical Aptitude

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Advantages

- Reliable method.
- A high validity for wider range of jobs is seen through verbal reasoning and numerical tests. However, validity increases with a complex job.
- It is deemed more reliable and valid than individual tests.
- Able to test applicants in group settings.
- Computer scanning equipment used to score the tests.
- Less expensive than personality tests.

- **Physical Abilities:** This type of ability requires doing tasks which demand stamina and strength.

Advantages

- o Can filter out candidates who are physically unable to perform certain essential functions of a job without risking injury to themselves or others.
- o This may result in decreased costs related to medical and disability claims.
- o A decrease in absenteeism can be seen.

Disadvantages

- o Expensive to the administer
- o A thorough job analysis needs to be done in order to show that its requirement is job related.
- o Age may be a discriminating factor against older people.

1.15 MARS MODEL AND ITS RELEVANCE TO ORGANIZATIONAL BEHAVIOUR

In these modern times, almost every company is striving to gain from positive employee behaviour. In order to achieve optimum employee behaviour in the workplace, many companies are researching extensively and trying to solve any issues effecting employee behaviour. The companies try to reach a perfect balance which can only be achieved when the company is making maximum profits and its employees are satisfied with their performance and evaluation. Therefore, it needs to be a win-win situation for the company as well as its employees. This theory leads to the next important conclusion, i.e., the classification of an employee as a happy satisfied employee or a disgruntled unmotivated employee. Even more important is identifying the characters of a disgruntled unmotivated employee. Some important questions make it easier to identify a disgruntled unmotivated employee. They have been listed as follows:

(i) Is it the amount of money one makes?

(ii) Is it the amount of time they spend on the job?

(iii) Does the work environment affect them adversely?

(iv) Does the present position of the employee match the needs of the employee?

(v) Is it the amount of money an employee makes?

(vi) Can the employee successfully perform?

(vii) Is the employee aware of his role in the organization?

(viii) Whether the employee's manager has provided them with the tools to be successful?

The MARS model of individual behaviour and results answers these questions quite well. This model represents four significant elements which have an affect on an employee's performance. These four elements are interrelated and are as follows:

(i) Motivation

(ii) Ability

(iii) Role perception

(iv) Situational factors

The MARS medium is an excellent medium to create a perfect relationship between the employer and the employee. For instance, a data analyst in a company will have the skills to run the reports, which reflects the ability factor of MARS. The data analyst is able to use different tools to collate data. This is evidence of motivation in the employee. He is able to understand the data and how it will assist management to make decisions, which means that the employee is able to fathom role perception. However, if the data analyst is not able to access files at his convenience, the situational factors are not met with. In order for the MARS model to be successful, all four elements need to be fulfilled. In circumstances where even one of the elements of the MARS model is left out, the employee's behaviour and performance gets negatively impacted.

A successful manager is able to understand the MARS model and will be able to easily apply them to his company. Since motivation is the most important internal influence that affects an employee's action, an employer must be able to meet the requirements of the employee to fully capitalize on the element of motivation. Similarly, an employee should have the ability to complete the job. Managers are also responsible to fulfill certain needs to fulfill a job. They are liable to give the required training and skills to an employee to complete the job. Ability also needs to insure that the employee is placed in such a position in the company that his talent will be effectively utilized. Role of perception is the third element of the MARS model. This element specifically deals with the employees and their understanding of the company. A company employee should be able to realize where he fits in the organization and how can he contribute in

Check Your Progress

9. Fill in the blanks with appropriate words.
   - (a) _______ is a voluntary change in the behaviour of an individual and it is due to this change in behaviour that learning occurs.
   - (b) ________ refers to the tendency of people to see their own traits in other people.
   - (c) The _________ states that the greater the similarity among the objects or people, the greater the tendency to perceive them as a common group.
   - (d) The ______ visualizes personality as a reflection of certain traits of the individual.

fulfilling the organization's goal. A detailed description of their work profile will enable an employee to clearly understand the role-perception element. Situational factors which is the final element of the MARS model states that the employees should have all of the required tools, equipment and work space to accomplish the job.

But the question arises that how an organization adopts the MARS model. Beginning with motivation, the employer should have a cordial relation with his employees and should be able to understand the different forces that influence the actions of an employee. One of the most significant theories of motivation that an organization can follow is the Maslow's hierarchy of needs. The hierarchy followed in this kind of motivation is as follows:

Level I: This comprises of the physiological and body factors and deals with the salary structure and safe-working conditions of an employee.

Level II: This level deals with job training and enrichment programs.

Level III: This deals with the social aspect of a workplace and includes team-building seminars and workplace camaraderie.

Level IV: To incorporate self-esteem within an employee. This can be achieved through employee reward and recognition programs with respect to performance and promotion.

Level V: Giving the employee the liberty to select his own assignments as per his caliber.

However, one may observe that when a need is met, the constant effort of motivation has minute or not effect at all. For instance, in the field of information technology, the managers with soon realize that their IT employees are motivated by higher levels and not necessarily by increasing salary of perceived punishment. An employee who has been motivated to the maximum will not be successful in his job, if he doesn't possess the required skill sets and abilities for the position. Therefore, it is imperative that an organization understand the task and the required skill set to accomplish the job and then hire the best candidate. Providing additional and necessary training will be an incentive to complete the job with success.

It is important that continuous feedback is given to employees. This helps to build the employee's understanding of the organization and improves their position in the company. For example, in the Human Resource department of an organization, the staff may be divided into two groups, one which is involved in hiring and the second which is involved with payroll. Though the two groups will be aware of how the other group functions, it is imperative that the employees of an organization know who to approach in terms of an enquiry. An employee having issues with his salary slip, should not approach the hiring team just because they are a part of Human Resources.

In order to be successful, employees must have the relevant tools to perform the tasks. This is where the final element of the MARS model comes in, and, that is, situational factors. A safe work environment and adequate time given to the right people are factors which fall under the jurisdiction of the organization and the employees have no control over these factors. For example, in a customer care department, all employees need to be trained not only on subject matter but on the basic etiquettes on is required to have while dealing with customers.

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Check Your Progress

10. State whether the following statements are true or false.
    (a) A person's needs, habits, impact of past experiences, ethics and values, attitudes and personality, all influence the perception process.
    (b) Intrinsic motivation is the motivation that is induced by different external factors especially the ones which are financial in nature.
    (c) Stereotyping helps in accurately perceiving others.
    (d) The principle of proximity states that a group of objects or people who are physically close to each other may be perceived as related to each other so that they stand out as one unit.

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Thus, it can be rightly said that the MARS model of motivation assists an organization to understand how and why employees will or will not succeed. Therefore, to succeed and make profits, an organization needs to implement all four elements.

Since the main objective of an organization is to make profit and succeed in their respective markets, one has to understand the composition of a successful organization and what it takes to reach the same level of success. Previously, organizations gave more emphasis on figures and how to achieve those figures to succeed. Organizations were not concerned as to how these numbers were achieved. However, the employees who assisted in achieving these numbers were graded on their technical skill, productivity and budgets. In a sense, employees were considered money-making machines. The rapidly-changing business culture has made it essential for organizations to understand and study organizational behaviour. Organizational behaviour was considered irrelevant in an organization and was only discussed when a change in the employee's behaviour was recognized which may or may not effect the productivity or sales of an organization. But now a gradual change has been observed in this attitude. Now organizations are more aware and pay more attention to employees and their reaction to different situations. Nowadays, organizational behaviour is considered to be a significant part of training and development. Prior to this, soft skills were never considered to be a part of management training. Therefore, organizational behaviour is an essential tool to manage effective teams. If an organization can understand an employee's personality, creativity and adaptability, motivating that employee the way he needs to be motivated would be a total success. Through the knowledge of organizational behaviour, a manager can achieve a successful career as they need to get their job done by others. Therefore, organizational behaviour becomes a valuable asset to the managers in an organization.

The role of a manager has become more sensitive with the ever-changing business environment. Thus, to be able to handle complications of a new environment or new employees, a manager needs to be informed about the attitude and behaviour of each of its employees. Therefore, not only hard skills but soft skills also help managers to do their work effectively and efficiently.

1.16 SUMMARY

- An organization is not simply a group of people at a given place.
- All organizations have reasons for their existence. These reasons are the goals towards which all organizational efforts are directed. While the primary goal of any commercial organization is to make money for its owners, this goal is inter-related with many other goals. Accordingly any organizational goal must integrate in itself the personal goals of all individuals associated with the organization.
- The scientific management primarily emphasized on economic rationality, efficiency and standardization and ignored the roles of individuals and groups in the organizations. It basically ignored the social needs of the worker. This resulted in criticism of scientific management and advent of behavioural approach to management that formed the foundations for organizational behaviour.
- The behavioural approach, also known as human relations approach, is based upon the premise of increase in productivity and managerial efficiency through

an understanding of the people. The growth and popularity of this approach is attributable to Elton Mayo (1880–1949) and his Hawthorne experiments.

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- Workforce diversity refers to the similarities or differences that exist among employees in terms of their gender, age, ethnic background, physical characteristics and abilities, mental abilities, race and sexual orientation.
- A diverse workforce cannot benefit from management systems that are built on prejudices and stereotypes.
- Managing workforce diversity involves increasing cultural competency, recognizing people as individuals and not as groups, creating and maintaining productive relationships within the organization and focussing on the intelligence, emotions and habits of the individual.
- The organizational culture is a system of shared beliefs and attitudes that develop within an organization and guides the behaviour of its members. It is also known as 'corporate culture', and has a major impact on the performance of organizations and specially on the quality of work life experienced by the employees at all levels of the organizational hierarchy.
- Culture defines behaviour of people and organizations and international managers are increasingly recognizing the influence of national culture on organizational functioning. They are being trained in acquiring the skills of cross-cultural management and they study the behaviour of people in organizational settings around the world.
- The environment surrounding the workplace has two elements. These are physical and social. The physical environment at a workplace is the arrangement of people and things so that this setting has a positive influence on people.
- The social environment relates to interaction among people and respect for numerous social and societal laws, rules and norms created by people to regulate and control behaviour of people. These social influences are affected by family environment, friends, associates, peers at work and groups to which an individual belongs.
- Sometimes, we refer to disagreements among people which possibly arise due to personality conflicts. Personality of an individual can be found out from his behavioural traits or temperament. Personality of an individual plays an extremely important role in assessing the behavior of a person at an organization.
- One dimension of personality that is getting attention both from organizational as well as medical researchers is the Type A and Type B behaviour profiles. The Type A behavior individuals are most of the times restless and impatient in their expressions. .
- They generally aim at perfectionism and want to achieve results as quickly as possible in lesser amount of time. The other type of the individuals are those with Type B behavior. These are generally more relaxed and patient in their expression.
- The Psychoanalytical theory of personality as a reflection of behaviour has been based primarily on the Freudian concept of unconscious nature of personality. Freud noted that his patient's behaviour could not always be consciously explained. This led him to believe that the personality structure is primarily founded

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on unconscious framework and that human behaviour and motivation is the outcome of such conflicting psychoanalytic concepts as the id, the ego and the super ego.

- Trait theory visualizes personality as a reflection of certain traits of the individual. Even though there are many traits that are common to most people, there are many other traits that are unique to a person and are not shared by other individuals.
- Attitudes have four basic characteristics—direction, intensity, salience and differentiation. The direction of an attitude is favourable, unfavourable or neutral. We may like, dislike or be neutral in our views about a person, a job or a situation. The intensity of the attitude refers to the strength of the effective component.
- It is assumed that the relationship between the attitude of a person and his behavior is causal in nature, meaning that the attitudes that people hold determine their behaviour and what they do.
- The most effective and well-established experiments related to classical conditioning were conducted by I.P. Pavlov. This experiment was conducted on dogs and Pavlov tried to establish a Stimulus-Response (S-R) connection. According to him, it was possible to predict certain responses which could occur in response to some stimuli.
- Operant conditioning may be defined as a voluntary change in the behaviour of an individual. It is because of the change in this behaviour that 'learning' occurs in an individual.
- While both the classical conditioning and operant conditioning result in a Stimulus Response (S-R) situation that is primarily cause and effect phenomenon, cognitive learning deviates from this model in that, learning is considered as the result of the intentional thinking related to both problem as well as the circumstances.
- Social learning integrates the cognitive and operant approaches to learning. It establishes that learning actually takes place as a result of both environmental stimuli as well as the knowledge gained by the individual himself.
- Perception is primarily an individual process so that different people may perceive an identical situation differently.
- A person's needs, habits, impact of past experiences, ethics and values, attitudes and personality, all influence the perception process.
- Perceptual organization is the process by which we group outside stimuli into recognizable and identifiable patterns and whole objects. Once the stimulus is received from outside, the mental processes begin organizing this stimulus into a meaningful and identifiable whole.
- Perceptual grouping identifies our tendency to group several individual stimuli into a meaningful and recognizable pattern. This tendency is very basic in nature and largely seems to be inborn.
- Perceptual defense is the mental process by which we tend to protect ourselves from such objects, situations or stimuli that are emotionally disturbing or perceptually threatening.

- There are basically two types of theories that relate to and define the motivational processes. These are the 'content theories' that attempt to determine and specify drives and needs that motivate people to work, and the 'process theories' that help in identifying those factors which may be responsible for generation of motivation and also understanding the relationship between these factors.
- According to the expectancy model, the motivation of an individual is primarily based on the type of reward than an individual can get as a result of his performance at the workplace.
- The goal-setting theory is a relatively applied approach to motivation and is based upon the assumption that the type as well as the challenge of the goal induces motivation in the individual to achieve it.
- A logical extension of the goal-setting theory is management by objectives that involves systematic and programmatic goal setting throughout an organization. It may be defined as a process of setting the goals and objectives together by the managers and the subordinates as they work closely with each other.
- The factors which were found to consistently relate to job satisfaction were termed as motivational factors by Herzberg and the ones that related to dissatisfaction consistently were termed as maintenance or hygiene factors.

1.17 ANSWERS TO 'CHECK YOUR PROGRESS'

1. Organizational behaviour is concerned with people's thoughts, feelings, emotions and actions in a work setting.
2. Fredrick W. Taylor is known as the father of scientific management.
3. The behavioural approach is based upon the premise of increase in productivity and managerial efficiency through an understanding of the people.
4. Perception is the process by which information enters our minds and is interpreted in order to give some sensible meaning to the world around us.
5. Attitude may be defined as the organization of a perception within a frame of reference.
6. The three characteristics that reflect performance according to Schermerhorn, Hunt and Osborn are as follows:
   (i) Individual's capacity to perform
   (ii) Individual's willingness to perform
   (iii) Organizational support
7. Introvert personalities are generally shy in nature and they prefer to be alone. They do not freely communicate with others and may feel hesitant while communicating with others.
8. Dogmatism refers to the expression of rigidity in one's beliefs.
9. (a) Operant conditioning
   (b) Projection

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(c) principle of similarity

(d) Trait Theory

10. (a) True

(b) False

(c) False

(d. True

1.18 QUESTIONS AND EXERCISES

Short-Answer Questions

1. List the principles of scientific management.
2. State the four major models of organizational behaviour.
3. State the causes of human behvaiour.
4. Differentiate between Type A and Type B personality.
5. Define the following:
   (i) Classical conditioning
   (ii) Cognitive learning
   (iii) Social learning

Long-Answer Questions

1. Write a note on the global dimensions of organizational behaviour.
2. Explain the various theories of personality.
3. Discuss the nature and dimensions of attitude.
4. Explain the relationship between behaviour and perception.
5. Discuss the concept and significance of motivation.
6. What is organizational commitment? Present its components and importance.
7. What is organizational behaviour? Present the approaches to the study of organizational behaviour.
8. What do you mean by individual behaviour? Present its component factors.
9. Explain the relevance of attitude, perception, motivation and ability to organizational behaviour.
10. Explain the different models as to study of organizational behaviour.

UNIT 2 GROUP BEHAVIOUR

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Structure

2.0 INTRODUCTION

We define group as more than two employees who have an ongoing relationship in which they interact and influence one another's behaviour and performance. The behaviour of individuals in groups is something more than the sum total of each of the individuals acting in his or her own way. Learning capabilities represent a set of core competencies, which are defined as the special knowledge, skills, and technological know-how that differentiate an individual or an organization from competitors and enable them to adapt to their environment. Learning capacities are the fuel for individuals or organizational success.

2.1 UNIT OBJECTIVES

After going through this unit, you will be able to:

- Explain the theories of group formation
- Differentiate between formal and informal groups
- Explain the significance and formation of teams
- Analyze various elements of groups, such as group dynamics, norms and cohesiveness

2.2 THEORIES OF GROUP FORMATION

There are two theories of group formation, i.e., functionalist theory and interpersonal attraction theory. The first focusses on the functionality of the group aimed at achieving collective goals and the second emphasizing on the human need for social interaction.

Sigmund Freud believed that groups form and continue because of the need for affiliation and power.

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Lewin held that group was a function of inter-related factors of the individual and the group.

Interaction theory views the group as a system of interacting individuals that produce three elements; activity-interaction-sentiment. This holds that you look at each to understand group behavior.

The systems theory adopts a position similar to interaction but adding the elements of positions and roles along with inputs and out puts.

Sociometric orientation emphasizes interpersonal choices among group members and the focus is on morale and performance and their dependence on the group

Psychoanalytic orientation focusses on the drives of the individual and is concerned about the motivational and defensive processes of the individual as related to the group.

General Psychology orientation attempts to extend the theoretical analyses of individual behavior to group behavior.

Empirical-statistical orientation holds the basic concepts of group theory can be discovered through the application of statistical analysis of data abut individuals.

Formal and informal groups are formed in organizations for different reasons. Formal groups are sometimes called official or assigned groups and informal groups may be known as unofficial or emergent groups. Organizations routinely form groups. If we assume that management decisions are rational, groups must benefit organizations in some way. Presumably, the use of groups can contribute to achieving and maintaining a sustainable competitive advantage. Groups can do this if they enable an organization to fully tap the abilities and energy of its human resources. Furthermore, with regard to informal groups, people form groups to meet their individual needs.

Box 2.1 *Why do People Join Groups?*

1. Security

By joining a group, individuals can reduce the insecurity of standing alone. People feel stronger, have fewer self-doubts, and are more resistant to threats when they are part of a group.

2. Status

Inclusion in a group that is viewed as important by others provides recognition and status for its members.

3. Self-esteem

Groups can provide people with feelings of self-worth, i.e., in addition to conveying status to those outside the group, membership can also give increased feelings of worth to the group members themselves.

4. Affiliation

Groups can fulfill social needs. People enjoy the regular interaction that comes with group membership. For many people, these on-the-job interactions are their primary source for fulfilling their needs for affiliation.

5. Power

What cannot be achieved individually often becomes possible through group action. There is power in numbers.

6. Goal achievement

There are times when it takes more than one person to accomplish a particular task—there is a need to pool talents, knowledge, or power in order to get a job completed. In such instances, management will rely on the use of a formal group.

Source: Robbins, Stephen P. *Organizational Behavior – Concepts, Controversies.* 1996. *Applications,* seventh edition) Englewood Cliffs, NJ: Prentice Hall. p. 296.

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(i) Performance

Group effort can be more efficient and effective than individual efforts, because it enables the employees to specialize in and contribute to a variety of strengths. Organizations structure employees into functional and task groups so that they can develop and apply expertise in particular functions, products, problems or customers. The other factor contributing to performance is motivation, and groups can enhance this as well. When employees work in groups, the group is an important force for creating and enforcing standards for behaviour.

(ii) Cooperation

Carrying out an organization's mission is something no person can do alone. However, for several people to accomplish a mutual goal, they must cooperate. Group dynamics and characteristics can enhance cooperation among employees, especially when members identify themselves as a group and are rewarded for group success.

(iii) Satisfaction

If satisfaction improves motivation (and therefore performance), organizations as well as individual employees can benefit from employees' satisfaction derived from group membership. A major source of this satisfaction is that people have a need of being with others and being liked by them. The way people satisfy this category of needs is by participating in groups focusing on social activity. Group membership may also be a means of satisfying their need for security, power, and esteem.

Box 2.2 *Organizations to Admire*

CATALYTICA

'We're like a growing organism,' says Richard B. Levy, President and CEO of Catalytica, a California-based firm that is now developing technologies to help manufacturers reduce or eliminate pollution from manufacturing processes. It's a hot idea, with potentially significant profits, and several large competitors (such as Exxon, Mobil, and Hoechst) are already nipping at Catalytica's heels. But in Levy's statement about his organization lies a philosophy that could help keep Catalytica, a $10 million company with 120 employees, ahead of the big guys.

Catalytica relies on groups in two main ways. First, as many other companies do, Catalytica uses task groups to do everything from research in lab to interviewing job candidates. Second, the organization views itself as a single, cohesive group or 'growing organism'.

When a potential new employee arrives at Catalytica for an interview, he or she is met by Levy and a group of interviewers who ask the candidate simply to talk for about half an hour on any topic of interest. Then the interview group breaks into smaller groups to converse with the candidate, and later the whole team reconvenes to discuss the candidate's

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suitability. This includes determining whether the candidate will adhere to the organization's norms. 'During the interview process, certain rigours, ethical standards, diligence, caring characteristics come through,' explains Levy. 'As the company keeps growing, the next tiers of employees have in them those basic ethical and personal frameworks.'

Groups are also an important part of research at Catalytica. Research often works in task groups that are only loosely hierarchical (the leader changes with every project). Most such companies set up a separate laboratory for each project. But at Catalytica, researchers work in a large, open area with individual bays for each project that are still accessible to any one on the research area. 'It creates continuity and cross-fertilization,' says Levy. 'If somebody has something exciting happening n one place, others feel it.' Instead of creating production blocking, this use of space seems to foster productivity and interaction among researchers.

Though the use of groups—and its view of itself as a group—Catalytica says focused on its goals. 'We're very focused on what we need to achieve,' remarks Levy. Indeed, the little Catalytica organism may be more dynamic than its larger more complex competitors.

Source: Perlstein, Steve. 'Catalyst for Growth', *Business Ethics*, January–February 1994, p. 13.

2.3 FORMAL AND INFORMAL GROUPS AND THEIR INTERACTION

Group: More than two people who interact and influence one another's behaviour and performance

We define '**group**' as more than two employees who have an ongoing relationship in which they interact and influence one another's behaviour and performance. The behaviour of individuals in groups is something more than the sum total of all acting in their own way. In other words, when individuals are in groups, they act differently than they do when they are alone.

Groups can be either formal or informal.

2.3.1 Formal Groups

A formal group is set up by the organization to carry out work in support of the organization's goals. In formal groups, the behaviour that one should engage in are stipulated by and directed towards organizational goals. Examples include a bookkeeping department, an executive committee and a product development team. The formal group may be a command group or a task group.

(i) Command group

A command group comprises a manager and the employees who report to him or her. Thus, it is defined in terms of the organization's hierarchy. Membership in the group arises from each employee's position in the organizational chart.

Task group: A group that works together to complete a particular task or project

(ii) Task group

A **task group** comprises employees who work together to complete a particular task or project. A task group's boundary is not limited to its immediate hierarchical superior. It can cross-command relationships. An employee's membership in the group arises from the responsibilities delegated to the employee—that is, the employee's responsibility to carry out particular activities. The task group may be temporary with an established life span, or it may be open ended.

2.3.2 Informal Groups

An organization's informal groups are groups that evolve to meet social or affiliation needs by bringing people together based on shared interests or friendship. Thus, informal groups are alliances that are neither formally structured nor organizationally determined. These groups are natural formations in the work environment that appear in response to the need for social contact. Many factors explain why people are attracted to one another. One simple explanation is proximity; when people work near one another every day, they are likely to become friends. That likelihood is even greater when people share similar attitudes, personalities or economic status.

(i) Friendship groups

Groups often develop because the individual members have one or more common characteristics. These formations are known as friendship groups. Social alliances, which frequently extend outside the work situation, can be based on similiraties age, political view, education, etc.

(ii) Interest groups

People who may or may not be aligned to common command or task groups may affiliate to attain a specific objective with which each is concerned. This is an **interest group**.

(iii) Reference groups

Sometimes, people use a group as a basis for comparison in making decisions or forming opinions. When a group is used in this way, it is called a reference group. Employees have reference groups inside or outside the organization where they work. For most people, the family is the most important reference group. Other important reference groups typically include co-workers, friends and members of the person's religious organization. The employee need not admire a group for it to serve as a reference group. Some reference groups serve as a negative reference; the employee tries to be unlike the members of these groups.

(iv) Membership groups

When a person belongs to a group (formal and informal groups to which employees actually belong) the group is called a membership group (or affiliation group) for that person. Members of a group have some collective benefits and responsibilities that go beyond the group serving as a reference point. In a membership group, each member would be expected to contribute to the group's well-being and would enjoy the benefit arising from the group member's friendship.

NOTES

Interest groups: People who may or may not be aligned to common command or task groups and may affiliate to attain a specific objective

2.4 IMPORTANCE OF TEAMS

Organizations use teamwork because it meets organizational objectives better than individualized efforts. Organizations institute teamwork for the following reasons.

1. **Higher Quality, Productivity and Profits**: It is explained by the following points:

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(a) Many organizations have credited teamwork with improvements in quality, productivity and profitability. To establish and maintain a competitive edge in the quality of their goods and services, organizations need to continually make improvements. This is most likely to be achieved when employees at all levels are directly involved in the quality effort, as is the case with teamwork.

(b) Employees in teams also tend to deliver high quality because their involvement and authority make them highly committed.

(c) A team gives employees a means by which they can make continuous improvements in work processes.

(d) Profits rise with the rise in quality and productivity. Teamwork also boosts profitability by reducing costs.

2. **Greater Flexibility:** Teams can improve flexibility because team members' broad skills and job descriptions enable them to adapt to processes quickly. Team members have the skills, information and authority to direct their expertise and commitment towards satisfying those needs.
3. **Greater Responsiveness to Change:** For an organization to respond fast to change, employees who implement strategies must be involved in decisions about those strategies. A logical way to create the necessary involvement is to use teams.
4. **Meet Social Needs:** Teamwork offers a chance to meet social needs and enjoy a sense of involvement and achievement. It can make work more interesting and is a good fit with the higher value modern employees place on participation in decision-making and an opportunity to do something meaningful.

2.5 FORMATION OF TEAMS

The Team Formation model developed by Tuckman shows that a team experiences different stages to build the necessary relationships needed for the achievement of its goals. These stages are forming, storming, norming, performing and adjourning. It is a very useful and practical model that throws some light on the various stages of team development, but it is important to mention that while it may provide us with a roadmap it is unable to identify and quantify what each team member brings to the collaborative effort.

We have already understood that a team is usually established to work on a specific project, a process or a job. When the job is complete, the team disbands. It is generally expected of a team to start functioning immediately with its full capacity, but this is an unrealistic expectation because before a team can become highly effective, its members need to develop and gel with each other to begin working together effectively. Tuckman and Jensen (1977) recommended five stages through which a team must progress to become highly effective and consequently successful (Figure 2.1).

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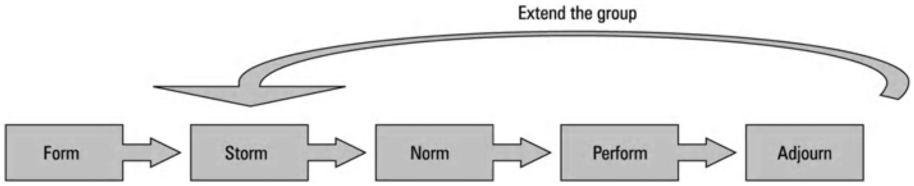

Fig. 2.1 *Tuckman's Model of Team Formation*

These five stages are discussed in detail as follows:

(i) Forming

During this stage, the individual team members have just collected and have not yet developed the characteristics of a team. They are still trying to learn and know about each other. There is a need in them to feel a part of the team for which they strive to know one another's attitudes, behaviour patterns, personality type and backgrounds, and also most importantly, agree on the basic ground rules. Members are also keen to develop their own identity in the team and make an impression on their colleagues. The major issues for a team during this stage are cohesion and involvement.

(ii) Storming

The next stage in the formation of a team is storming. As the name suggests, it is the stage during which conflicts arise. It is a very difficult and trying time for the team, since the team generally gets embroiled in conflicts and unnecessary confrontations. Team members negotiate with each other as they try to sort out or try to understand each other's expectations. They also communicate their individual objectives and it is at this stage that conflict may prevail when differences in individual goals are revealed. They may resist control and exhibit opposition to other team members. The key issues at this stage are direction of the team and the proper management of conflict.

(iii) Norming

During this stage, group norms or basic rules and regulations are set, such as the rules related to behaviour and allocation of roles. The team members develop variety of ways of working so as to start and develop closer relationships and harmony where mutual trust and respect exists. During this stage, the team concentrates its entire focus on objectives to be achieved and the results to be delivered. They also expect feedback since it gives them an idea of how team targets are to achieved.

(iv) Performing

It is in this stage, as the name suggests, that the team job actually gets accomplished and the overall objectives achieved. The team generally engages in group thinking and excludes non-team contributors. During this stage, the problems faced are more likely to be concerned with an individual team member's performance such as de-motivation or lack of proper communication, ego clashes, etc. Sometimes the teams are unable to reach this point as they are caught up in earlier stages.

The events, outcomes and the consequent reactions of team members during the four stages just discussed are represented in Figure 2.2.

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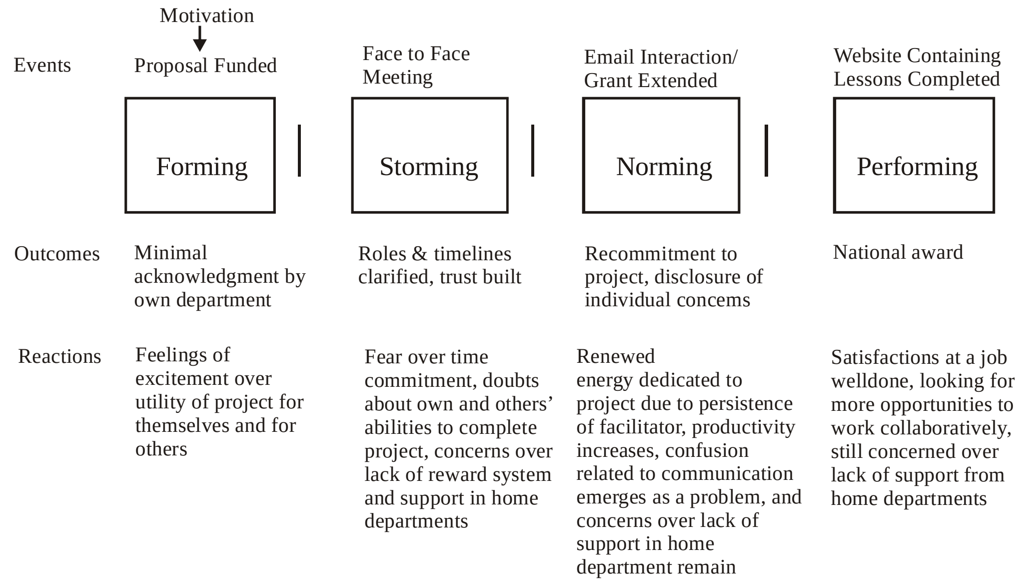

Fig. 2.2 *The First Four Stages of Tuckman's Model*

(v) Adjourning

This is the final stage during which a team may simply disband since they have either completed the job or the fellow team members have moved on. Before the team disbands, its team members may ponder on the time they spent together and then get themselves ready to go their own ways. Some team members may experience feelings of melancholy, separation and even loss.

Although this model has been very popular and widely used to understand the intricacies of team formation, it has its limitations as well. For several years, Dr Meredith Belbin further researched this model by exploring the behavioural preferences team members have when they are working collectively, and finally brought forward more behavioural aspects of a team's formation. The nine team roles given by him, as discussed earlier, provide an interesting insight into various elements of a team's job and the various styles that the team members adopt. It has been observed that most individuals have a few strong preferences because of which they may sacrifice a role if needed to adjust others who may be better suited for it. We have also studied other models pertaining to the team roles as well, such as the Margerison and McCann Team Management Wheel. These have quite similar behavioural descriptions and they also stress on the blend of preferences which is highly significant to the success of collaborative performance of a team. All these models are quite general in nature and do not consider the context in which a teamworks.

To understand this issue, we need to first understand the 'equation of innovation' in a proper way. It is important to acknowledge that innovation is a multiple of creativity and risk taking and each team member has a unique mix of these skills or attributes. This equation as developed by Dr Jacqueline Byrd provides unique information about a team member's innovation capacity. By activating the two drivers, creativity and risk taking, one can develop his/her innovation capacity or abilities even further. Dr Byrd has developed an inventory that helps measure this capacity which is known as 'creatrix'. It is a simple self-assessment survey that yields normative data against each of the drivers and characterizes the capacity of innovation through an orientation profile. This profile of the behaviours describes individual approaches and styles as they distinctly relate to the context of innovation, which is introducing new methods, ideas or products.

NOTES

2.6 GROUP DYNAMICS

Group dynamics was invented at the early stages of civilisation. When individual members were unable to meet their economic and social requirements, they united together. Some members sat together and pondered over the problem to get an effective solution. This was the beginning of the formation of a group, because a group can perform some things which individuals cannot. The group has a tremendous force of strength. The more effective the formulation and proper utilisation of group thinking are in the organization, the more strength the group will possess.

Group dynamics has become an important subject of management, because it provides useful information on dynamics of behaviour. The social process by which people interact face to face is called group dynamics. The study of group dynamics has been done under meaning and design, type of group, physical environment, personal environment, social environment, task environment, group decisions, strength and weakness and team work.

Meaning and Origin of Group Dynamics

Dynamics means force. It infers that group dynamics is group force and strength. It is a force operating within the group. The kind of force operating within the group depends upon the kind of leadership style. Group dynamics has synergy whereby two plus two is equal to five. A group is the composition of two or more persons formed for achieving the group goals through personal interaction and relationship. The group members are interdependent. A group, once formed, motivates people to join it for personal and organisational interests. Members perceive that the group exists and they are members of the group.

Features of Group Dynamics

The important features of group dynamics are perception, motivation, groups goals, group organization, interdependency, interaction and entitativity.

1. *Perception.* Group dynamics as defined by perception implies that every member of the group is aware of his respective relationship with others. The group consists of organisms or agents. The members or agents are engaged in interaction with one another. They have face to face meetings. They develop some impression or perception about each other and give their reactions to each other. Each member perceives the group differently, which he reveals at some situations. The members perceive the role of the group based on their learning and background. Group strength is developed if its members are properly trained and motivated. Group members form a group against the forces which threaten their individual freedom. Members perceive the group as problem-solving or as developmental depending upon the situation on which groups are formed by the members.

NOTES

2. *Motivation.* Members join groups because they expect that the group will solve their problems. They want progress and promotion which are achieved through group performance. The pressures and problems are jointly met by them. Group norms emerge to guide individual behaviour. Cooperative feelings are increased for helping each other. The group is developed taking into consideration individual interests. Employees join groups to get their pay and working problems redressed. In a social system, businessmen join a club or association to improve their business opportunities and solve the problems posed by the administration and people. Social groups are formed for solving individual problems. A group is a collection of organisms in which the existence of a member is assured by them. The perception of unity and interactive force is present in a group, which motivates the employees for better performance. The different needs of society are met by forming different groups. The group leader has to play his role of providing a proactive influence and receiving the feedback from the group members.
3. *Group goals.* Group goals are targets towards which input, process and output are directed. Group goal is the essential component of group formation, although it is not the only condition for forming a group. A goal is used for motivating the employees. The path goal relationship produces a higher responsibility for attaining the goals. If people of a group accept responsibility, group activities are evolved and workers perform successfully. When employees see the manager as supportive, they try to achieve the group goals. The responsibility consciousness makes the group members realise their duties. They put group goals above their individual goals. Members become an inevitable part of the group if they start realising the group goals as superior to the individual goals.
4. *Group organization.* Group is an organization which is composed of different organs to attain certain objectives. A group has the structural elements of an effective organization. A socio-psychological group is evolved wherein two or more individuals are interrelated. It has a set standard of relationship among its members. Similarly, it has a set of norms that regulate the functions of the group. A number of individuals in the group have definite status, role relationship, set of values and own regulating behaviour. The group structure has power relations, effective relations and well-defined jobs. It has diagnosing, adapting and communicating processes. Individual group members differ from each other. A group is used for developing knowledge and skills. All the group members are not equally powerful. Some of them have more power and a higher position than others. A hierarchical structure is visible in the group. It has group force for the development of the whole organization.
5. *Interdependency.* The main feature of a group is the members' interdependence. The members of a group may have a common goal but they may not be a part of the group because they are not interdependent. Individuals waiting for their turn at a bus stop have the common goal of travel but they do not constitute a group because the individuals are not interdependent. If the individuals start supporting each other and interact with each other, they form a group. If they develop it as a permanent system, it becomes an organization. Interdependence must be dynamic. The group members have equity of goals

and similarity of performance. Dynamism is experienced if interdependence is committed into group strength. A group is a social entity which has social strength. It is derived from the constituent members who are interdependent.

6. *Interaction.* Members of a group must interact with each other. If they are interdependent but do not interact, the group's goals are not achieved. Members have an interpersonal problem-solving mode. If any problem arises, the interaction of all the members is needed to solve the problem. Each person must communicate with others when the need arises. Interaction differentiates the group from a mere collection of people. Interaction between the members of a group may take different forms, e.g. verbal interaction, physical interaction, emotional interaction and so on. The group is defined on the basis of interaction, wherein two or more persons interact with one another in such a manner that each person influences and is influenced by each other. It is a two-way communication which requires mutual influence. A group is an entity in which communication is essential as in any other organization.
7. *Entitativity.* A group has its own identity. It has similarity and proximity. It is felt and realised but cannot be seen. The collection of individual experiences become the guidelines for the members. The uniform, office and people become the symbol of a group. The vicinity and proximity have given birth to the group.

NOTES

2.7 GROUP NORMS

Norms are shared ways of looking at the world. Groups control members through the use of norms. A norm is a rule of conduct that has been established by group members to maintain consistency in behaviour. Norms tell members what they should and should not do under certain circumstances. From an individual's standpoint they tell what is expected of you in certain situations. Norms differ among groups, communities, and societies, but they all have norms.

Norm: A rule of conduct that has been established by group members to maintain consistency in behaviour

According to Hackman, norms have the following characteristics:

(i) Norms summarize and simplify group influence processes. They resolve impersonal differences in a group and ensure uniformity of action.

(ii) Norms apply only to behaviour, not to private thoughts and feelings.

(iii) Norms are usually developed gradually, but the process can be shortened if members so desire.

(iv) Not all norms apply to everyone. High-status members often enjoy more freedom to deviate from the 'letter of the law' than do other members.

Types of norms

Norms are unique to each work group. Yet, there are some common classes of norms that appear in most work groups.

(i) *Performance-related processes:* Work groups typically provide their members with explicit cues on how hard they should work, how to get the job done, their level of output, etc. These norms deal with performance-related processes and are extremely powerful in affecting an individual employee's performance.

NOTES

(ii) *Appearance factors:* Some organizations have formal dress codes. However, even in their absence, norms frequently develop to dictate the kind of clothes that should be worn to work.

(iii) *Allocation of resources:* These norms cover pay, assignment of difficult jobs, and allocation of new tools and equipment.

(iv) *Informal social arrangement:* These norms can originate in the group or the organization and cover pay assignment of difficult jobs, and allocation of new tools and equipment.

Factors influencing conformance to norms

As a member of a group, you desire acceptance from the group. Due to your desire for acceptance, you are susceptible to conforming to the group's norms. Considerable evidence shows that groups can place strong pressures on individual members to change their attitudes and behaviours to conform to the group's standard. However, conformity to norms is not automatic. It depends on the following factors:

(i) *Personality factors:* Research on personality factors suggests that the more intelligent are less likely to conform than the less intelligent. Again, in unusual situations where decisions must be taken on unclear items, there is a greater tendency to conform to the group's norms. Under conditions of crisis, conformity to group norms is highly probable.

(ii) *Situational factors:* Group size, communication patterns, degree of group unanimity, etc., are the situational factors influencing conformity to norms.

(iii) *Intragroup relationships:* A group that is seen as being creditable will evoke more compliance than a group that is not.

(iv) *Compatible goals:* When individual goals coincide with group goals, people are more willing to adhere to group norms.

2.8 GROUP COHESIVENESS

Groups are a pervasive part of modern life. We are members of many different groups. Although every group is different, possessing its own unique attributes and dynamics, it is also true that in many important ways groups tend to display similar patterns of evolution. Formal and informal groups are formed for various reasons. Some of the reasons involve the need for satisfaction, proximity, attraction, goals and economics. The closeness or commonness of attitude, behaviour and performance makes groups cohesive.

Formal and informal groups seem to possess a closeness or commonness of attitude, behaviour and performance. This 'closeness' or 'commonness' is called 'cohesiveness'. Cohesiveness is a force that acts on the members to remain in a group and is greater than the forces that work on members to pull them away from the group. Highly cohesive groups comprise individuals who are motivated to be together. Group cohesiveness is the extent to which a group is committed to remaining together; it results from 'all forces acting on the members to remain in the group.' The forces that create cohesiveness are attraction to the group, resistance to leaving the group and

Check Your Progress

1. How can group effort increase efficiency?
2. Define formal groups.
3. Define norms.

NOTES

motivation to remain a member of the group. There are a number of reasons for groups to be cohesive. Some of them are given below:

(i) The goals of the group and the members are compatible and therefore individuals are attracted towards groups.

(ii) The group has a charismatic leader who is well respected and admired by his followers.

(iii) Members get support from other group members and are helped by other members to overcome obstacles and barriers.

(iv) The group is small enough to enable members have their opinions heard and are evaluated by others.

The concept of group cohesiveness is important for understanding groups in organizations. From the organization's point of view, the degree of cohesiveness in a group can have either positive or negative effects depending on how group goals match up with those of the organization. Table 2.1 shows the four distinctive possibilities that exist.

Table 2.1 *Group Cohesiveness and Organizational Goals*

	Low	***High***
Degree of Group Cohesiveness	Performance probably oriented away from organizational goals.	Performance probably oriented towards organizational goals.
	Performance probably oriented away from organizational goals.	Performance probably oriented towards organizational goals

Source: Ivancevich and Matteson, *Organizational Behaviour and Management*, fifth edition, Boston: Irwin/McGraw-Hill, p. 315.

Table 2.1 indicates that if cohesiveness is high and the group accepts and agrees with the organizational goals, then the behaviour of groups will be positive. If the group is highly cohesive but its goals are not compatible with the organization then group behaviour will be negative. Therefore, from the point of the organization, it may sometimes be desirable to alter the cohesion of a work group; for example, if the group goals are compatible with organizational goals then the managers must increase cohesiveness as higher the group cohesiveness, the more beneficial is its effect on the organization. However, when group goals counter those of the organization, managers must take steps to decrease group cohesiveness. Here, it should be noted that attempts to alter the cohesiveness of any group may not work and may even backfire on the organization. Therefore, managers should exercise great care in making decisions about attempting to influence the cohesion of work groups.

Consequences of Group Cohesiveness

Group cohesiveness is related to many aspects of group dynamics like maturity, homogeneity, manageable size and frequency of interactions. Figure 2.3 shows the factors and consequences of group cohesiveness

Factors that Increase Cohesiveness
- Homogeneous composition
- Mature development
- Relatively small size
- Frequent Interactions
- Clear Goals (competition or external threat)
- Success

Consequences of High Cohesiveness
- Goal accomplishment
- Personal satisfaction of members
- Increased quality and quality of interactions
- Group think

Factors that Decrease Cohesiveness
- Heterogeneous composition
- Recent formation
- Large size
- Physical dispersion
- Ambiguous goals
- Failure

Consequences of Low Cohesiveness
- Difficulty in achieving goals
- Increased likelihood of disbanding
- Fewer interactions
- Individual orientation
- Lower commitment to group goals

Fig. 2.3 *Factors that Affect Group Cohesiveness and Consequences of Group Cohesiveness*

Successful groups reach their goals more often and this increases group cohesiveness. It should also be noted that a successful group becomes more cohesive and this increases the possibility of success.

Box 2.3 *Methods of Altering Group Cohesion*

Altering Group Cohesion

As a manager, you may sometimes want to alter the cohesion level of a group. Strategies for increasing cohesion include:

1. Inducing agreement on group goals.
2. Making the group more homogeneous in its composition.
3. In creasing the frequency of interaction among group members.
4. Making the group smaller (decrease number of members).
5. Physically and/or socially isolating the group from other groups.
6. Allocating rewards to the group rather than to individuals.

To decrease group cohesion, do the opposite of the strategies above (e.g., induce disagreement on group goals, make the group more heterogeneous, etc.)

Source: Ivancevich and Matteson, *Organizational Behaviour and Management*, fifth edition, Boston: Irwin/McGraw-Hill, p. 315.

2.9 RELEVANCE OF GROUP DYNAMICS, NORMS AND COHESIVENESS TO ORGANIZATIONAL BEHAVIOUR

One of prevailing arguments in business is the effectiveness of group work. There are several opinions to suggest that companies are overestimating the importance of group dynamics, and that the use of a group approach to resolve issues should be cut down. There is, however, another school of thought that endorses the use of groups and views it as among the best tools of involving employees. Many also believe that group dynamics is an ethical way of managing an organization.

NOTES

Check Your Progress

4. Fill in the blanks with appropriate words.
   (a) The interpersonal attraction theory of group formation emphasizes on the human need for ____________.
   (b) A __________ group comprises of employees who work together to complete a particular task or project.
   (c) During the ________ stage of team formation, the team may simply disband since they have either completed the job or the fellow team members have moved on.
   (d) __________ is a force that acts on the members to remain in a group and is greater than the forces that work on members to pull them away from the group.
5. State whether the following statements are true or false.
   (a) In interest groups people use a group as a basis for comparison in making decisions or forming opinions.
   (b) While forming teams, the stage of storming is the stage of conflict.
   (c) A norm is a rule of conduct that has been established by group members to maintain consistency in behaviour.
   (d) Group cohesiveness decreases in groups who successfully achieve their goals.

NOTES

Organizations need groups so that its employees can exchange information. It is impossible for any one individual to know about every little thing relevant to the organization. That knowledge is only possible through group discussion. Teamwork is vital to the success of an organization. Without proper group dynamics, members of an organization may not be able to function at their optimum potential. For example, if a boss dominates a business meeting without taking feedback from those attending it, the purpose of the meeting is nullified and the attendees are rendered redundant.

All successful organizations have good teamwork. There are five crucial elements of effective group dynamics:

(i) A personal desire to accomplish team goals
(ii) A desire to learn from one another
(iii) A willingness to openly share information
(iv) A desire to ask questions, and do so in a respectful way
(v) A desire to help each other to achieve team goals

For groups to function effectively there will have to be certain norms. Norms help to establish proper behaviour in social situations; they have a great influence over group behaviour. If individuals in a group were to behave as they pleased, there would be ceaseless arguments and no decision would be possible.

It is important for managers to understand how norms develop and the reasons for their enforcement. So, why is it so important for group norms to be enforced? One major reason is that norms help groups to survive. They are also enforced to simplify the behaviour of group members. With norms in place, everyone will behave in a respectful manner, and groups can avoid embarrassing interpersonal problems.

When a group becomes cohesive, the organization will benefit. There are factors that influence the cohesiveness of the group. Groups tend to become cohesive when competition is great or there is a threat to their survival. Smaller groups are more cohesive as members get more time for each other. The advantages to group cohesiveness to an organization are manifold. Worker satisfaction increases; there will be low turnover and absenteeism as employees enjoy spending time with group members. Ultimately, higher productivity is achieved.

There is evidence to suggest that groups characteristically do better than individuals when the work requires greater skill and decision-making ability. Groups have greater flexibility. Individuals in a group have more likelihood of partaking in decision-making and problem-solving activities than individuals outside of a group. Groups are also mainly responsible for completing organizational work. Thus, the effectiveness of groups is relevant to the effectiveness of an organization.

2.10 SUMMARY

- We define 'group' as more than two employees who have an ongoing relationship in which they interact and influence one another's behaviour and performance. The behaviour of individuals in groups is something more than the sum total of all acting in their own way.

NOTES

- An organization's informal groups are groups that evolve to meet social or affiliation needs by bringing people together based on shared interests or friendship. Thus, informal groups are alliances that are neither formally structured nor organizationally determined.
- Many organizations have credited teamwork with improvements in quality, productivity and profitability. To establish and maintain a competitive edge in the quality of their goods and services, organizations need to continually make improvements.
- Teams can improve flexibility because team members' broad skills and job descriptions enable them to adapt to processes quickly.
- Groups control members through the use of norms. A norm is a rule of conduct that has been established by group members to maintain consistency in behaviour. Norms tell members what they should and should not do under certain circumstances.
- Cohesiveness is a force that acts on the members to remain in a group and is greater than the forces that work on members to pull them away from the group. Highly cohesive groups comprise individuals who are motivated to be together.
- Group cohesiveness is related to many aspects of group dynamics like maturity, homogeneity, manageable size and frequency of interactions.

2.11 ANSWERS TO 'CHECK YOUR PROGRESS'

1. Group effort can be more efficient and effective than individual efforts, because it enables the employees to specialize in and contribute to a variety of strengths.
2. A formal group is set up by the organization to carry out work in support of the organization's goals.
3. Norms are shared ways of looking at the world. Groups control members through the use of norms.
4. (a) social interaction
   (b) task
   (c) Adjourning
   (d) Cohesiveness
5. (a) False
   (b) True
   (c) True
   (d) False

2.12 QUESTIONS AND EXERCISES

NOTES

Short-Answer Questions

1. State the significance of groups.
2. Differentiate between formal and informal groups.
3. Why are teams important?
4. State the types of norms.
5. Define group cohesiveness.

Long-Answer Questions

1. Write a note on theories of group formation.
2. Discuss the various aspects of team formation.
3. Explain the features of group dynamics.
4. ‘Groups control members through the use of norms’. Elaborate.
5. Discuss the significance of group cohesiveness in the organizational context.

UNIT 3 ORGANIZATIONAL POWER AND POLITICS

NOTES

Structure

3.0 INTRODUCTION

Power and politics are the words that have negative connotations in American society. We are uncomfortable with the concept of power. Our perception of power is that it manipulates people and this idea doses not go well with us. It is meant to extract compliance and enforce obedience and this conflicts with our democratic culture of freedom and rights. Politics is closely related with power, for only powerful people can play politics and get away with it. Whenever we say 'there is a lot of politics in this college or organization' we mean that decisions are made on the basis of the point of view of the powerful rather than what is just and fair. In this unit various aspects of organizational power and politics has been described.

3.1 UNIT OBJECTIVES

After going through this unit, you will be able to:

- Analyze the indicators of power and politics in an organization
- Evaluate the bases of power in organizations
- Explain the process of acquisition of power
- Discuss the implications of power on performance and satisfaction
- Understand the ethics of power and politics

3.2 INDICATORS OF POWER AND POLITICS

Power differs from authority, in that authority is the right of decision and command and it is legitimate, approved by the organizational structure and is freely accepted by all. The legitimate use of authority and acceptance of it is designated as 'psychological contract'.

NOTES

Power: A reflection of influence that one person may have over others

Legitimate power: Power that is vested in the leadership to take ceratin actions

'The psychological contract is the mutual set of expectations which exist between an organization and an individual. These expectations cover what pay the individual will receive as well as the whole pattern of rights and privileges of the person. In return, the individual is expected to contribute both work and some commitment.' Legitimate authority gives the person legitimate power and as long as the commands issued fall within the boundaries of psychological contract, the person will comply. These commands are not considered as use of power of two reasons. First that the person who issues the command is fully authorized to do so and secondly the 'psychological contract' is based on mutual consent. It is the use of power outside the boundaries of 'psychological contract' is based on mutual consent. It is the use of power outside the boundaries of 'psychological contract', which is resented by people. It could also be called 'misuse of power'. According to Kanter, 'power is Americas's last dirty word.'

Power is defined as the 'possibility of imposing one's will on the behaviour of others'. The essence of power is control over the behaviour of others. Power is also a reflection of influence that one person may have over others. If you are able to convince another person to agree to your views or change his or her own opinion on a given issue, you have exercised influence over the other person and thus power has been used.

3.3 BASES OF POWER IN ORGANIZATIONS

A person in an organizational setting can have power from two sources. These are interpersonal sources and organizationally based structural sources in Figure 3.1.

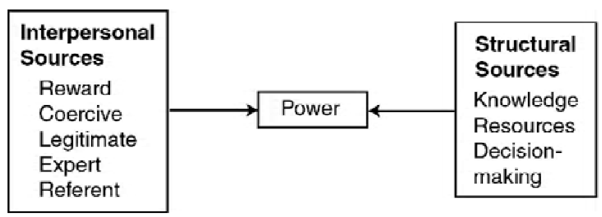

Fig. 3.1 *Sources of Power*

Source: Based upon Don Hellriegel, John W. Slocum and Richard W. Woodman, 'Organizational Behavior', West Publishing, 1986, p-462.

These sources are explained in further details as follows:

Interpersonal Sources of Power

These sources of power focus on the interpersonal relationships between manager and the subordinates. French and Raven have identified five general bases of power which are based upon interpersonal relationships. These are:

Legitimate power: This is the power that is vested in the leadership to take certain actions. For example, a managers position in the organization gives him the power over his subordinates in his specific area of responsibility. The subordinates will favourably respond to a managers directives because they recognize and acknowledge the managers legitimate rights to prescribe certain behaviours expected of subordinates. Legitimate power is similar to formal authority so that it can be created, granted, changed or withdrawn by the formal organizations.

The structure of the organization also identifies the strength of the legitimate authority by position location. Higher level positions exercises more power than lower level positions in a classical hierarchical organizational structure. For highly mechanistic organizations, the legitimate power for each position is closely specified. In more democratic type of situations the superiors and subordinates may be on equal footing.

Similarly, to some degree, legitimate power can also be given by society to a particular leader, who has been elected by the populace. For example, the president of a country or an elected mayor of a city has certain power and authority. This power may also be culturally specified. In many cultures, children simply 'obey' their parents. In some other cultures, people of certain castes are highly respected. In the tribes of Africa and Middle East, the tribal chiefs hve traditionally enjoyed the power and authority over their people. In India, old age brings with it the power to command respect.

Reward power: A second base of power is the extent to which one person has control over rewards that are valued by another. The greater the perceived values of such rewards, the greater the power. These rewards can be extrinsic in nature with tangible values. For examples, if a manager has total control over the pay his subordinates get and their work assignment as well as their promotions, then the manager can be considered to have a high level of reward power. Similarly, the chairman of a division in a college or a university holds considerable power in reappointments, tenures and promotions for the faculty of his division.

Reward power can extend beyond extrinsic rewards. It may include such subjective and intrinsic rewards as praise and recognition. If the subordinate is interested in acceptance and recognition of his contributions and the manager can provide such rewards, then this serves as an additional form of reward power.

Coercive power: On the other end of the reward power is the coercive power which is the ability to influence punishment. It reflects the extent to which a manager can deny desired rewards or administer punishment to control other people. The more sanctions a manger is able to bear upon others, the stronger is his coercive power. Some managers belittle the efforts of others in front of their peers and get away with it. To that degree, they possess the coercive power. The coercive power, which is the power to reprimand, demote or fire subordinates for unsatisfactory performance is seldom exercised because of the cost involved in the form of employee resentment and hostility.

Expert power: It is more of a personal power, rather than organizational power and is the ability to control another person's behaviour through the possession of knowledge and expertise that the other person needs and does not possess himself. For example, a subordinate will obey the superior simply because the subordinates believes that he superior 'knows' what is to be done and how it is to be done. Similarly, the computer experts who are designing a computer information system for a company will dictate the design and operations of the system and their expertise power will be accepted.

Similarly, we generally follow our doctor's or our accountants advice and instructions because we believe in their ability and knowledge in those specified areas. Thus if the subordinates view their leaders as competent, they would follow their leaders.

Referent power: It is also known as charismatic power and is based upon the attraction exerted by one individual over another. It is more of a personal nature rather than a positional nature in the sense that this power is not designated or acquired

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Reward power: The extent to which one person has control over rewards that are valued by another

Coercive power: The ability to influence to influence punishment by denying desired rewards or administer punishment to control other people

Expert power: The ability to control another person's behaviour through possession of knowledge and expertise that the other person needs and does not possess himself

Referent power: The attraction exerted by one individual over another

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because of a position but because of a position but because of personal ‘charisma’ so that the ‘followers’ would like to associate themselves with the ‘leaders’. The stronger the association, the stronger is the power. This association means that the subordinate would obey his superior because he wants to behave in the same manner as the superior and the subordinate identifies himself with the superior. This referent power also extends to film stars and celebrities whose followers and fans follow what the celebrities do.

Structural and Situational Bases of Power

The five bases of power that we have discussed relate to interpersonal power that the managers have over their subordinates. In addition, there is another dimension of power. This dimension involves structural and situational sources within the organization and include knowledge as power, resources as power, decision making as power and link with others as power.

Knowledge as power: All organization use information to operate. Thus individuals or groups who possess knowledge critical to the attainment of organizational goals and objectives have power. The correct utilization of information is very important for effective organizational operations. Accordingly, people who are in a position to control the information itself or the flow of information about current operations or future events and plans have enormous power to influence the behaviour of others.

Resources as powers: Resources are the backbone of organizations. They simply cannot survive without the adequate availability of all the necessary resources. These resources include capital, personnel, equipment, raw materials, customers and so on. Any person who can provide resources that are critical to the organization acquires such power. Thus, suppliers of monopolized scarce raw materials can dicatate their own prices. The old saying that ‘he who has the gold makes the rules’ sums up the idea that resources are power.

Decision-making as power: The authority to make decisions or the ability to influence the decision makers are both sources of power. The decision-making power does not necessarily rest with the final decision maker. Even though the decision makers acts, the real power may be with those who strongly influence the decision maker. For example, when you buy a particular car on the advice of a friend, it is the friend who held the power to buy the car, even if you acted upon it. Similarly, a task force formed to study an issue and give recommendations may not have the power to make the final decision, but the decision maker is more likely to be influenced by the task force recommendations. Thus, the task force holds the decision making power in a subtle way.

3.4 ACQUISITION OF POWER

All managers have a two-dimensional power base. One is the power generated because of the position of the manager in the hierarchy of the organization and the second is the personal power. A successful manager is the one who has built up high positional as well as personal power base.

The position power can be built and enhanced by some of the factors proposed by Whetten and Cameron. These factors are:

Centrality: Centrality refers to the activities that are most central to the work flow of the organization. If the information filters through the manager thus giving the manager some say in the work of many work subunits, then the manager has acquired some positional power. For example, the manager of the accounting department or finance department is central in approving expenses and making payments of all departments in the firm, giving the manager an extra power base to affect the behaviour of other departments.

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Scarcity: When resources are scarce but critical to organizational operations and there is a struggle for acquiring these resources, then the winner of the struggle acquires power. When unlimited resources are available in capital, space or support staff, there will hardly be any reason for spending energies in pursuit of power for such power would have no influence on the smooth functioning of the organization. It is only when cutbacks occur in these resources that the differences in power will become apparent. According to a study conducted in a large University, Salanick and Pfeffer found that the power of academic departments was associated with their ability to obtain funds from research grants and other outside sources and this was more critical to their power than was the number of undergraduates taught by the department.

3.5 ORGANIZATIONAL POLITICS

Politics has been defined by Pffeffer as 'those activities taken within organizations to acquire, develop and use power and other resources to obtain ones preferred outcomes in a situation in which there is uncertainty or dissensus about choices'.

Pffeffer further notes:

'If power is a force, a store of potential influence through which events can be affected, politics involves those activities or behaviours through which power is developed and used in organizational settings. Power is a property of the system at rest; politics is the study of power in action. An individual, sub-unit or department may have power within an organizational context at some period of time; politics involves the exercises of power to get something accomplished, as well as those activities which are undertaken to expand the power already possessed or the scope over which it can be exercised'.

It is clear that political behaviour is designed and initiated to overcome opposition or resistance. If there is no opposition, there is no need for politics. Opposition and resistance is bound to occur in all organizations because of severe competition for scarce resources. In fact Miles has identified five major reasons that have strong influence on political orientation of organizations. These are:

Scarcity of resources: As discussed before, any person or sub unit who has control over allocations of scarce resources yields power, and political influence plays an important part in how these resources will be distributed to various departments, rather than rational needs.

Non-programmed decisions: Non-programmed decisions involve unique problems which cannot be solved by known and structured methods and procedures. These unique problems involve many factors and variables that are ambiguous in nature leaving room for political maneuvering by those who have the knowledge and techniques to successfully confront and solve such complex problems. Such non-programmed decision are likely to be made in the areas of strategic planning, merges and acquisitions, policy changes and so on.

Check Your Progress

1. Differentiate between power and authority.
2. What do you understand by legitimate power?
3. Define expert power.
4. State the factors that build and enhance the power.

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Ambiguous goals: When the goals of an organization are clearly defined and each member of the organization is aware of these goals and is also aware of his role in contributing towards achievement of such goals then there are limited grounds for political influence. However, when the goals of a department or the entire organization are ambiguous then more room is available for playing politics.

Technology and environment: Organizational effectiveness is largely a function of the organizations ability to appropriately respond to external environment which is highly dynamic and generally unpredictable as well as adequately adapt to complex technological developments. Thus, political behaviour is increased when the internal technology is complex and when external environment is highly volatile.

Organizational change: Whenever there are changes in the organizational structure or rearrangement of organization politics, people in powerful positions have the opportunity to play political games. These changes may include restructuring of a division or crating a new divisions, personnel changes, introducing a new product line and these are all invitations to political processes when various individuals and groups try to control the given situation.

All the above reasons apply to most organizations because the resources are continuously becoming scarce and competitive and the ever changing technology makes the environment more complex to handle, requiring organizations to continuously evaluate their goals and strategies. This would make most organizations political in nature so that managers in responsible positions must become sensitive to political processes and games in order to play their role in acquiring and maintaining political power.

It is widely accepted that managers have to be politicians in order to maintain their positions in the organizational hierarchy as well as serve the interests of their units. Pfeffer, who has done extensive research on the subject of power in organizations, in reviewing his study states as follows:

'If there is one concluding message, it is that it is probably effective and it is certainly normal that these managers do behave as politicians. It is even better that some of them are quite effective at it. In situations in which technologies are uncertain, preferences are conflicting, perceptions are selective and biased and information processing capacities are constrained, the model of an effective politician may be an appropriate one for both the individual and for the organization in the long run'.

Techniques of Political Play

While all members of an organization may exhibit political behaviour, it is natural to assume that the higher the positional status of the member, the more intense of political play would be. Accordingly, a more successful political player is more likely to succeed in his personal and political ambitions than those who are politically naïve or incompetent.

Even though the political play style will vary with the situation at hand, there are certain guidelines which can be adopted to gain and use political power. Some of these guidelines and strategies that can be used are:

Cultivate the right allies: There is strength in number and more people you have on your side the more political power you will have. It is necessary, however, to have the alliance with the right people. Alliance with people who are rising up the corporate ladder is much more advantageous than alliance with those whose careers are on the decline. It is necessary and useful to be friends with upper level management and it may also be obviously advantageous to form alliance with the boss's secretary or some one who is close to the powerful person. In academic institutions where promotions and reappointments are primarily at the discretion of the divisional chairperson, a favourable association with the chairperson is highly beneficial.

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Count on reciprocity: As a general rule, it is good to help others and do them favours. It should also be natural to assume that these favours will be returned at the time of need. Accordingly, recognize those members of the organization who will be more powerful in the future and help them in any way you can so that if and when you need them later they will return your favour by coming to your assistance.

Try to be positively popular: Most people like to be appreciated and complemented. When you appreciate other people they will think very positively towards you. Do not talk ill of any person. Always talk good of others specially when they are not present. This will create extensive goodwill about you and this will always come in useful whenever you would need their support.

Learn to be persuasive without being arrogant: It is necessary to develop a friendly persuasive techniques. Forceful arguments when stated eloquently are often highly effective in influencing others as well as gaining respect for your intelligence and ability. As a result, the payoffs can be substantial.

Build your image: Image building is a subtle form of behaviour and a positive impression on others is reflected by our personality, appearance and style. Some of the factors that enhance a preferred image consist of being well dressed, having a pleasant smile, being attentive, honest, sociable and loyal to the organizational interests. In addition, always project an image of competence and self-assurance. Be on top of everything and work hard and be associated with successful projects.

Control information: One technique of political behaviour is to control the dissemination of critical information to others. Releasing good or bad news when it is likely to have its fullest impact can promote some one's self interest and may thwart the hopes of others. The more critical the information and fewer the people who have it, the stronger the powerbase of those who possess such information. For example, if a manager comes to know that a subordinate would be reprimanded for some actions and if he informs the subordinate so that the subordinate can prepare an adequate and timely defense, then the manager has gained some power over the subordinate for future use.

Control communication channels: People who may be in low level hierarchical positions but have some control over lines of communications can yield considerable political power. For example, secretaries frequently control access to their bosses. The secretary may have considerable power in deciding who sees the boss and who doesn't at a given time. She may use this power in favouring those whom she likes and frustrating those against whom she may have a grudge.

Some Devious Political Tactics

Politics is considered as a dirty game for a simple reason that politicians would use any and all possible means, irrespective of their validity on ethical grounds, in order to obtain and retain their power base. While it is possible to acquire political strength

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through honest means such as expertise, seniority and integrity, there are other devious tactics which may be difficult to defend on moral grounds but nevertheless are used extensively. Some of these techniques are;

Embrace or demolish: Sometimes it becomes necessary to make decisions and take actions that are unpopular such as demoting or transferring some one. Such a person who is demoted or transferred against his will, is likely to become your political enemy. It may be politically advantageous move to have this person fired so that he will not be there to take revenge at a later date. This is specially significant during corportate takeovers. According to Anthony Jay:

"This guiding principle is that senior men in taken-over firms should either be warmly welcomed and encouraged or sacked, because if they are sacked they are powerless, whereas if they are simply downgraded they will remain united and resentful and determined to get their own power back."

Divide and Rule: If effective, this is the most successful and powerful tactic to retain political power. Historians have recorded the fact that the British ruled India by pursuing the policy of dividing the Indians on the basis of caste and religion and thus ruling India for a long time. The assumption underlying this strategy being that those who are divided will not form coalitions themselves thus making them weak in any confrontations. By encouraging bickering among possible rivals, it is possible to keep them continuously off balance so that they will never get together to mount a successful attack against you. However, it is a risky techniques in that should the rivals become aware of your such devious schemes they can get together for the sole purpose of unseating you from your power base.

Exclude the opposition: Another technique of getting your own way is to make sure that any opposition is absent at important meetings where such oppositions blocks your desired outcomes. This could be done by holding such meetings at a time when rivals are away either on business trips or on vacation. With the opposition absent, it is possible to influence the decision making process in your favour. One historically significant incident relating to this technique occurred at the United Nations during the Korean War. In order to send UN troops to Korea, it was necessary to have a unanimous decision to do so at the Security Council. However, the representative from the Soviet Union was holding out and was vehemently against this resolution. By keeping the heated discussion on, and by frustrating the efforts of the Soviet Union representative, it was made possible for him to walk out in anger and protest. Thus the opposition being absent, the resolution to send UN troops to Korea was passed.

Political Blunders

Political career is considered to be the most unstable and volatile career and some political mistakes can be very costly. Many brilliant political careers have been totally ruined by disclosures of such mistakes which were politically unwise. Since playing right politics is an important ingredient of corporate success, it is necessary to avoid some identifiable political mistakes that are known to have negative consequences. Some of these political blunders are:

Sticking to the losing side: While loyalty has its advantages, sticking with a person whose power is on the decline will result in decline of your power also. Your survival instinct should guide you as to when to change side in order to gain maximum advantages. Moral and ethical considerations usually do not affect such decisions to defect to the winning side.

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Violating chain of command: Most organizations are highly structured in a classical fashion and the communication channels are clearly defined. It is expected that all personnel follow the established guidelines in relation to flow of authority through these channels. Some people make the mistake of going over their bosses to their superiors for problems within their own department and even if such action has justifiable grounds, it is not considered wise to do so. These problems must be discussed with the immediate boss. Only if these problems are not solved at this level, should the higher ups be approached. Breaking chain of command is considered an organizational taboo and should be avoided as far as possible.

Being temperamental: Since problems are unavoidable and not all problems and not all problems have immediate solutions, keeping cool under pressure is highly desirable of successful politicians. Grace under pressure is indicative of courage and wisdom. Showing anger and acting aggressively towards others can be political suicide. Usually, anger is shown towards people rather than things or situations and in such anger it is more likely to make wrong moves or blame others and this could lead to creating rivals and rivals never help. These rivals could further create situations that would excite your anger and most people do not show respect to those who lose their temper.

Creating conflict with top management: Top management is usually very sensitive to their authority and they are known to use their power in reprimanding those who disagree with their position or their authority to issue assignments. Saying no to top management or trying to avoid undertaking extra responsibility can be a costly mistake. If a person feels that he is being overburdened by excessive assignments he must discuss the matter with the top management to reach an understanding of such assignments rather than simply saying no, or deliberately avoiding such assignments or doing a poor job after accepting the assignment. For example, if a professor in a college is denied promotion, he should accept the decision and logically reason it out with the Dean and the President, unless he has a tenure with outstanding credentials, in which case he may be willing to confront the situation. By and large, however, confronting top management is a politically unwise step.

3.6 IMPLICATIONS OF POWER ON PERFORMANCE AND SATISFACTION

Though it is virtually impossible to eliminate political behaviour in organizations, it is possible to contain it in such a manner as to limit its dysfunctional consequences. Politics when carried to the extreme can damage morale, create enemies, destroy loyalty, damper cooperative spirit and much time and energy is spent planning attacks and counterattacks which are detrimental to organizational health. Accordingly, combating politics must be undertaken by the top management primarily by such guidelines that would limit political plays. Some of the steps that can be taken for purpose of constraining political activity are summarized as follows:

Positive role model: It is said corruption begins at the top and the lower level people will be corrupt and play politics only when such tactics are accepted or ignored

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by the top management. Thus, if a manager plays political games, he is conveying a message to his subordinates that such conduct is acceptable. Accordingly, the top management must provide a positive and ethical role model themselves and make it clear to subordinates that such political maneuvering will not be accepted which is detrimental to employee morale and organizational climate.

Open communication: Since political behaviour is a function of control over resources, information and lines of communication, open and honest communication is an effective techniques in constraining the effects of political behaviour. If the lines of communication are open to all and the necessary information is available to all including the information regarding the availability and allocation of scarce resources, then it would not be necessary to engage in political behaviour in order to acquire or control these resources.

Reduce uncertainty: Politics seems to be more prevalent when overall purposes and organizational goals are ambiguous and when expectations of subordinates are not clear and when organizational changes are not made known to all. These elements of uncertainty can provide grounds for political play. Thus political behaviour an be limited if such uncertainty can be reduced or eliminated. This can be done by giving well-defined assignments to all employees making it clear to them as to what the managements expectations of the employees are relative to achievement of clearly defined organizational goals. Thus, participative decision making and making all relevant information known to all members of the organization at the appropriate time and helping them integrate their personal objectives with organizational objectives will reduce the necessity of political game play.

Study the political phenomenon: It is important that top management be aware of the psychology and philosophy of political behaviour. Simply being aware of the causes and techniques of political behaviour can minimize their effects. This knowledge could prepare the top management not only in combating political behaviour when it occurs but also in anticipating it and taking appropriate steps to avoid it form occurring. For example, an certain members who could oppose such a change. By being aware of such possibility, the management can take steps to stop such a coalition from forming or take appropriate measures to successfully confront such a coalition, should it form.

Machiavellianism

Niccolo Machiavelli, an Italian philosopher and statesman (1469-1527) was one of the earliest writers, whose best known writings include a set of suggestions for obtaining and maintaining political power. He also compared political effectiveness with prevalent perceptions of morality and ethics. Based upon his writings 'Machiavellianism' has come to be known as a set of beliefs about human nature, and a persons ability to use various tactics, irrespective of their moral value, in order to achieve his ambitions.

Christie and Geis have tried to formulate an attitude scale in conformity with some basic tenets of Machiavelli's writings in order to measure the extent to which an individual follows Machiavelli's views. This attitude is known as 'Mach Scale'. The characteristics of people who are high on Mach Scale are as follows:

- They have high self esteem and self confidence and behave in their own self interest even at the expense of others
- They are considered by others as cool and calculating and they would not hesitate to take advantages of others.

- They tend to form alliances with people in power for the sole purpose of benefiting themselves
- They believe that ends justify means even if it involves lies, deceit and moral compromise
- They manipulate others by false flatter and exaggerated praise and they will make friends only for the purpose of using them.
- They have a very unfavourable view of human nature. They believe that 'anyone who completely trusts anyone else is asking for trouble'.
- They will say what others want to hear but they will not let others stand in the way of their personal gain.
- They are on the lookout and select situations where their tactics would work most effectively such as face-to-face emotional, unstructured and ambiguous conditions.
- They are able to exert control over such unclear situations.

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In general, Machiavellian individuals are believed to engage in political behaviour more often so that Machiavellianism may be good predictor of political behaviour in many organizational situations. A study conducted by Woodman, Wayne and Rubinsten concluded that of all the variables responsible for an individuals political behaviour, Machiavellianism was found to have the strongest effect on the political tendency of an organizational member. Accordingly, management must be aware of such individuals within the organization and be prepared to take responsible measures to counter any damaging initiatives by such individuals.

3.7 ETHICS OF POWER AND POLITICS

Power and authority used in the line of duty is not only ethical but is also accepted by all who are affected by it. Thus such power is considered to be non-political in use when it remains within the boundaries of formal authority, organizational policies and procedures and when it is directed towards ends that are sanctioned by the organization. It is either the misuse of power for personal benefit or the power which violates the codes of organizational conduct that it can be considered as political requiring consideration of ethical standards. Some of the factors that differentiate between political behaviour and non-political behaviour are enumerated by Joseph F. Byrnes in the form of True and False questions which are given below along with his interpretation of results.

	True	False
1. You should make others feel important through an open appreciation of their ideas and work.	☐	☐
2. Because people tend to judge you when they first meet you, always try to make a good first impression.	☐	☐
3. Try to let others do most of the talking, be sympathetic to their problems and resist telling people that they are totally wrong.	☐	☐

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4. Praise the good traits of the people you meet and always give people an opportunity to save face if they are wrong or make a mistake.	☐	☐
5. Spreading false rumors, planting misleading information and backstabbing are necessary if some what unpleasant methods to deal with your enemies.	☐	☐
6. Sometimes it is necessary to make promises that you know you will not keep or cannot keep.	☐	☐
7. It is important to get along with everybody, even with those who are generally recognized as windbags, abrasive, or constant complainers.	☐	☐
8. It is vital to do favours for others so that you can call in these IOUs at times when they will do you the most good.	☐	☐
9. Be willing to compromise, particularly on issues that are minor to you, but important to others.	☐	☐
10. On controversial issues, it is important do delay or avoid your involvement if possible.	☐	☐

Interpretation

(a) A real politician will answer 'True' to all ten questions.

(b) Politicians with fundamental ethical standards will answer 'False' to questions 5 and 6.

(c) Non politicians will answer 'False' to all or most of the questions.

As the above interpretation makes it clear, a real politician will answer 'True' to all questions and his code of ethics is evident from his answers to questions 5 and 6.

Ethics is probably the most difficult concept to define. The idea of morality or right and wrong is very intangible in nature. The concept of ethics and morality may have some identifiable aspects that can be considered as universally acceptable, but much of it may be defined with reference to the values established by a particular society. In general, determination of ethical conduct is subjective and vague varying among different cultures and different environment conditions. However, some standards have been established against which ethical conduct can be measured for judgmental purposes. Velasquez, Moberg and Cavanagh have made extensive studies regarding ethics and politics and have provided a way of looking at possible political behaviours from an ethical perspective. They have presented three types of criteria for evaluating the ethics of organizational politics and in general all these criteria must be satisfied in order for political behaviour to be considered ethical. These criteria are:

Criterion of utility: In this approach, the judgment about the morality of an act is made on the basis of the degree of happiness it provides to the society as a whole. Moral acts are those that produce the greatest good for the greatest number of people. The behaviour would be considered less than ethical if it does not result in the optimization of satisfaction of most people.

Criterion of rights: All human being have certain basic and fundamental rights that need to be protected and respected. The rights most likely to be violated by organizational politics are:

- *The right of free consent* All people should be treated as they freely consent to be treated.
- *The right of privacy* Every human being has a right to choose his own life style outside of working hours including the right to deny access to information regarding his private life.
- *The right to freedom of conscience* It is the right to refuse to carry out any instructions that violate a persons moral or ethical standards or religious beliefs to which he adheres.
- *The right to free speech* It is the right to speak freely about any and all issues including the right to criticize others regarding ethical, legal and righteous grounds as long as it does not infringe upon the rights of the others.
- *The right of due process* Every one has a right to have a fair hearing of any complaints or issues which violate a person's rights.

Criterion of justice: All people have a right to be treated equally and equitably relative to their responsibilities and contributions. All administrative rules and regulations should be administrated fairly for all and no person should be subjected to arbitrary decisions and actions.

These criteria refer to an ideal state and is often difficult to apply because adequate and correct information of a given situation is not always available. Some of these criteria are sufficiently ambiguous so that a clear cut interpretation is not feasible. The criterion of rights is probably the most consistently usable. That is, perhaps one reason as to why unethical political behaviour works so often and people who use such behaviour can justify it by their own reasoning. According to Gellerman, people use four rationalizations in order to justify unethical actions. These are:

1. Individuals feels that a particular behaviour is not really illegal and hence can be considered as moral.
2. The action was taken with a view of best interests of the organization.
3. It does not matter as long as the action is not objected.
4. It appears that action demonstrates loyalty to the superiors or to the organization.

All these rationalizations are weak and do not justify any action which may be legal but ethically questionable. Loyalty to moral principles is more important than loyalty to boss or the organizations. Accordingly, it must be clearly understood that while some political maneuverability is avoidable in any organizational climate, ethical considerations become very helpful to all individuals in the long run.

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Check Your Progress

5. Fill in the blanks with appropriate words.
   (a) Misuse of power occurs when power is exercised outside the boundaries _________.
   (b) _______ refers to the activities that are most central to the work flow of the organization.
   (c) ________ has come to be known as a set of beliefs about human nature and a person's ability to use various tactics, irrespective of their moral value, in order to achieve ambitions.
   (d) _______ involve unique problems which cannot be solved by known and structured methods and procedures.
6. State whether the following statements are true or false.
   (a) Expert power is based upon the attraction exerted by one individual over another and is more of a personal nature than of a positional one.
   (b) If the goals of an organization are ambiguous then there is more room for playing politics.
   (c) People who are high on the Mach Scale are able to manipulate others by false flatter and exaggerated praise and they will make friends only for the purpose of using them.
   (d) Reward power cannot be extended beyond extrinsic rewards.

3.8 SUMMARY

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- Power differs from authority, in that authority is the right of decision and command and it is legitimate, approved by the organizational structure and is freely accepted by all.
- Legitimate authority gives the person legitimate power and as long as the commands issued fall within the boundaries of psychological contract, the person will comply. These commands are not considered as use of power of two reasons.
- ***Legitimate power:*** This is the power that is vested in the leadership to take certain actions.
- The structure of the organization also identifies the strength of the legitimate authority by position location. Higher level positions exercises more power than lower level positions in a classical hierarchical organizational structure.
- A second base of power is the extent to which one person has control over rewards that are valued by another. The greater the perceived values of such rewards, the greater the power.
- On the other end of the reward power is the coercive power which is the ability to influence punishment. It reflects the extent to which a manager can deny desired rewards or administer punishment to control other people.
- The authority to make decisions or the ability to influence the decision makers are both sources of power. The decision making power does not necessarily rest with the final decision maker.
- The position power can be built and enhanced by some of the factors proposed by Whetten and Cameron. These factors are:

  o Centrality

  o Scarcity

3.9 ANSWERS TO 'CHECK YOUR PROGRESS'

1. Power differs from authority, in that authority is the right of decision and command. and it is legitimate, approved by the organizational structure and is freely accepted by all.
2. Legitimate power is the one vested in the leadership to take certain actions.
3. Expert power is more of a personal, rather than organizational power and is the ability to control another person's behaviour through the possession of knowledge and expertise that the other person needs and does not possess himself.
4. Power can be built and enhanced by some of the factors proposed by Whetten and Cameron that are as follows:
   - Centrality
   - Scarcity

5. (a) psychological contract
   (b) Centrality
   (c) Machiavellianism
   (d) Non-programmed decisions
6. (a) False
   (b) True
   (c) True
   (d) False

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3.10 QUESTIONS AND EXERCISES

Short-Answer Questions

1. State the relationship between power and politics.
2. Define power.
3. List the interpersonal sources of power.
4. State the role of positive role models in constraining political activity.
5. Outline the characteristics of people who are high on Mach Scale.

Long-Answer Questions

1. Explain the bases of power in organizations.
2. Discuss the implications of power on performance and satisfaction.
3. Explain the ethics of power and politics.
4. Discuss the criteria for evaluating the ethics of organizational politics.

UNIT 4 ORGANIZATIONAL STRESS AND CONFLICT MANAGEMENT

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Structure

4.0 INTRODUCTION

In this unit, you will be introduced to various facets of organizational stress and conflict management. Contemporary times are marred with stress due to increasing workload and business pressures. Stress management has acquired an essential role in the organizational context, making it necessary for organizations to develop innovative techniques of stress and conflict management. Conflict is usually the result of organizational stress and pressure. With increasing competition, companies are expected to stay ahead in the business, which requires immense hard work and dedication from employees. In order to ensure the smooth functioning of the organization and increase efficiency, it becomes integral to formulate innovative strategies for resolving conflict.

4.1 UNIT OBJECTIVES

After going through this unit, you will be able to:

- Explain the concept of stress management
- Evaluate the causes and remedies of organizational conflict
- Analyze the conflict process
- Develop strategies for resolving destructive conflict

4.2 STRESS MANAGEMENT

Stress is a state of mind reflecting certain biochemical reactions in a person's body. It is projected by a sense of anxiety, tension and depression and is caused by such demands by the environmental forces or internal forces that cannot be met by the resources available to the person. The intensity of such demands that require a

Stress: A state of mind reflecting certain biochemical reactions in a person's body

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readjustment of resources or operational styles would determine the extent of stress. Such environmental events or conditions that have the potential to induce stress are known as 'stressors'.

Medical researcher Hans Selye first used the term 'stress' to describe the body's biological response mechanisms. He defined stress as 'the nonspecific response of the body to any demand'. It must be understood that for the stress to occur, the response should be non-specific. All responses require utilization of energy. Any demand made on the body for some specific activity that is natural, expected and a part of daily routine, does not necessarily create stress. Even walking, thinking, writing and doing physical activities that are a part of personal and organizational existence, require energy consumption of the body but are not necessarily stress producing forces.

Stress does not necessarily occur due to undesirable developments. All situations that produce increased demand on a vital activity requiring adaptation to a new situation, produce stress in the form of a stereotyped pattern of biochemical, functional and structural changes in the human organism. These situations could be fear, pain, fatigue, emotional arousal, humiliation, frustration, need for concentration, loss of blood, drugs, loss of a loved one, non-occurrence of an expected event and even unexpected successes that require a change in the operational style.

The stress created by desirable and successful events is called 'eustress' and the stress created by undesirable outcomes is known as 'distress'. It is primarily the distress form of stress that requires examination and steps to cope with it. Eustress is a positive, healthy and developmental stress response. Thus, just as tension on muscles causes them to strengthen, some level of stress may lead to better performance and a more adjusted personality. Since we learn how to deal with our problems better, it improves our capacity to confront distress better. However, even though some levels of stress are necessary for psychological growth, creative activities and the acquisitions of new skills such as learning to drive a car or learning the use of a computer, it is the highly stressful situations that weaken a person's physical and psychological capacity to cope with the stressors that have dysfunctional consequences. Just as high-level stress is damaging to the physical and psychological well-being of the person, extremely low levels of stress are equally undesirable for they cause boredom, and result in lack of stimulation, innovation and challenges. Thus, moderate level of stress is necessary for higher level of performance. The following diagram shows the relationship between the level of performance and the degree of stress.

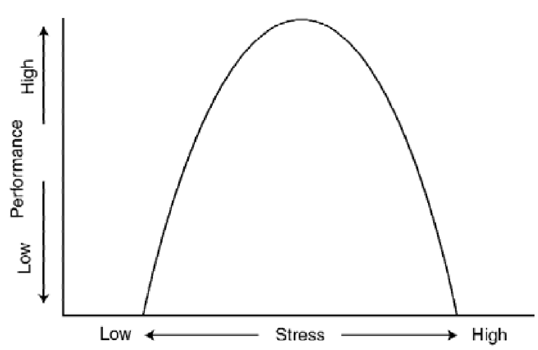

Fig. 4.1 *Relationship between the Level of Performance and the Degree of Stress*

Source: Henry, L. Tossi, John R. Rizzo and Stephen J. Carroll. *Managing Organizational Behavior*, 2nd revised edition, Ballinger Publishing Co., 1986, p. 296.

General adaptation syndrome

The **general adaptation syndrome** refers to the general development of responses to stressful events in the form of physiological, psychological and behavioural responses believed to follow a fairly consistent pattern and consists of three stages. The first stage is known as 'alarm' stage and it occurs at the first sign of stress. It results in physiological changes in the body as a warning and preparation against stress. During this initial stage, muscles become tense, blood pressure rises, pupils dilate, and there is increase in hormone flow such as adrenaline from endocrine glands. The second stage in bodily responses is that of resistance. In this stage, the body's energies tend to resist the stress so that the physiological and psychological equilibrium can be maintained. If this resistance is successful then the stress will disappear. However, if the stress is of a high degree and continues long enough, then the body's capacity for adaptation becomes exhausted. In the third stage of exhaustion, the person is unable to cope with the stress and the individual experiences physical and mental pressure that result in such illness as continuous headaches, ulcers and high blood pressure. It is this last stage that presents the greatest threat to the individual's well-being.

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General Adaptation Syndrome: The general development of responses to stressful events in the form of physiological, psychological and behavioural responses believed to follow a fairly consistent pattern and consists of three stages

Stress responses

As briefly mentioned here, in the general adaptation syndrome, the process of stress elicits three types of responses. These are: (1) physiological, (2) psychological and (3) behavioural responses.

Physiological responses

As soon as stress appears, the brain reacts and immediate biochemical changes take place in the heartbeat and heightening of practically all the senses. The long-term physiological effects are more disturbing. Serious health problems occur as body confronts stress over a long period of time. The stress could lead to breakdown in the body's immune systems and may result in serious health problems such as high blood pressure, ulcers and heart attack. In general, according to Baron, 'taking all evidence into account though, it seems reasonable to conclude that high level of stress can result in physical changes that threaten our health and well-being'.

Psychological responses

There are some people who can handle stress better than others. People who tend to be highly affected by stress tend to be depressed and lack self-confidence and self-esteem. They tend to believe that they are helpless and elicit sympathy from others. They have greater fear of the unknown and an increased sense of futility, tension and neurotic tendencies. They become irritated quickly, are impatient and tend to blame everybody else for their own problems. They are more worried about their job security and their job commitment is very low.

Behavioural responses

According to Cohen, people under constant stress behave differently as compared to people who are emotionally well-balanced. Stress is usually associated with increased use of alcohol, smoking, eating and sometimes, drugs. People under stress may gain weight and thus behave differently. Their behaviour becomes highly defensive or highly aggressive towards others and inter-personal relationships are highly affected. Stress induces irritation and lack of patience and these elements are exhibited in behavioural patterns. The person may become an introvert, may withdraw from social situations and may avoid communication with others resulting in social isolation.

Basic forms of stress: Frustration and anxiety

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Frustration is a form of behaviour that occurs when a person wishes to achieve a certain objective or pursue a certain course of action, but is prevented from doing so. It refers to an obstruction or impediment to goal oriented behaviour. Examples of frustration include a salesman continuously failing to make a sale, a professor continuously applying for a promotion and failing to get it or inability to get subordinates to act according to our wishes. There are several factors that cause frustration. First is the unnecessary delay in achieving the goal, even when the goal is eventually available. Delay in getting a promotion, delay in finishing a report and even waiting for a friend after the due time can cause frustration. The second factor causing frustration is the lack of resources. Sometimes, the goals are not achieved because individuals lack the physical, personal or interpersonal resources. A professor who is burdened with administrative duties and does not get enough time to do research that is necessary for promotion may become frustrated because of such time constraints. The third cause of frustration may be the actual failure in achieving the goal. A lost client, a poor evaluation by superiors, failure in the exam or failure to get a promotion are all causes of frustration that are manifested in stress.

Anxiety: A feeling of inability and helplessness in formulating appropriate responses or plans for dealing with the anticipated negative outcomes

A second form of stress is the **anxiety** which is a feeling of inability and helplessness in formulating appropriate responses or plans for dealing with the anticipated negative outcomes. It occurs when a decision has to be made but the outcome of the decision could have positive as well as negative consequences; for example, should you cheat in the exam or not, not knowing whether you will get through or get caught? These are some anxious moments. Anxiety also occurs when all your options result in undesirable consequences; for example, if you are working with a company for a long time and have built roots in the community where you live and your company is moving to a different far off location and you have the choice of either moving with the company or losing the job. Both of these alternatives make you feel uncomfortable, and hence, become a cause of anxiety. What causes anxiety in work environment? According to Hammer and Organ,

> 'Difference in power in organization which leave people with a feeling of vulnerability to administrative decisions adversely affecting them, frequent changes in organizations, which make existing behavior plans obsolete, competition, which creates the inevitability that some persons lose 'face', esteem and status, and job ambiguity (especially when it is coupled with pressure). To these may be added some related factors, such as lack of job feedback, volatility in the organization's economic environment, job insecurity and high visibility of one's performance (success as well as failure). Obviously, personal non-organizational factors come into play as well, such as physical illness, problems at home, unrealistically high personal goals and estrangement from one's colleagues or one's peer group'.

Accordingly, there are a number of factors, both organizational as well as individualistic, that cause frustration and anxiety.

Sources of Stress

There are two major sources of stress. These are organizational sources and personal sources. Both these categories are considered in detail:

Organizational sources

Almost every aspect of work can be a stressor for someone. Even though there are many factors in the work environment that have some influence on the extent of stress that people experience at the job, the following factors have been shown to be particularly strong in inducing stress.

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***Stressors intrinsic to the job*—**The nature of the job itself can determine the type and degree of stress that can be induced. Some jobs lead to more stress-related responses than others; for example, such jobs as that of a police officer, or air traffic controller are often considered to be high-stress jobs.

In general, high-stress occupations are those in which the employees have little control over their operations, work under time constraints and have major responsibilities for human or financial resources. Persons working under threatening working conditions such as temperature extremes, pollution, uncomfortable lighting and ventilation and loud noise are also vulnerable to high stress.

According to one study, some of the high-stress jobs are: foreman, manager, inspector, waitress or waiter and clinical lab technician. On the contrary, some of the low-stress jobs are: college professor, personnel worker, craft worker, farm labourer, and so on.

Studies conducted by Karasek and his colleagues at Columbia University showed a higher risk of coronary disease as a consequence of more stress in some jobs and less in others. They identified two job factors that affect the level of such risk. These factors are the 'level of psychological demand' and the 'level of decision control' over work. People with high psychological demands and low decision control are constantly under pressure, for they must meet the demands imposed upon them without having any say in it; for example, a waitress in a restaurant must wait on the customer as well as depend upon the cook. She is subjected to demands both by the customer as well as the cook with no control over it and thus is subjected to high pressure and risk. According to this study, some of the jobs are categorized as follows:

(a) Low psychological demand/low decision control: janitor, night watchman, truck driver, billing clerk, and so on.

(b) Low psychological demand/high decision control: auto repair man, sales clerk, peddler, scientist, and so on.

(c) High psychological demand/high decision control: sales manager, bank officer, physician, school teacher, and so on.

(d) High psychological demand/low decision control: waitress, telephone operator, cook, assembly line worker, and so on.

Role ambiguity: A **role** is a set of activities associated with a certain position in the organization or in the society. According to Kahn, if these work activities are ill-defined, then the person who is carrying out these activities will not behave as others expect him to, because his role is not clearly defined. Thus, when there is a lot of uncertainty regarding job definitions or job expectations, then people experience role ambiguity.

Role: A set of activities associated with a certain position in the organization or in the society

Role ambiguity is particularly strong among managerial jobs where responsibilities are more general in nature and role definitions and task specifications are not clear.

This role ambiguity is specially prevalent among companies that have merged or acquired other companies while keeping the employees. Thus, employees become uncertain of what exactly they are supposed to do and exactly whom they should report to. This role ambiguity causes stress. French and Caplan, summarized their study findings as follows:

'In summary, role ambiguity, which appears, to be widespread, (1) produces psychological strain and dissatisfaction, (2) leads to under-utilization of human resources, and (3) leads to feeling of futility on how to cope with the organizational environment.'

Role conflict: Role conflict occurs when two or more persons have different and sometimes opposing expectation of a given individual. Thus, there are two or more sets of pressures on the individual so that it is not possible to satisfy all of them. In other words, role conflict occurs when contradictory demands are simultaneously placed upon an employee; for example, an architect may be expected to produce creative designs, while on the other hand, there may be time constraints put upon him, both roles being in conflict with each other. Similarly, a contractor may ask a carpenter to do something that may be different than what the city building code prescribes, thus causing a role conflict.

Another type of role conflict is the inter-role conflict where an individual plays more than one role simultaneously in his life and the demands of these roles conflict with each other; for example, a father may know that his son has committed a crime but does not inform the police or a police officer may be invited to his brother's wedding party where the guests use drugs that are prohibited under the law.

Studies conducted by Robert Kahn and his colleagues at the University of Michigan regarding role conflict, lead to the following conclusion:

'Contradictory role expectations give rise to opposing role pressures (role conflict), which generally have the following effects on the emotional experience of the focal person: intensified internal conflicts, increased tension associated with various aspects of the job, reduced satisfaction with the job and its various components, and decreased confidence in superiors and in the organization as a whole. The strain experienced by those in conflict situations leads to various coping responses such as social and psychological withdrawal (reduction in communication and attributed influence) among them.

Finally, the presence of conflict in one's role tends to undermine his relations with his role senders to produce weaker bonds of trust, respect and attraction. It is quite clear that role conflicts are costly for the person in emotional and interpersonal terms. They may be costly to the organization, which depends on effective coordination and collaboration within and among its parts.'

Role overload: This occurs when the work requirements are so excessive that employees feel that they do not have adequate time or ability to meet such requirements. Working under time pressure is especially stressful whether it is meeting a deadline for a report or studying near the exam period. The physiological symptoms of stress increase significantly prior to deadline and decrease sharply after the deadline has passed. The role overload can occur either when there is too much work to complete in a given time or when it is too difficult to accomplish because of lack of skills and ability.

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Role underload: This occurs when a person's ability is underutilized so that either there is too little work or there is too little variety in the work. If a salesman with high inter-personal skills is given a job in a department store where there are not too many customers, then he will feel that his ability is not being properly utilized. Similarly, assembly line workers whose jobs are routine and highly monotonous also experience role underload.

Role underload leads to excessive absenteeism and such workers show very little interest in the organizational activities. It results in low self-esteem and low work satisfaction. This creates stress with increased frequency of nervous complaints and other health problems.

Stress as reflected in role overload and underload can be reflected diagrammatically as follows:

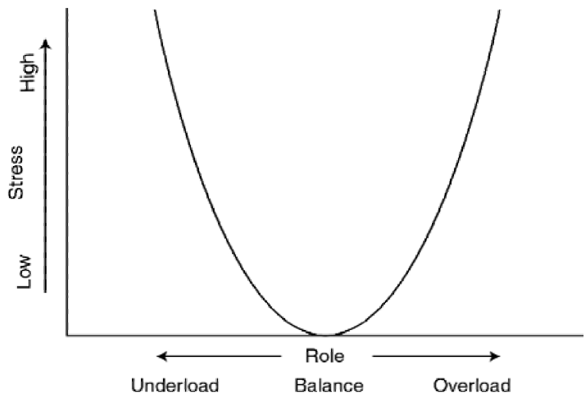

Fig. 4.2 *Stress Reflected in an Overload and Underload Role*

Responsibility for people : Any type of responsibility can be a burden upon an individual, for example, organizational responsibility for such factors as budgets, equipment and projects can cause stress. However, it is the responsibility for people working for you that is a cause for continuous concern. As a manager, your effectiveness is a function of quality performance of your subordinates. Hence, you will be held responsible for anything that goes wrong, which creates stress and this stress is intensified when the manager has a limited degree of control over the subordinates. As noted by French and Caplan.

'If there is any truth to the adage that 'man's greatest enemy is himself', it can be found in these data—it is the responsibility which organizational members have for other organizational members, rather than the responsibility for impersonal aspects of the organization, which constitutes the more significant organizational stress.'

Lack of participation: When the employees are invited to participate in the decision-making process in their areas of concern then the employees perceive that they have more control over their own environment thus reducing the extent of role conflict and role ambiguity that cause stress; for example, in a work situation where high role conflict is created because of inconsistent demands from the superiors, the stress created by such high role conflict is reduced if the subordinates and superiors can participate and work together in reducing such inconsistencies.

Participation in decision-making also helps in reducing role ambiguity and role overload resulting in reduced stress.

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Interpersonal relationships

The effectiveness of the organization is influenced by the nature of the relations among group members. One of the major sources of stress in an organizational setting is poor interpersonal relationships, be it within the group or with superiors or subordinates. When interpersonal relationships are not very cordial, the employees develop a general sense of anxiety when they have to deal with each other or depend upon each other such as a group task or departmental meetings where they have to interact with each other.

Sayings like 'too much familiarity breeds contempt' have validity in that too much prolonged contact with other people can cause stress. This stress is further intensified when the people we come in contact with are in distress themselves, for example, we become distressed when our friends have problems. Parents are generally under great tension when their children do not do well in schools or when they get involved in drugs, For this reason, employees in such professions as health care and social services report the highest level of stress. According to Albrecht, doctors have the highest rate of alcoholism among all the professions and psychiatrists have the highest rate of suicide.

When a person has to deal with people in other departments, conflict may also occur; for example, assume that there is a professor from the business division who is up for promotion that is to be decided by a committee comprising representatives from all divisions. If the professor does not get the promotion he may feel that the representatives from the humanities or social sciences division do not appreciate the requirements in the business division, thus causing conflict and stress. As another example, the X-ray technicians in a hospital may not be able to deal with the service demands of the doctors and surgeons, thus creating stress and tension.

Much of the quality of interpersonal relationships also depends upon the organizational climate. An organizational climate may be conducive to a relaxed style of working or it may be tense and crisis-oriented. The employees are continuously tense if the organizational climate in general is unfriendly, hostile or totally task-oriented.

Personal factors in stress

Events in personal life cannot be isolated from events in work life. A person with an unhappy family life seldom expresses a positive attitude at work. Much of the stress brought about by non-work situations may be due to divorce, marriage, death of a loved one, financial difficulties and many other socio-cultural relationships. These difficulties are stress producers, especially if they are unexpected; for example, we know that children leave home when they grow up or when they go to college so that this is expected and this separation does not necessarily cause stress. On the other side, problems at work can manifest in stress in personal life. Thus, job stress and life stress are often related in that high stress in one area can induce or increase stress in the other.

Some of the specific non-work stressors are as follows:

Job concern: Job and career variables can become stressors when they become sources of concern, anxiety or frustration to the individual. One of the major concerns is the lack of job security. Except for jobs with tenure or strong union support, very few employees have job security. This insecurity increases during times of recession or impending recession. The prospect of losing a job, especially when you have a family and your social roots are well-established, is very stressful.

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Another reason for job-related stress may be the perception of the employee regarding his status on the job. Persons who are not promoted when due or persons who feel that their jobs are beneath their qualifications may feel that they are not using their potential to the best and may become anxious about it. This is especially true for middle-aged men and women when that time itself becomes a period of soul searching and self-doubt. Career progress then becomes a focal point.

Relocation: When an employee has to relocate geographically because of a transfer or promotion, it disrupts the routine of his daily life, causing concern and stress. The fear of working in a new location, unpredictability about the new work environment, and the prospect of creating new relationships always cause some anxiety. Relocation also creates problems for the spouses and children of employees. They are also uprooted from schools, friends and jobs. It is especially difficult for them because generally the family moves with the husband's job, and they do not have much say in it. The stress related to this geographic mobility is greater when the wife also has a job and she has to leave the job to go with the family. Uncertainty about getting a new job at the new location creates some degree of stress. Thus, the more changes that occur in a person's social relationships and family life because of relocation, the greater the person's stress will be.

Changes in life structure: The structure of life and process of living has many facets. Some of these facets are socio-cultural in nature such as family, religion, race, education, economic situation as well as a person's interaction with the socio-cultural world in the role of a husband, a parent, a friend or a citizen. In addition, the life structure may change as we grow older from one period to another such as childhood to adolescence, and so on. As we grow older, our responsibility to ourselves as well as others increases. The higher the responsibility, the greater the stress.

The extent of stress is also determined by the ability to cope with stress or the type of sources a person seeks to deal with stress; for example, people who have strong faith in God find it easier to deal with such stressful situations as the loss of a loved one. Similarly, family and friends are sources of great comfort at such times of crisis.

The pace of life would also determine whether a person's life is stable or turbulent. As the responsibilities increase, so does the capacity to execute them. Professions such as those of doctors or businessmen are more stressful and hectic than those of say, college teaching.

The degree of stress created by certain events in life can be assessed by 'Social Readjustment Rating Scale' developed by Thomas Holmes and Richard Rake. In order to construct the stress impact scale, they asked people to rate as to how long it would take to adjust to certain stressful events and how severe the adjustment to these events would be. From the responses, they developed a ranking and a weighting for each of these stress producing events; for example, the death of a spouse was considered to be the most stress producing event. The following table shows the ranking of some of these events.

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Table 4.1 *Social Readjustment Rating Scale*

Life Event	***Weight***
Death of a spouse	100
Divorce	73
Jail term	63
Death of a close family member	63
Marriage	50
Fired from work	47
Pregnancy	40
Sex difficulties	39
Child leaving home	29
Change in residence	20
Christmas	12

If an individual accumulates a large number of stressor points in a relatively short period of time, it is more likely that stress would be obvious. The higher the number of points, the more likely that stress will result in serious illness.

Effects of Stress

As has been discussed, the conditions that create stressful situations for employees are fairly constant: fear of losing the job, work overload, lack of participation in decisions regarding their own work environment, non-supportive supervisors, and co-workers, limited job opportunities, and so on. Stress is acute especially for present generation mid-level managers whose jobs are more uncertain, and who have less control over their destinies as compared with senior-level managers. Furthermore, their stress coping capabilities are reduced, because they are generally more mobile, less religious, marry later in life and have fewer children—factors that act as a buffer and reduce the impact of stress.

According to Business Week:

'*Stress*. From the corner office to the factory floor, it is epidemic in the US business. Competition, bloody monday layoffs, mergers and acquisitions—all are taking their toll in derailed careers, broken families and emotional disorders. Signs are everywhere. Employees drink to excess and slip disastrously in their performance. They erupt into fits of uncontrollable rage at work and abuse their families at home. A few commit suicide.'

It is important to deal with stress at an early stage. Early warning signs such as headaches, back pain, irritability, insomnia, absenteeism from work or alcoholism should be taken seriously. Otherwise, they could lead to serious emotional disorders as well as physiological problems such as ulcers and heart disease. When stress is left untreated for a long time, it can develop into anxiety and depression. According to Business Week again, stress and depression share a common chemistry in the brain. A hormone called corticotropin releasing hormone (CRH) puts a shield of defence against stress. Even after stress subsides, the body keeps releasing the hormone, sometimes for years. When stress gets out of hand, it results in severe depression, and if untreated, can be fatal. Depressed individuals make up some 60 per cent of all suicides.

Physiological Reaction to Stress

High degree of stress is typically accompanied by severe anxiety, frustration and depression. There is evidence that work stress is associated with heart irregularities, high levels of blood pressure and high levels of cholesterol. Studies conducted by Stole, regarding the effects of a plant closing in Detroit showed an 'alarming rise in anxiety and illness', with at least 50 per cent of employees suffering from ulcers, arthritis, serious hypertension, alcoholism and depression.

Some of the physiological symptoms of stress, anxiety and depression are as follows:

Stress: Irritability, insomnia, alcohol and food abuse. Physical changes including rapid breathing and heart rate, tensed muscles. Prolonged stress can cause muscular twitches, skin problems, baldness and sexual problems such as impotence.

Anxiety: Excessive worry, irritability, anger, nervousness as well as inability to concentrate or sleep. Physical changes include palpitations, chest pain and dizziness.

Depression: Feelings of sadness, hopelessness, guilt and worthlessness, loss of interest in activities, change in appetite or weight, difficulty in concentrating and suicidal thoughts.

Also, there is strong evidence that job stress contributes directly to life threatening diseases and in fact shortens one's life.

Stress and job performance

One of the major concerns of management is the negative impact that stress has on performance. People under high stress tend to withdraw from the contact with the stressor in the form of turnover and absenteeism. In extreme cases, it may result in sabotage. Workers sometimes create mechanical failure in order to take a break from the strain of monotonous work. Any factor that causes negative effects on our physical and psychological well-being is also expected to affect our work behaviour. Exposure to strong and enduring stress influences important aspects of our behaviour at job, thus affecting productivity.

The relationship between stress and performance appears to be rather complex. It is affected by the difficulty of the task being performed, the nature of the specific stressor involved and a wide range of personal and situational factors. However, in general, productivity is considered to be at a peak with a moderate level of stress. Performance is poor at a low level of stress as well as at a high level of stress. At a low level of stress, the person may not be sufficiently energized and may not be whole-heartedly involved in his work, resulting in low productivity. As the level of stress increases from low to moderate, the performance level also increases to reach the peak level. An optimum level of stress exists for any task. If the stress continues to increase from this level, the person becomes too agitated and frustrated, resulting in performance deterioration.

It has been believed that the relationship between stress and performance is curvilinear. It follows an inverted U-shaped curve as shown previously and reproduced here.

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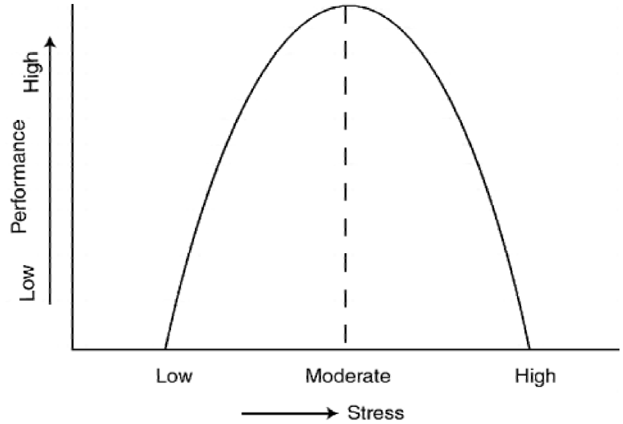

Fig. 4.3 Relationship between Stress and Performance

However, the validity of the clear-cut relationship is being questioned and some behavioural scientists believe that performance actually decreases when stress increases from low levels to moderate levels, even though the rate of decrease in performance is less than the rate of decrease when stress increases from moderate to high levels. This relationship is shown as follows:

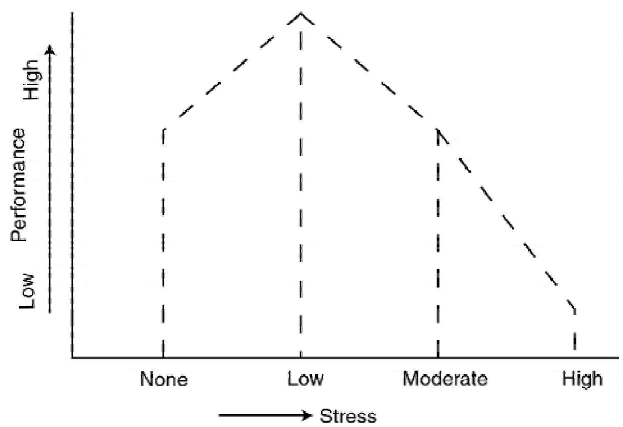

Fig. 4.4 Changes in Performacne due to Changes in Stress

Stress also impairs the ability to make effective decisions. People under stress are in a state of irritation and are unable to concentrate. They become impatient and are more likely to avoid or postpone making decisions. They are less likely to seek new information and are more likely to forget some important pieces of available information. As a result, the quality of decisions they make suffers, and the cost of a wrong decision can be very high.

Strategies to Overcome Individual and Organizational Stress

We know that some stress is necessary for optimum efficiency. We also have a general idea as to the level of stress that is destructive to job performance. Accordingly, it is necessary for individuals, as well as management to take steps to reduce stress to acceptable levels.

Individual strategies

It is necessary for the physical and psychological well-being of the person to reduce or eliminate the negative effects of stress. It is possible to manage stress, at least in the sense that a person can either avoid stressful conditions, change them or learn to cope with them. There are a number of ways by which stress can be managed so that the person has control over his life. Some of these strategies deal with the individual himself and focus on improving his physical and mental strength to deal with stress from all sources and some strategies deal specifically with job-related stress.

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Some of the stress reducing strategies that strengthen the individual's well-being are:

Readjustment of life's goals

Due to severe competition to 'get ahead', most individuals set very high standards and goals for themselves. They are always trying to do too much in too little time. They have tremendous fear of failing and they are running to nowhere. These high expectations and limited resources to reach such expectations result in stress. Accordingly, people must readjust their goals and make sure they have the ability and proper resources to reach such goals. Perhaps the goals should be established after resources have been analysed.

Social support

There is a saying that, 'a friend in need is a friend indeed'. Good friends become highly supportive during times of stress and crisis. Close and reliable friends may give a sympathetic hearing to your problems, a more objective assessment of the situation and support your sagging self-confidence or self-esteem. Many people turn to God for support during times of difficulties, believing God to be their 'best friend'. The idea of confession to a priest in the Catholic religion is primarily meant to receive moral support for stress created by some individual actions. Thus, God, priests, family, friends can all be a source of great comfort during times of stress.

Planning life in advance

While the attitude of 'whatever will be, will be' is a way to accept the unexpected difficulties in life. It is better to project events in life and plan to confront them when they occur. Many times, people create situations that induce stress because they either did not plan or they did a bad job of planning; for example, students who plan the pace of their studies during the semester seldom find exams excessively stressful. Accordingly, if we plan the proper utilization of our resources of time and money, the chances are that we will have less stress.

Physiological fitness

There is evidence to suggest that individuals who exercise and so strengthen their endurance and cardiovascular system, are much less likely to suffer from certain types of stress-related illnesses. As the correlation between physical fitness and stress resistance has become clear, many organizations have added facilities for physical exercise in their premises. With proper exercise, diet control and non-smoking habits, blood pressure and cholesterol levels become low and the body becomes more resistant to pressure. People are more likely to get physically sick or emotionally depressed if they are overweight or poorly nourished.

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Yoga

During the last twenty-five years, there has been a growing interest in yoga as a stress reduction strategy. The word 'yoga' means union and according to Amarjit Sethi, it 'implies union with the ultimate where the process of desiring has come to an end and where stress is non-existent.' To a common man, yoga is a structured set of exercises and body movements with deep breathing and mind concentration, so that it is a way of getting away from the stressors. To a serious student of yoga, it is a methodology to integrate body and mind forces to bring them into a state of harmony with the ultimate goal of being in unison with the Infinite. At the lower levels of physical and mental fitness, yoga consists of certain postural habits (known as *asanas*) and these postures are non-dynamic, passive and stable, resulting in increased flexibility of skeletal structure. This in turn stimulates the nervous system. Accordingly, with proper 'asanas' and controlled breathing, the neuromuscular coordination is strengthened, affecting glandular activity that is responsible for physical as well as mental health. Thus, the development of a sound mind in a sound body improves the stress coping capabilities.

Meditation

Meditation involves concentration of mind away from stress producing areas, sitting in a comfortable position, closing the eyes and clearing the mind from all disturbing thoughts. Any form of concentration that redirects our thought processes away from daily concerns can be considered meditation. Primarily, it involves silently repeating a single syllable or 'mantra' over and over gain. This concentration on the 'mantra' shuts out other distractions and results in physical and mental relaxation at its peak. The place of meditation should be such that the meditator is not disturbed by any outside force such as telephone, children or visitors. This technique was popularized by Maharishi Mahesh Yogi, an Indian mystic, and the method is known as 'Transcendental Meditation' or TM.

Another form of meditation that has grown popular is the Benson's method or 'Relaxation Response'. This technique is similar to TM and is designed to elicit 'relaxation response' that is considered to be opposite to 'stress response'. The basic idea is to block extraneous and distracting thoughts from one's mind. It is a form of breathing meditation, where the meditator consciously thinks of a word or a symbol on every breath out. The idea is to dwell upon a particular word or sound or to gaze at a symbol or even concentrate on a particular feeling. Relaxation response should become an integral part of behaviour so that life stresses are effectively countered. Benson recommends 'relaxation response' breaks instead of coffee breaks to rejuvenate workers.

Biofeedback

Biofeedback is a methodology designed to alter undesirable physiological responses through psychological strategies. Sophisticated electronic instruments are used to measure small undesirable changes caused by stress. Then a state of relaxation is induced in order to bring back such bodily functions to a normal non-stress state; for example, whenever blood pressure is registered as too high, individuals then try to relax to bring the blood pressure down. This tendency to relax is voluntary on the part of the individual. The potential benefit of biofeedback is the human ability to bring some of the bodily functions under voluntary control. These functions include heart rates, brain waves, muscle tension, blood pressure and stomach acidity. Changes in these functions are most often caused by stress. By measuring these changes precisely through the system of biofeedback, an individual can respond to these changes effectively. Thus, stress management can be voluntarily practised by individuals.

Organizational strategies for coping with stress

While it is necessary for individuals to design their own strategies to reduce stress to an acceptable level, it is equally important for organizations to develop programmes that will help employees reduce their stress. This will help in controlling employee turnover, absenteeism, and as a result, productivity will improve. Some of the steps that organizations can take are as follows:

Selection and placement

The basic hiring process should be based upon matching of skills, personality and work requirements. Being placed in a job that is not compatible with your ability and temperament, can be highly frustrating and stress producing. The applicants should be hired not only on the basis of educational background and past relative experience, but the criteria for selection could also include the applicant's ability to handle role ambiguity and role conflict when present. Accordingly, during the process of hiring, some personality tests can be designed to evaluate the candidate's stamina for stress.

Job enrichment

Redesigning the job should be in such a manner as to use the maximum potential of the employee with emphasis on employee involvement in such redesigning. This will help reduce stress caused by monotony, routine work, role ambiguity, work overload or underload. Job enrichment enhances motivation and leads to more challenging assignment, improved task significance, more responsibility, more meaningful work and more control of the employee over his own work environment. It also improves feedback to the employee regarding his performance and this will reduce uncertainty. Since stress occurs when work is important and there is some uncertainty surrounding it, a redesigned job will help overcome this stress and enhance the 'quality of work life'.

Effective and equitable performance appraisal and reward systems

It is necessary that performance be appraised in an objective and non-biased manner and the rewards be clearly and proportionately related to performance. The employee must know what is expected of him and for what exactly he is responsible and accountable. This will reduce role conflict. Employees' contribution to the organization must be well recognized, appreciated and rewarded. This will instil enthusiasm and a sense of dedication and belonging which in itself is a stress fighting phenomenon. This also strengthens the bonds of interpersonal relationships between the employees and the superiors and helps in clear and open communication.

Participation in decision-making

If the employees are invited to participate in making decisions involving their own work setting, within the organizational guideliness, this would make the employees feel that they are their own boss, a factor that is associated with less negative reactions to stress. Participation increases job involvement and reduces ambiguity and conflict—the two stress producing agents. This would also result in closer cooperation among superiors and subordinates and a better work environment, especially when the superiors support their subordinates.

Building teamwork

The management must create a work environment in which the members of the work group consider themselves as members of the same family. There should be no provision for interpersonal conflict within the group nor for conflict between an individual and the group. Such conflicts are causes of stress and should be prevented from building or be eliminated if they develop. Accordingly, such groups should be developed that are more productive and mutually supportive. Members of the group would seek each other for social support, which is a necessary ingredient for diluting stress.

4.3 ORGANIZATIONAL CONFLICT

The concept of conflict, being an outcome of behaviours, is an integral part of human life. Wherever there is interaction, there is conflict. Conflict can be defined in many ways and can be considered as an expression of hostility, negative attitudes, antagonism, aggression, rivalry and misunderstanding. It is also associated with situations that involve contradictory or irreconcilable interests between two opposing groups. It can be defined as a disagreement between two or more individuals or groups, with each individual or group trying to gain acceptance of its view or objectives over others.

Conflict must be distinguished from competition, even though sometimes intense competition leads to conflict. Competition is directed towards obtaining a goal and one group does not interfere with the efforts of another group while conflict is directed against another group and actions are taken to frustrate the other group's actions towards goal achievement.

4.4 CONSTRUCTIVE AND DESTRUCTIVE CONFLICTS

Since conflict has both positive and negative connotations and consequences, it must be looked into and managed for useful purposes. The management must survey the situation to decide whether to stimulate conflict or to resolve it. Thomas and Schmidt have reported that managers spend up to twenty per cent of their time in dealing with conflict situations. Hence, it is very important that managers understand the type of conflict that they have to deal with so that they can devise some standardised techniques in dealing with common characteristics of conflicts in each type of category. There are five basic types of conflicts. These are:

Conflict within the individual: The conflict within the individual is usually value related, where the role playing expected of the individual does not conform with the values and beliefs held by the individual. For example, a secretary may have to lie on instructions that her boss is not in the office to avoid an unwanted visitor or an unwanted telephone call. This may cause a conflict within the mind of the secretary who may have developed an ethic of telling the truth. Similarly, many Indians who are

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vegetarians and visit America and find it very hard to remain vegetarians, may question the necessity of the vegetarian philosophy, thus causing a conflict in their minds.

In addition to these value conflicts, a person may have a role conflict. For example, a telephone operator may be advised and required to be polite to the customers by her supervisor who may also complain that she is spending too much time with her customers. This would cause a role conflict in her mind. Similarly, a policeman may be invited to his brother's wedding where he may find that some guests are using drugs which is against the law. It may cause conflict in his mind as to which role he should play–of a brother or of a policeman. Conflict within an individual can also arise when a person has to choose between two equally desirable alternatives or between two equally undesirable goals.

Interpersonal conflict: Interpersonal conflict involves conflict between two or more individuals and is probably the most common and most recognised conflict. This may involve conflict between two managers who are competing for limited capital and manpower resources. For example, interpersonal conflicts can develop when there are three equally deserving professors and they are all up for promotion, but only one of them can be promoted because of budget and positional constraints. This conflict can become further acute when the scarce resources cannot be shared and must be obtained.

Another type of interpersonal conflict can relate to disagreements over goals and objectives of the organization. For example, some members of a board of a school may want to offer courses in sex education while others may find this proposal morally offensive thus causing conflict. Similarly, a college or a university may have a policy of quality education so that only top quality students are admitted while some members of the organizational board may propose 'open admissions' policy where all high schools graduates should be considered for admission. Such a situation can cause conflict among members of the governing board. In addition to conflicts over the nature and substance of goals and objectives, they can also arise over the means to reach these goals. For example, two marketing managers may argue as to which promotional methods would result in higher sales. These conflicts become highlighted when they are based upon opinions rather than facts. Facts are generally indisputable resulting in agreements. Opinions are highly personal and subjective and may provide for criticism and disagreements.

These conflicts are often the results of personality clashes. People with widely differing characteristics and attitudes are bound to have views and aims that are inconsistent with the views and aims of others.

Conflict between the individual and the group: As we have discussed before, all formal groups as well as informal groups have established certain norms of behaviour and operational standards that all members are expected to adhere to. The individual may want to remain within the group for social needs but may disagree with the group methods. For example, in some restaurants, all tips are shared by all the waiters and waitresses. Some particular waitress who may be overly polite and efficient may feel that she deserves more, thus causing a conflict within the group. Similarly, if a group is going on strike for some reason, some members may not agree with these reasons or simply may not be able to afford to go on strike, thus causing conflict with the group.

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This conflict may also be between the manager and a group of subordinates or between the leader and the followers. A manager may take a disciplinary action against a member of the group, causing conflict that may result in reduced productivity. 'Mutiny on the Bounty' is a classic example of rebellion of the crew of the ship against the leader, based upon the treatment the crew received. The conflict among the armed forces is taken so seriously that the army must obey their commander even if the command is wrong and in conflict with what others believe in.

Intergroup conflict: An organization is an interlocking network of groups, departments, sections and work teams. These conflicts are not so much personal in nature, as they are due to factors inherent in the organizational structure. For example, there is active and continuous conflict between the union and the management. One of the most common, unfortunate and highlighted conflict is between line and staff. The line managers may resent their dependence on staff for information and recommendations. The staff may resent their inability to directly implement their own decisions and recommendations. This interdependence causes conflict. These conflicts that are caused by task interdependencies require that the relationship between interdependent units be redefined, wherever the values of these interdependent factors change, otherwise these conflicts will become further pronounced.

These inter-unit conflicts can also be caused by inconsistent rewards and differing performance criteria for different units and groups. For example, salesmen who depend upon their commission as a reward for their efforts may promise their customers certain quantity of the product and delivery times that the manufacturing department may find it impossible to meet, causing conflict between the two units.

Different functional groups within the organization may come into conflict with each other because of their different specific objectives. There are some fundamental differences among different units of the organization both in the structure and the process and thus each unit develops its own organizational sub-culture. These sub-cultures, according to Lawrence and Lorsch differ in terms of: (a) goal orientation that can be highly specific for production but highly fluid for Research and Development, (b) time orientation that is short run for sales and long run for research, (c) formality of structure that is highly informal in research and highly formal in production and (d) supervisory style that may be more democratic in one area as compared to another.

A classic example of inter-unit conflict is between sales and production, as discussed earlier. The sales department is typically customer-oriented and wants to maintain high inventories for filling orders as they are received, which is a costly option as against the production department that is strongly concerned about cost effectiveness requiring as little inventory of finished product at hand as possible.

Similarly, inter-group conflict may arise between day shift workers and night shift workers who might blame each other for anything that goes wrong from missing tools to maintenance problems.

Inter-organizational conflict: Conflict also occurs between organizations that in some way are dependent on each other. This conflict may be between buyer organizations and the supplier organizations about quantity, quality and delivery times of raw materials and other policy issues, between unions and organizations employing their members, between government agencies that regulate certain organizations and the organizations that are affected by them. These conflicts must be adequately resolved or managed properly for the benefit of both types of organizations.

4.5 CONFLICT PROCESS

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The earlier traditional view of conflict considered it harmful, destructive and unnecessary. This view was consistent with the attitudes that prevailed about group behaviour and interaction during 1930s and 1940s. The existence of conflict was regarded as a sign that something had gone wrong and it needed to be corrected. The view held that conflict is to be avoided at all costs. Both the scientific management approach and the administrative school of management relied heavily on developing such organizational structures that would specify tasks, rules, regulations, procedures and authority relationships so that if a conflict develops then these built-in rules and regulations would identify and correct problems of such conflict. It was believed that the existence of conflict reflected poor management and the deliberate efforts of trouble makers. Thus through proper management techniques and attention to the causes of conflict, it could be eliminated and organizational performance improved. The Human Relations school subscribed to a similar theory that conflict is avoidable by creating an environment of goodwill and trust. Since organizational conflict involves disagreements on such factors as allocation of resources, nature of goals and objectives, organizational policies and procedures, nature of assignments and distribution of rewards, this conflict at its worst can lead to unnecessary stress, blockage in communication, lack of cooperation, increased sense of distrust and suspicion and this results in reduced organizational effectiveness. Accordingly, management has always been concerned with avoiding conflict if possible and resolving it soon if it occurs.

In recent years however, management scholars have shifted their view of conflict. This view is known as behavioural view and it proposes that because people differ in their attitudes, values and goals, conflict is but a natural outcome in any group of people and that it can be helpful and constructive if it is handled properly. The more modern view of conflict holds that conflict may in fact, under certain situations, be necessary for performance effectiveness, because harmonious, peaceful and cooperative groups can become static and such level of conflict that keeps the group alive, self critical and creative is desirable and management is usually encouraged to maintain such level of conflict. This is specially true in such organizations as Research and Development, advertising agencies, public policy groups and so on. Some of the positive consequences of conflict are:

- **It helps in analytical thinking:** Conflict may induce challenge to such views, opinions, rules, policies, goals and plans that would require a critical analysis in order to justify these as they are or make such changes that may be required, As H.M. Carlisle puts it, 'no situation is more detrimental to an organization than letting poor decisions go unchallenged.'
- **It helps in increased cohesion:** Conflict between different organizations develops loyalty and cohesion within an organization and it develops a greater sense of group identity in order to compete with outsiders. It fosters in dedication and commitment to organizational and group goals.

Check Your Progress

1. What is the general adaptation syndrome?
2. State the major sources of stress.
3. State the consequences of role ambiguity.
4. Define biofeedback.
5. Define interpersonal conflict.
6. State the positive consequences of conflict.
7. State the methods of resolving behavioural conflict.

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- **Conflict promotes competition and hence it results in increased efforts:** Some individuals are highly motivated by conflict and severe competition. For example, a professor who is turned down for a promotion due to conflict within the division may work harder to prove that he is more capable and deserves a promotion. Similarly, if a group of production workers during the day shift finds out that the similar group at night shift produced more, it would result in the improved performance for the day shift also. Thus such conflict and competition leads to high level of effort and output.
- **It serves as a foundation for organizational development:** Conflict with the status quo is a pre-requisite to change. Creative and innovative people are always looking for grounds to challenge the status quo. These challenges lead to search for alternatives to existing patterns that leads to organizational change and development.
- **Conflict when expressed can clear the air and reduce tension:** Some disagreements if unexpressed, can lead to imaginative distortions of truth, sense of frustration and tension, high mental exaggerations and biased opinions resulting in fear and distrust. However, when it is expressed, it may show the cause of conflict to be a minor one resulting in cooperation and compromise.

4.6 STRATEGIES FOR ENCOURAGING CONSTRUCTIVE CONFLICT

It has been pointed out earlier that under certain circumstances, conflict is necessary and desirable in order to create changes and challenges within the organization. In such situations the management would adopt a policy of conflict stimulation so that it encourages involvement and innovation. How does the manager recognise a situation that is vulnerable to conflict stimulation? Some of the factors for creating conflict are: too much satisfaction with the status quo, low rate of employee turnover, shortage of new ideas, strong resistance to change, friendly relations taking precedence over organizational goals and excessive efforts at avoiding conflict. Some of the ways of stimulating conflict as suggested by S.P. Robbins are:

Appoint managers who support change: Some highly authoritative managers are very conservative in their outlook and tend to suppress opposing viewpoints. Accordingly, change-oriented managers should be selected and placed in such positions that encourage innovation and change from the status quo.

Encourage competition: Competition, if managed properly can enhance conflict which would be beneficial to the organization. Such competition can be created by tying incentives to performance, recognition of efforts, bonuses for higher performance and status enhancement. Such competition and conflict would result in new ideas regarding improving productivity.

Manipulate scarcity: Let the various individuals and groups compete for scarce resources. This would cause conflict and make the individuals and groups do their best in order to fully utilise such resources. For example, one company president felt that the budget allocations to various departments did not reflect changing priorities and accordingly, a zero-based budget system was introduced so that each department had to justify its current budget regardless of the past allocations. This created fierce competition and conflict and resulted in changes in funds allocation that were beneficial to the organization.

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Play on status differences: Sometimes, ignoring the senior staff members and giving visible responsibilities to junior members makes the senior staff work harder to prove that they are better than the junior staff members. In one business school, the dean appointed a low-status assistant professor incharge of the curriculum. The senior professors resented having to answer to the junior professor. This caused conflict and in order to assert their superiority, the full professors initiated a series of changes that revitalised the entire MBA programme.

Interpersonal Trust Building

While there are a number of behavioural as well as organizational factors, as discussed before, that contribute to the existence of conflict, there may be just one single factor that may be highly contributory to reducing that conflict. This factor is ' trust'. Trust is, highly intangible element but very important in our civilized living. Its presence or absence can govern our inter-personal behaviour to large extent. Our ability to trust has a great impact on our working lives, our family interactions and our achievement of personal and organizational goals.

Since trust is a function of behaviour, such behaviours that lead to defensiveness must be identified and modified. These defensive or aggressive behaviours creat a climate that is conducive to mistrust thus leading to conflict in interpersonal areas. Jack Gibb has identified certain behaviours that he calls 'aggressive' behaviours that should be avoided and certain behaviours which he calls 'supportive' behaviours that tend to reduce defensiveness and conflict and should be promoted.

Dr. John K. Stout of the university of Scranton, writing in *Supervisory Management* (February 1984), suggests that these behaviours are not necessarily mutually exclusive, nor should all the aggressive behaviours be avoided under all circumstances, but in general the supportive behaviour attitudes should be adopted as much as possible. These behaviours are briefly described as follows:

Aggressive versus Supportive Behaviour

Evaluative versus descriptive behaviour: Performance evaluations based upon emotional judgement and tainted by prejudice and residual anger from any previous encounters destroy trust. Making evaluations always brings in subjective opinions and subjective opinions relate to personal relationship rather than operations and facts. Descriptive attitude on the other hand simply describes factual elements that are visible, observable and verifiable, without reading behind the obvious or making judgements about motives and using the correct words to describe these activities builds up a feeling of fairness, equity and trust and this in turn reduces conflict.

Controlling versus problem-oriented behaviour: Controlling attitude is highly authoritative and makes the subordinates feel like machines rather than human beings. The contribution of subordinates is limited to what the controller allows and thus stifles creativity, leading to resentment and conflict.

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Problem-oriented behaviour, on the contrary looks for solutions in which all can participate. This will result in new answers and unique opportunities and this approach implies mutuality that builds dedication and commitment.

Using a strategy versus spontaneous behaviour: A strategy is a carefully structured set of directions that gives the management a tool for maneuverability so that it can manipulate and gear others towards a predetermined objective and this may be resented by subordinates since they fear loss of autonomy.

Spontaneous interactions on the other hand are open, free flowing and result in open and honest communications in exploring each other's needs and viewpoints, exchanging information and ideas and developing a work environment of mutual trust and caring.

Neutral versus empathetic behaviour: Neutral behaviour, though advisable in many situations, is considered as one of indifference and non-caring. All of us need friendship, respect and affections so we always want others to be on our side. Accordingly, the attitude of neutrality seems so impersonal that it is detrimental to the feelings of trust.

Empathy by contrast is the natural desire to get involved with other people, to share their feelings and emotions, to be interested in their needs and problems, to care and to understand them and their beliefs and attitudes and to be sincere and friendly. In this 'me too' environment, a friendly relationship is always welcome.

Superiority versus equality behaviour: Feelings of superiority based upon rank, prestige, power and authority are highly threatening to others and if this power is openly exhibited in talk and actions, it creates not only envy but also resentment. For example, the presence of a policeman at your door creates an initial fear because of the power and authority assigned to the police force.

Exhibiting equality, on the contrary, enhances interpersonal trust. We always feel more comfortable in the company of our own age group. A sense of equality reduces the complex of inferiority or complex of superiority, both of which are detrimental to the environment of trust.

Dogmatic versus open-minded behaviour: A dogmatic person is one who is set in his own ways and is highly opinionated and does not leave any ground for cultivating genuine interaction with others because genuine interaction is based upon 'give and take' attitude that a highly dogmatic person does not possess. As a result, the relationships remain superficial and trust is shallow, if any.

The open-minded individual, on the other hand, is adventurous, takes risks and is willing to experiment with new ideas and thoughts. In most bargaining and negotiating sessions, we are always advised to 'keep our minds open', so that we are receptive to any idea for discussion and adaptation. An open-minded person is like an 'open book' and is highly predictable resulting in respect and trust.

These types of supportive behaviours on the part of management prevent conflict to a large degree and help in resolving conflict if it develops, in a mutually beneficial way. This is a win-win situation in which all parties come out as winners. In order to achieve this situation, the management can initiate a number of steps. First, the management must create a social environment in the work situation that is conducive to mutual problem solving. This is fundamental to creating trust among people and specially trust among workers for the management. This would involve open channels of communication, respect for each other's views and an open minded attitude on the part of management. Second, all efforts should be made to make the parties concerned sensitive to each other's attitudes, values and needs. This, according to Nichols and Steven, can be achieved through 'reflective listening' in which the listener is made to repeat what the speaker has said in order to make sure that he has fully understood the speaker's message before speaking himself. This creates a clear understanding of one's opinions and beliefs and this type of clear and properly understood communication leads to respect and trust. Thirdly, the problem causing the conflict can be redefined or revised in such a manner that it becomes a common problem for both parties rather than making it a 'win-lose' situation where one party wins and the other loses. For example, the problem between sales and production can be redefined as a problem of how to best serve the customer, to which both parties have a concern for, making it a problem to be mutually solved. Finally, only such solutions should be accepted that are acceptable to all concerned parties. This is considered to be the best way to 'manage' conflict.

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4.7 STRATEGIES FOR RESOLVING DESTRUCTIVE CONFLICT

Conflict Resolution

Conflict resolution is a method of solving a social conflict peacefully. Many times, group members try to resolve their conflicts and disputes by communicating information to the rest of the group regarding the conflict through their intentions and reasons for having such beliefs. It has also been seen that negotiation is an important aspect of conflict resolution. Apart from negotiation there are other methods also which are employed to resolve conflict, such as mediation, diplomacy, etc.

The concept of conflict resolution has been used interchangeably from time to time with dispute resolution where legal process is involved. Conflict resolution on the other hand uses non-violent techniques in order to achieve effective resolution.

Dual model of conflict resolution

This aspect of conflict resolution deals with an individual's preference to deal with a conflict. This is based on two dimensions:

(i) Assertiveness or a concern for one self.

(ii) Empathy or concern for others.

According to this method, group members in an organization try to achieve a fine balance between satisfying their personal needs and concern for satisfying the needs for others. This leads to a middle path where an individual develops a style for conflict resolution based on his choices. This can be explained in the following strategies or styles which an individual follows to resolve conflict. They are as follows:

Avoidance conflict style: This style is characterized by passivity or inaction as the individual has minimal concern about his or her interest or the interest of his group members. In case of a conflict, these individuals remain passive and wait for the

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conflict to phase out, which in the long run might lead to the conflict to aggravate and become out of control.

Yielding conflict style: In this style an individual has an increased concern for others and the least concern for themselves. In this type of resolution style, the individual gains personal satisfaction from meeting the needs of others. It is important for these individuals to maintain stable and cordial social relationships. It has been seen that in yielding conflict style, an individual tends to given into the demands of others out of respect for the relationship they share.

Competitive conflict style: In this the individual is more concerned about his interest. This style maximizes individual assertiveness. Members of such groups enjoy dominating others and see conflict as a 'win or lose' situation. These individuals generally force others to accept their personal views by employing power tactics such as arguing, insulting, accusing, etc.

Cooperation conflict style: In this type of conflict resolution style, the individual is concerned for personal as well as other group member's interest. In this style of conflict resolution, an effort is made to amicably solve conflict in order to satisfy both parties in the conflict. This type of individual can be characterized as to being both assertive and empathetic at the same time. These individuals see conflict as an opportunity for growth and are thus willing to invest time and resources to find a "win-win" solution.

Conciliation conflict style: This type of conflict style is of a compromising nature. This style is typical of individuals who are concerned for both personal and other members' interest. The resolution in this case is a result of a give-and-take interaction. These individuals value fairness and therefore accept some demands put forth by others. This conflict resolution style is considered to be an extension of yielding and cooperative styles.

Except in very few situations where the conflict can lead to competition and creativity so that in such situations the conflict can be encouraged, in all other cases where conflict is destructive in nature, it should be resolved as soon has it has developed and all efforts should be made to prevent it from developing.

Preventing Conflict

Some of the preventive measures that the management can take, according to Schein are:

Goal structure: Goals should be clearly defined and the role and contribution of each unit towards the organizational goal must be clearly identified. All units and the individuals in these units must be aware of the importance of their role and such importance must be fully recognised.

Rewards system: The compensation system should be such that it does not create individual competition or conflict within the unit. It should be appropriate and proportionate to the group efforts and reflect the degree of interdependence among units where necessary.

Trust and communication: The greater the trust among the members of the unit, the more honest and open the communication among them would be. Individuals and units should be encouraged to communicate openly with each other so that they can all understand each other, understand each other's problems and help each other when necessary.

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Coordination: Coordination is the next step to communication. Properly coordinated activities reduce conflict. Wherever there are problems in coordination, a special liaison office should be established to assist such coordination.

Resolving Behavioural Conflict

Various researchers have indentified five primary strategies for dealing with and reducing the impact of behavioural conflict. Even though different authors have given different terminology to describe these strategies, the basic content and approach of these strategies remain the same. These are:

Ignoring the conflict: In certain situations, it may be advisable to take a passive role and avoid it all together. From the manager's point of view, it may be specially necessary when getting involved in a situation would provoke further controversy or when conflict is so trivial in nature that it would not be worth the manager's time to get involved and try to solve it. It could also be that the conflict is so fundamental to the position of the parties involved that it may be best either to leave it to them to solve it or to let events take their own course. The parties involved in the conflict may themselves prefer to avoid conflict, specially if they are emotionally upset by the tension it causes. Thus, people may try to get away from conflict causing situations.

Smoothing: Smoothing simply means covering up the conflict by appealing for the need for unity rather than addressing the issue of conflict itself. An individual with internal conflict may try to 'count his blessings' and forget about the conflict. If two parties have a conflict within the organization, the supervisor may try to calm things down by being understanding and supportive to both parties and appealing to them for cooperation. The supervisor does not ignore or withdraw from the conflict nor does he try to address and solve the conflict but expresses hope that 'everything will work out for the best of all.' Since the problem is never addressed, the emotions may build up further and suddenly explode. Thus, smoothing provides only a temporary solution and conflict may resurface again in the course of time. Smoothing is a more sensitive approach than avoiding in that as long as the parties agree that not showing conflict has more benefits than showing conflict, then such conflict can be avoided.

Compromising: A compromise in the conflict is reached by balancing the demands of the conflicting parties and bargaining in a 'give and take' position to reach a solution. Each party gives up something and also gains something. The technique of conflict resolution is very common in negotiations between the labour unions and management. It has become customary for the union to ask for more than what they are willing to accept and for management to offer less than what they are willing to give in the initial stages. Then through the process of negotiating and bargaining, mostly in the presence of arbitrators, they reach a solution by compromising. This type of compromise is known as integrative bargaining in which both sides win in a way.

Compromising is a useful technique, particularly when two parties have relatively equal power, thus no party can force its viewpoint on the other and the only solution is to compromise. It is also useful when there are time constraints. If the problems are

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complex and many faceted, and the time is limited to solve them, it might be in the interest of conflicting parties to reach a compromise.

Forcing: As Webber puts it, 'the simplest conceivable resolution is the elimination of the other party–to force opponents to flee and give up the fight–or slay them.' This is a technique of domination where the dominator has the power and authority to enforce his own views over the opposing conflicting party. This technique is potentially effective in situations such as a president of a company firing a manager because he is considered to be a trouble-maker and conflict creator. This technique always ends up in one party being a loser and the other party being a clear winner. Many professors in colleges and universities have lost promotions and tenured reappointments because they could not get along well with their respective chairpersons of the departments and had conflicts with them. This approach causes resentment and hostility and can backfire. Accordingly, management must look for better alternatives, if these become available.

Problem-solving: This technique involves 'confronting the conflict' in order to seek the best solution to the problem. This approach objectively assumes that in all organizations, no matter how well they are managed, there will be difference of opinions that must be resolved through discussions and respect for differing viewpoints. In general, this technique is very useful in resolving conflicts arising out of semantic misunderstandings. It is not so effective in resolving non-communicative types of conflicts such as those that are based on differing value systems, where it may even intensify differences and disagreements. In the long run, however, it is better to solve conflicts and take such preventive measures that would reduce the likelihood of such conflicts surfacing again.

Resolving Structural Based Conflicts

The structural based conflicts are built around organizational environments and can be resolved or prevented by redesigning organizational structure and work-flow. A general strategy would be to move towards as much decentralization as possible so that most of the disputes can be settled at the lower levels in the organization, and faster too.

Since interdependency is one of the major causes of conflict, it is necessary to identify and clarify poorly defined and poorly arranged interdependencies or to make these adequately understood and reliable. This can be achieved through unifying the work-flow. This work-flow can be designed either to increase the interdependencies or to eliminate them entirely. Increased interdependencies can be achieved through more frequent contacts and improved coordinating mechanisms. This would make the two interdependent units act as a single unit thus eliminating the cause of conflict. The other extreme could be to make the two units totally independent of one another. For example, in the case of units building an automobile engine, instead of an assembly line operation in which each person or unit is involved in sequential assembly so that each unit depends upon the work of the previous units, each major unit can work on the entire engine at the same time.

However these extremes are not in common practice. More often, the strategy would be to reduce the interdependence between individuals or groups. A common approach to do that is by 'buffering'. Buffering requires that sufficient inventories be kept on hand between interrelated units so that they always have the materials to work with thus reducing their interdependency. Another cause of conflict, is the undefined, unclear and ambiguous job expectation. It is important to clarify what each individual and each subunit is expected to accomplish. This would include authority-responsibility relationship and a clear line of hierarchy. In addition, policies, procedures and rules should be clearly established and all communication channels must be kept open so that each person knows exactly what role he has to play in the hierarchical structure. This would avoid situations in which none of the two units does the job because each thought the other was supposed to do or both units do the same job thus duplicating efforts due to misunderstanding. Thus, if each subordinate is fully aware of his responsibility, then such problems would not occur.

How to solve conflict arising due to competition for scarce resources? Conflicts will occur whenever the wants and needs of two or more parties are greater than the sum of the firm's resources available for allocation. These resources may be in the form of a pay raise, promotion, office space, office equipment and so on. This conflict can be reduced by planning ahead about the proper distribution of such resources, instead of making haphazard and last minute allocations.

The conflict between different departments may be managed by establishing liaison. Liaison officers are those who are neutral in their outlook and are sympathetic to both parties and kind of 'speak the language' of both groups. They do not have a vested interest in any of these groups. According to studies conducted by Sykes and Bates, it was shown that in one company where there was evident conflict between sales and manufacturing, which are interdependent units, the problem was solved by establishing a demand analysis and sales order liaison office. The liaison group handled all communication for sales and resolved issues such as sales requirements, production capacity, pricing and delivery schedules.

Since one of the major causes of conflict is lack of proper knowledge and facts about how other people think and act, it may be a good idea to let the individuals work with different groups so that they know each other better and understand each other better. Care should be taken however that these individuals are technically capable of fitting in these various groups. This mutual understanding will result in trust and respect thus reducing the likelihood of conflict. This understanding can also be achieved by serving as members of the various committees. As individuals from various work units get to know each other better through the membership in the same committee, it leads to increased tolerance and understanding of different viewpoints as well as a realization that basically all units are pursuing similar objectives and same overall goal.

Stimulating Conflict

It has been pointed out earlier that under certain circumstances, conflict is necessary and desirable in order to create changes and challenges within the organization. In such situations the management would adopt a policy of conflict stimulation so that it encourages involvement and innovation. How does the manager recognise a situation that is vulnerable to conflict stimulation? Some of the factors for creating conflict are: too much satisfaction with the status quo, low rate of employee turnover, shortage of new ideas, strong resistance to change, friendly relations taking precedence over organizational goals and excessive efforts at avoiding conflict. Some of the ways of stimulating conflict as suggested by S.P. Robbins are:

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Appoint managers who support change: Some highly authoritative managers are very conservative in their outlook and tend to suppress opposing viewpoints. Accordingly, change-oriented managers should be selected and placed in such positions that encourage innovation and change from the status quo.

Encourage competition: Competition, if managed properly can enhance conflict which would be beneficial to the organization. Such competition can be created by tying incentives to performance, recognition of efforts, bonuses for higher performance and status enhancement. Such competition and conflict would result in new ideas regarding improving productivity.

Manipulate scarcity: Let the various individuals and groups compete for scarce resources. This would cause conflict and make the individuals and groups do their best in order to fully utilise such resources. For example, one company president felt that the budget allocations to various departments did not reflect changing priorities and accordingly, a zero-based budget system was introduced so that each department had to justify its current budget regardless of the past allocations. This created fierce competition and conflict and resulted in changes in funds allocation that were beneficial to the organization.

Play on status differences: Sometimes, ignoring the senior staff members and giving visible responsibilities to junior members makes the senior staff work harder to prove that they are better than the junior staff members. In one business school, the dean appointed a low-status assistant professor incharge of the curriculum. The senior professors resented having to answer to the junior professor. This caused conflict and in order to assert their superiority, the full professors initiated a series of changes that revitalised the entire MBA programme.

Check Your Progress

8. Fill in the blanks with appropriate words.
   (a) Stress created by desirable and successful events is called __________.
   (b) The _________ refers to the general development of responses to the stressful events in the form of physiological, psychological and behavioural responses.
   (c) When there is a lot of uncertainty regarding job definition or job expectation, then people experience__________.
   (d) The degree of stress created by certain events in life can be assessed by __________ developed by Thomas Holmes and Richard Rake.

Interpersonal Trust Building

While there are a number of behavioural as well as organizational factors, as discussed before, that contribute to the existence of conflict, there may be just one single factor that may be highly contributory to reducing that conflict. This factor is ' trust'. Trust is, highly intangible element but very important in our civilized living. Its presence or absence can govern our inter-personal behaviour to large extent. Our ability to trust has a great impact on our working lives, our family interactions and our achievement of personal and organizational goals.

Since trust is a function of behaviour, such behaviours that lead to defensiveness must be identified and modified. These defensive or aggressive behaviours creat a climate that is conducive to mistrust thus leading to conflict in interpersonal areas. Jack Gibb has identified certain behaviours that he calls 'aggressive' behaviours that should be avoided and certain behaviours which he calls 'supportive' behaviours that tend to reduce defensiveness and conflict and should be promoted.

Dr. John K. Stout of the university of Scranton, writing in 'Supervisory Management' (February 1984), suggests that these behaviours are not necessarily mutually exclusive, nor should all the aggressive behaviours be avoided under all circumstances, but in general the supportive behaviour attitudes should be adopted as much as possible. These behaviours are briefly described as follows:

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Aggressive versus Supportive Behaviours

Evaluative versus descriptive behaviour: Performance evaluations based upon emotional judgement and tainted by prejudice and residual anger from any previous encounters destroy trust. Making evaluations always brings in subjective opinions and subjective opinions relate to personal relationship rather than operations and facts. Descriptive attitude on the other hand simply describes factual elements that are visible, observable and verifiable, without reading behind the obvious or making judgements about motives and using the correct words to describe these activities builds up a feeling of fairness, equity and trust and this in turn reduces conflict.

Controlling versus problem-oriented behaviour: Controlling attitude is highly authoritative and makes the subordinates feel like machines rather than human beings. The contribution of subordinates is limited to what the controller allows and thus stifles creativity, leading to resentment and conflict.

Problem-oriented bahaviour, on the contrary looks for solutions in which all can participate. This will result in new answers and unique opportunities and this approach implies mutuality that builds dedication and commitment.

Using a strategy versus spontaneous behaviour: A strategy is a carefully structured set of directions that gives the management a tool for maneuverability so that it can manipulate and gear others towards a predetermined objective and this may be resented by subordinates since they fear loss of autonomy.

Spontaneous interactions on the other hand are open, free flowing and result in open and honest communications in exploring each other's needs and viewpoints, exchanging information and ideas and developing a work environment of mutual trust and caring.

Neutral versus empathetic behaviours: Neutral behaviour, though advisable in many situations, is considered as one of indifference and non-caring. All of us need friendship, respect and affections so we always want others to be on our side. Accordingly, the attitude of neutrality seems so impersonal that it is detrimental to the feelings of trust.

Empathy by contrast is the natural desire to get involved with other people, to share their feelings and emotions, to be interested in their needs and problems, to care and to understand them and their beliefs and attitudes and to be sincere and friendly. In this 'me too' environment, a friendly relationship is always welcome.

Superiority versus equality behaviour: Feelings of superiority based upon rank, prestige, power and authority are highly threatening to others and if this power is openly exhibited in talk and actions, it creates not only envy but also resentment. For example, the presence of a policeman at your door creates an initial fear because of the power and authority assigned to the police force.

Exhibiting equality, on the contrary, enhances interpersonal trust. We always feel more comfortable in the company of our own age group. A sense of equality reduces the complex of inferiority or complex of superiority, both of which are detrimental to the environment of trust.

Dogmatic versus open-minded behaviour: A dogmatic person is one who is set in his own ways and is highly opinionated and does not leave any ground for

Check Your Progress

9. State whether the following statements are true or false.
   (a) The last stage of general adaptation syndrome is exhaustion where the person is unable to cope with the stress.
   (b) Anxiety is a form of behaviour that occurs when a person wishes to achieve a certain objective or pursue a certain course of action, but is prevented from doing so.
   (c) Role overload occurs when two or more people have different and sometimes opposing expectations of a given individual.
   (d) During role underload, a person's ability is underutilized so that either there is too little work or there is too little variety in the work.

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cultivating genuine interaction with others because genuine interaction is based upon 'give and take' attitude that a highly dogmatic person does not possess. As a result, the relationships remain superficial and trust is shallow, if any.

The open-minded individual, on the other hand, is adventurous, takes risks and is willing to experiment with new ideas and thoughts. In most bargaining and negotiating sessions, we are always advised to 'keep our minds open', so that we are receptive to any idea for discussion and adaptation. An open-minded person is like an 'open book' and is highly predictable resulting in respect and trust.

These types of supportive behaviours on the part of management prevent conflict to a large degree and help in resolving conflict if it develops, in a mutually beneficial way. This is a win-win situation in which all parties come out as winners. In order to achieve this situation, the management can initiate a number of steps. First, the management must create a social environment in the work situation that is conducive to mutual problem solving. This is fundamental to creating trust among people and specially trust among workers for the management. This would involve open channels of communication, respect for each other's views and an open minded attitude on the part of management. Second, all efforts should be made to make the parties concerned sensitive to each other's attitudes, values and needs. This, according to Nichols and Steven, can be achieved through 'reflective listening' in which the listener is made to repeat what the speaker has said in order to make sure that he has fully understood the speaker's message before speaking himself. This creates a clear understanding of one's opinions and beliefs and this type of clear and properly understood communication leads to respect and trust. Thirdly, the problem causing the conflict can be redefined or revised in such a manner that it becomes a common problem for both parties rather than making it a 'win-lose' situation where one party wins and the other loses. For example, the problem between sales and production can be redefined as a problem of how to best serve the customer, to which both parties have a concern for, making it a problem to be mutually solved. Finally, only such solutions should be accepted that are acceptable to all concerned parties. This is considered to be the best way to 'manage' conflict.

4.8 SUMMARY

- Medical researcher Hans Selye first used the term 'stress' to describe the body's biological response mechanisms. He defined stress as 'the nonspecific response of the body to any demand'.
- Stress does not necessarily occur due to undesirable developments. All situations that produce increased demand on a vital activity requiring adaptation to a new situation, produce stress in the form of a stereotyped pattern of biochemical, functional and structural changes in the human organism.
- Just as high-level stress is damaging to the physical and psychological well-being of the person, extremely low levels of stress are equally undesirable for they cause boredom, and result in lack of stimulation, innovation and challenges. Thus, moderate level of stress is necessary for higher level of performance.

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- In the general adaptation syndrome, the process of stress elicits three types of responses. These are: (1) physiological, (2) psychological and (3) behavioural responses.
- Frustration is a form of behaviour that occurs when a person wishes to achieve a certain objective or pursue a certain course of action, but is prevented from doing so. It refers to an obstruction or impediment to goal oriented behaviour.
- A second form of stress is the 'anxiety' which is a feeling of inability and helplessness in formulating appropriate responses or plans for dealing with the anticipated negative outcomes.
- The nature of the job itself can determine the type and degree of stress that can be induced. Some jobs lead to more stress-related responses than others; for example, such jobs as that of a police officer, or air traffic controller are often considered to be high-stress jobs.
- Role conflict occurs when two or more persons have different and sometimes opposing expectation of a given individual. Thus, there are two or more sets of pressures on the individual so that it is not possible to satisfy all of them.
- Participation in decision-making also helps in reducing role ambiguity and role overload resulting in reduced stress.
- Job and career variables can become stressors when they become sources of concern, anxiety or frustration to the individual. One of the major concerns is the lack of job security. Except for jobs with tenure or strong union support, very few employees have job security.
- The extent of stress is also determined by the ability to cope with stress or the type of sources a person seeks to deal with stress; for example, people who have strong faith in God find it easier to deal with such stressful situations as the loss of a loved one. Similarly, family and friends are sources of great comfort at such times of crisis.
- The relationship between stress and performance appears to be rather complex. It is affected by the difficulty of the task being performed, the nature of the specific stressor involved and a wide range of personal and situational factors. However, in general, productivity is considered to be at a peak with a moderate level of stress.
- Biofeedback is a methodology designed to alter undesirable physiological responses through psychological strategies. Sophisticated electronic instruments are used to measure small undesirable changes caused by stress.
- Redesigning the job should be in such a manner as to use the maximum potential of the employee with emphasis on employee involvement in such redesigning. This will help reduce stress caused by monotony, routine work, role ambiguity, work overload or underload.
- Interpersonal conflict involves conflict between two or more individuals and is probably the most common and most recognised conflict. This may involve conflict between two managers who are competing for limited capital and manpower resources.

- Conflicts will occur whenever the wants and needs of two or more parties are greater than the sum of the firm's resources available for allocation. These resources may be in the form of a pay raise, promotion, office space, office equipment and so on. This conflict can be reduced by planning ahead about the proper distribution of such resources, instead of making haphazard and last minute allocations.

4.9 ANSWERS TO 'CHECK YOUR PROGRESS'

1. The general adaptation syndrome is the general development of responses to stressful events in the form of physiological, psychological and behavioural responses believed to follow a fairly consistent pattern and consists of three stages
2. There are two major sources of stress. These are organizational sources and personal sources.
3. Role ambiguity results in the following:
   (i) Psychological strain and dissatisfaction
   (ii) Under-utilization of human resources
   (ii) Feeling of futility on how to cope with the organizational environment
4. Biofeedback is a methodology designed to alter undesirable physiological responses through psychological strategies.
5. Interpersonal conflict involves conflict between two or more individuals and is probably the most common and most recognized conflict.
6. The positive consequences of conflict are as follows:
   - It helps in analytical thinking
   - It helps in increased cohesion
   - Conflict promotes competition and hence it results in increased efforts
   - It serves as a foundation for organizational development
   - Conflict when expressed can clear the air and reduce tension
7. The various methods of resolving behavioural conflict are as follows:
   - Ignoring the conflict
   - Smoothing
   - Compromising
   - Forcing
   - Problem-solving
8. (a) eustress
   (b) general adaptation syndrome
   (c) role ambiguity
   (d) Social Readjustment Rating Scale

9. (a) True
   (b) False
   (c) False
   (d) True

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4.10 QUESTIONS AND EXERCISES

Short-Answer Questions

1. State the various stress responses
2. Define the following:
   (i) Role ambiguity
   (ii) Role conflict
   (iii) Role overload
3. State the effects of stress.
4. Distinguish between conflict and competition.
5. Distinguish between constructive and destructive conflicts.

Long-Answer Questions

1. Explain the basic forms and source of stress.
2. Discuss the relationship between stress and job performance.
3. Explain the organizational strategies for coping with stress.
4. Discuss the strategies for encouraging constructive conflict.
5. Present the strategies for dealing with destruction conflicts.
6. Prevention of conflicts is better than resolution of conflicts. Discuss.

UNIT 5 ORGANIZATIONAL DYNAMICS

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Structure

5.0 INTRODUCTION

Organizational culture is a system of shared beliefs and attitudes that develop within an organization and guides the behaviour of its members. It is also known as corporate culture, and has a major impact on the performance of organizations and specially on the quality of work life experienced by the employees at all levels of the organizational hierarchy. The corporate culture consists of the norms, values and unwritten rules of conduct of an organization as well as management styles, priorities, beliefs and interpersonal behaviours that prevail. Together they create a climate that influences how well people communicate, plan and make decisions. Strong corporate values let people know what is expected of them. There are clear guidelines as to how employees are to behave generally within the organization and their expected code of conduct outside the organization. Also, if the employees understand the basic philosophy of the organization, then they are more likely to make decisions that will support these standards set by the organization and reinforce corporate values.

Organizational culture: A system of shared beliefs and attitudes that develop within an organization and guides the behaviour of its members

The word culture has been derived metaphorically from the idea of cultivation, the process of tilling and developing land. When we talk about culture, we are typically referring to the pattern of development reflected in a society's system of knowledge, ideology, values, laws, social norms and day-to-day rituals. Since the pattern of development differs from society to society, the cultural phenomenon varies according to a given society's stage of development. Accordingly, culture varies from one society to another requiring a study of cross-national and cross-cultural phenomenon within organizations. For example, Japanese work culture is very different from American work culture.

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Change simply means the alteration of status quo. Even in most stable organizations, change is necessary just to keep the level of given stability. The economic and social environment is so dynamic that without the change that would be adaptive to the new environment, even the most successful organizations will be left behind, unable to survive in the new environment. Accordingly, management must continuously monitor the outside environment and be sufficiently innovative and creative to find new and better utilization of organizational resources so that the customer needs are competitively met and the consumer problems are adequately solved.

Whether the change involves creativity and innovation within the organization or simply a response to outside forces that may require organizational realignment, management must be aware of the forces and the need for change. Typically, organizations have little choice but to change. According to Barney and Griffin, 'the primary reason cited for organizational problems is the failure by managers to properly anticipate or respond to forces for change'. These forces of change may be external or internal.

5.1 UNIT OBJECTIVES

After going through this unit, you will be able to:

- Understand the meaning of organizational culture
- Explain the various dimensions of culture
- Explain the concept of subculture and counterculture
- Determine what contributes to organizational effectiveness
- Explain changing culture
- Uunderstand the process of organizational change
- Study the various types and levels of change
- Analyze factors that increase resistance to change
- Comprehend various organizational development techniques

5.2 MEANING OF ORGANIZATIONAL CULTURE

While culture has been a continuous development of values and attitudes over many generations, at least the organizational culture can be partially traced back to the values held by the founders of the organization. Such founders are usually dynamic personalities with strong values and a clear vision as to where they want to take their organizations. These founders usually selected their associates and their employees who had a similar value system so that these values became an integral part of the organization.

Secondly, the organizational culture is influenced by the external environment and the interaction between the organization and the external environment. For example, one organization may create a niche for itself for extremely high quality defect-free product as a result of competitive forces and customer demand, while another

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organization may opt for moderate quality but lower prices. The work cultures at these two types of organizations would accordingly differ and would be influenced by external forces such as customer demand.

Thirdly, work culture is also a function of the nature of the work and mission and the goals of the organization. For example, in a professional, research oriented small organization, the workers may be more informal at all hierarchical levels of the organization, the dress code may not be strictly observed and the employees may be encouraged to be independent and innovative. In contrast, other organizations may have a strictly enforced formal classical hierarchical structure with clearly established channels of communications and strict adherence to work rules. Accordingly, the organizational culture of these two types of organizations would be different.

Much has been written and talked about Japanese management styles. Almost invariably, the economic success of Japanese society is associated with Japanese culture. The cultural aspect of organizational performance came into focus with Theory Z, proposed by William Ouchi in 1981. Even though Theory Z draws heavily on Japanese approach to management, it is more a combination of the current American as well as Japanese style of managing an organization. Basically, Ouchi's approach to management calls for:

- Consensus decision-making.
- Worker participation in all phases of organizational operations.
- Genuine concern for the overall well-being of employees.
- Life time job security.

The importance of strong culture as a driving force for organizational success was emphasised by Peters and Waterman in their well received book, *In Search of Excellence*. They observed:

Without exception, the dominance and coherence of culture proved to be an essential quality of the excellent companies. Moreover, the stronger the culture and the more it was directed towards the marketplace, the less need was there for policy manuals, organization charts and detailed procedures and rules. In these companies, people, way down the line know what they are supposed to do in most situations because the handful of guiding values is crystal clear.

Some of the cultural differences in a typical American organization as compared to a typical Japanese organization can be seen in the following comparison in various areas and aspects of organizational operations and performance.

Organizational Climate

The process of quantifying culture in an organization is called organizational climate. This is also referred as corporate culture. According to this process, an employee's behaviour is influenced by a set of guidelines laid down by the organization.

There are different approaches to define organizational climate, which are based on how to define climate and how to measure it effectively on different stages. These two approaches are as follows:

- Cognitive Schema
- Shared perception

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The cognitive schema approach regards climate as an individual perception and as the work of environment. Therefore, according to this perspective climate assessments should be covered individually. The shared perception approach on the other hand gives importance to other perceptions vis-à-vis climate and has also been defined as the shared perception of the way things are around here. It is to be noted that there are major overlaps in both the approaches.

- **Cognitive schema approach:** Schemas are known to be mental structures that perceive the world. They are said to be organized in memory of associative network in which schemes of similar nature are clubbed together. Thus, when a particular schema is activated, the relating schemes will get activated too. Relative schemes become more accessible in the associative network. If the schema is more accessible it can be used directly and quickly to a particular situation. When related schemas are activated they tend to influence social behaviour. However, it is also important to know that a person may or may not be aware when a schema is activated.

  Accessibility of schema is increased by the process of salience and priming. Salience can be defined as the degree to which one social object stands out in respect to other social objects in a given situation. This means that the higher the salience of a social object, more accessibility will be there for the related schemas whereas priming refers to experiences prior to a situation that make a schema more accessible.
- **Shared perception approach:** This approach discusses the variables which influence an organization's ability to mobilize their employees in order to get their business targets met and also to maximize employee performance. Under this model, the staff of an organization is surveyed to identify and measure aspects of a workplace which effect the quality of work life.

5.3 CULTURAL DIMENSIONS

According to Edgar Schein, organizational culture has three dimensions or levels. These are, (1) observable artifacts of culture, (2) shared values and (3) common assumptions. If these levels are considered as layers then the deeper the level, the more difficult it becomes to diagnose and analyze the various aspects of organizational culture at that level. To achieve a comprehensive understanding of an organization's culture, all three levels must be studied.

Observable Artifacts

These are the symbols of culture in the physical and social work environment and are most visible and accessible. Among the artifacts of culture are the following:

Organizational heroes: As a reflection of the organization's philosophy, this dimension concerns the behaviour of organizational members, specially the behaviour of top management and their leadership styles. These leaders become the role models and a personification of an organization's culture. They represent what the company stands for and reinforce the values of the culture. Modeled behaviour is a powerful learning tool and such cultural aspects permeate throughout the entire organization.

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Ceremonies and rites: Ceremonies and rites reflect such activities that are enacted repeatedly on important occasions. Members of the organization who have achieved success are recognized and rewarded on such occasions. Graduation ceremonies at colleges and universities where diplomas and other symbols of recognition such as special awards are given to students are reflections of culture in educational institutions.

These ceremonies bond organization members together. Such ceremonies as company picnics, retirement dinners, annual conventions and so on, encourage interpersonal communication and togetherness and thus bring about a common cultural bondage.

Stories: Levinson and Rosenthal suggest that stories and myths about organization's heroes are powerful tools to reinforce cultural values throughout the organization and specially in orienting new employees. These stories and myths are often filtered through a cultural network and remind employees as to why we do things in a certain way. For example, one of the stories passed down at one of the chemical companies is that its Chief Executive Officer, upon taking office, visited the company cafeteria and upon finding toothpicks at the counter, ordered these to be removed because he thought that it was not keeping with a professional image. Other stories are spread to reinforce customer service. For example, the Japanese car Lexus has enjoyed a reputation for quality and customer service by such stories as the company flying in repairmen to help customers who had problems with their Lexus cars and could not find local repairmen because of the complexity and sophistication of the automobile.

Cultural symbols: Symbols communicate organizational culture by unspoken messages. Certain code of dress or a company logo can reflect its values and orientations. Many people wear buttons on their jacket lapels suggesting that they are the members of a Rotary Club or International Lions Club, thus reflecting a sense of values about these people. Some of the material artifacts created by an organization also speak of its cultural orientation and make a statement about the company. These material benefits may range from assigned parking space and larger offices to luxury automobiles given to senior or successful members of the organization. At Mary Kay Cosmetics, a highly successful cosmetics company in America, top sales performers are awarded a diamond bumblebee that has come to be known as a meaningful symbol of culture associated with success.

Shared Values

Values are the second and deeper level of culture and are reflected in the way individuals actually behave. Values reflect a person's underlying belief as to what should be and what should not be. Values are those principles and qualities that shape our thinking and behaviour.

Values can be classified into instrumental values and terminal values. Instrumental values define such enduring beliefs that certain behaviours are appropriate at all times irrespective of the objectives or outcomes. On the other hand, terminal values are beliefs that certain more tangible objectives are worth striving for and the objectives become more important than the appropriateness of the behaviour in achieving such objectives. For example, when you push a child out of the way of an incoming car, then you have placed a lesser value on politeness and greater value on saving the life of the child.

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Values are emotionally-charged priorities. These are learned during the human process of socialization, through family environment of upbringing and through religious influences where values are given a holy tinge. Every culture has defined priorities for every aspect of social life. Values are invoked to justify beliefs and actions that are emotionally prioritised. For example, Mahatma Gandhi, in promoting handwoven khadi as against textiles produced by technologically sophisticated machinery, expressed values of human survival as more important than economic progress that would cost some jobs. Contrary to this exercise, Mr. Nehru, India's then Prime Minister stated, you can't get hold of a modern tool and have an ancient mind. It won't work. Nehru was aware that beliefs sanctioned by religion and values generally act as obstacles and inhibitions to technological advancement. For example, even the famous Indian mathematician, Ramanujan had difficulty in going to England because of the religious beliefs that crossing the ocean was not religiously and socially recommended at the time in the early part of this century.

Many management consultants suggest that organizations should develop a 'dominant and coherent set of shared values'. This way, all members will have a predictable behaviour pattern that is consistent with the organizational philosophy and will also necessitate and encourage group cohesion.

Common Assumptions

Assumptions are at the deepest and most fundamental level of cultural diagnosis. These are deeply held beliefs that are not objectively observable but manifest themselves in the behaviour of people so strongly that any violation of such beliefs would be unthinkable. For example, one steel company in America, Chaparrel Steel, has established values that reflect three basic assumptions. The first assumption is that people are basically good. This assumption is reflected in the company's emphasis on trust. The second assumption is that people are willing to learn, grow and achieve if they are afforded the proper opportunities. This assumption is reflected in the company's extensive training programmes. The third assumption rests on the belief that people are motivated by challenges and enjoyable work and this assumption is reflected in the process of common goal setting and goal achievement by participation of members. These common assumptions, though expressed at organizational level, can be traced to larger social and cultural values held by a particular society or country. For example, in America, the emphasis is mostly on individualised achievement while in Japan, the emphasis is more on collective achievement. Similarly, when IBM opened its operations in Japan in the 1960s, the local Japanese workers were shocked to learn that the company emphasized its goal of highest return on investment to the stockholders. In Japan, the stockholders are considered less important than the employees, because while the stockholders are only interested in profits, the employees are interested in the company and stay with the company for their entire lives.

5.4 SUBCULTURES AND COUNTERCULTURES

While there is a typical and unique dominant culture within each organization, there is usually a subculture within a particular group or a department with its own pattern of values and philosophy that is not inconsistent with the values of the larger culture of the organization itself. While examining organizations from a cultural perspective, it is important to include these subcultures and special project groups within the organization. For example, members of a research and development department hold rather different beliefs and values as compared to marketing or production departments. When Ford Motor Company wanted to bring out a new car model that would eventually become the highest selling car in America, the management gave its R&D department and its designers and engineers complete freedom to innovative and free from the constraints of the company's normal operations. They brought out such a car named TAURUS. These subcultures coexist with and enhance the overall organizational culture. This is specially true in functionally structured organizations and Matrix type organizational structures where different functional cultures coexist with the dominant organizational culture.

In contrast, countercultures have a pattern of values and beliefs that sharply contradict the dominant social norms, values and behaviour patterns. This counterculture tends to emerge when individuals or groups strongly feel that the existing organizational culture is too rigid and does not support their creativity or style of operations. This becomes specially evident during large scale organizational transformations such as mergers and acquisitions that involve significant changes in the organization's philosophy or methods of operations. The author is familiar with the operations of one college where a newly-appointed President brought his own team of administrators and tried to run the college in a dictatorial and authoritative manner. This change in the organizational culture was counter to the participative style culture of the faculty. The result was a revolt against the President and he had to resign in disgrace.

In relation to the dominant organizational culture, the counterculture groups usually engage in three types of dissent. It could be (1) direct opposition to organization's dominant values, (2) opposition to the dominant culture's power structure, or (3) opposition to the methods of interaction with the dominant culture. John DeLorean, who was in one of the top management positions with General Motors, was known to act in opposition to GM's core values that were respect for authority, team work and so on. Even though he was able to create a counterculture within the company, he eventually resigned and formed his own company. Some of the other examples of societal subcultures are the Solidarity movement in Poland in 1980s and the Anti-Apartheid Movement in South Africa and anti-government agitations in India.

5.5 CULTURE AND ORGANIZATIONAL EFFECTIVENESS

For any organization to grow and prosper, it is important that its mission and its philosophy be respected and adhered to by all members of the organization. Even when an organization has a strong and established culture, the dynamics of environment may require changes in it or the subcultures may have to be encouraged to support and enhance the organizational culture or countercultures may have to be controlled to minimize their harmful effects.

Since culture is an important aspect of organizational success, it is important that managers play a significant role in keeping values and behaviours of the organizational members under control. This means that leaders pay continuous attention to maintaining the established standards and send clear signals to all the members as to

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what is expected of them at all times. This would ensure that any deviations from the norms are caught early so that corrective actions can be taken before any damage is done. Cultural consistency and strong adherence to cultural values become easy when the leaders themselves play strong role models. Employees often emulate leader behaviour and look up to them for guidance. By being strong role models and by guiding, teaching and coaching, leaders reinforce the values that support the organizational culture.

A leader's cultural strength is measured specially by his handling of crisis situations. Emotions are heightened during a crisis. Proper handling of a crisis sends a powerful message about culture. A classic example is Lee Iacocca's handling of financial crisis faced by Chrysler Motor Company during 1970s. He articulated Chrysler's mission as protecting American jobs and asked the government for a bail-out of the crisis situation. The American government is very much against protecting private businesses with government funds but Iacocca was successful in obtaining these funds by emphasizing the strong culture of commitment to its employees.

How managers handle their less productive workers or reward their more productive employees also speaks about their ability to maintain a certain strength in their culture. Some managers may simply reassign a less productive worker to another job that may be more suitable to his skills or retrain him instead of firing him. High turnover in any company is an indication of poor cultural standards.

Good managers are able to support and reinforce an existing strong culture by being strong role models and by handling situations that may result into cultural deviations with great diplomacy.

Organizational effectiveness, efficiency and excellence in order to be successful an organization depends on three factors. These factors have been discussed in detail below.

5.5.1 Organizational Effectiveness

Organizational effectiveness is defined as an extent to which an organization achieves its predetermined objectives with the given amount of resources and means without placing undue strain on its members. Sometimes efficiency and effectiveness are used as synonyms. However, there exists a difference between the two concepts. Therefore, it is important to explain the difference between the concepts of effectiveness and efficiency to understand why organizations may be effective but not efficient, or efficient but not effective. Effectiveness is a broad concept and takes into account a collection of factors both inside and outside an organization. It is commonly referred to as the degree to which predetermined goals are achieved. On the other hand, efficiency is a limited concept that pertains to the internal working of an organization. It refers to an amount of resources used to produce a particular unit of output. It is generally measured as the ratio of inputs to outputs. Further, effectiveness concentrates more on human side of organizational values and activities whereas efficiency concentrates on the technological side of an organization. However, the concept of effectiveness is not simple because there are many approaches in conceptualizing this term. Such approaches can be grouped into following three approaches:

- **Goal Approach:** Goal attainment is the most widely used criterion of organizational effectiveness. In goal approach, effectiveness refers to maximization of profits by providing an efficient service that leads to high productivity and good employee morale. Campbell has suggested several variables such as, quality, productivity, efficiency, profit, turnover, accidents, morale, motivation and satisfaction, which help in measuring organizational effectiveness. However, none of the single variable has proved to be entirely satisfactory. The main limitation of this approach is the problem of identifying the real goals rather than the ideal goals.

- **Functional Approach:** This approach solves the problem of identification of organizational goals. Parson states that since it has been assumed that an organization is identified in terms of its goal, focus towards the attainment of these goals should also aim at serving the society. Thus, the vital question in determining effectiveness is how well an organization is doing for the super-ordinate system. The limitation of this approach is that when organizations have autonomy to follow its independent courses of action, it is difficult to accept that ultimate goal of organization will be to serve society. As such, it cannot be applied for measuring organizational effectiveness in terms of its contributions to social system.

  Both the goal and functional approach do not give adequate consideration to the conceptual problem of the relations between the organization and its environment.

- **System Resource Approach:** System-resource approach of organizational effectiveness emphasizes on interdependency of processes that relate the organization to its environment. The interdependence takes the form of input-output transactions and includes scarce and valued resources such as physical, economic and human for which every organization competes. The limitation of this model is that an acquisition of resources from environment is again related to the goal of an organization. Therefore, this model is not different from the goal model. Thus, discussion of organizational effectiveness leads to the conclusion that there is no single indicator of effectiveness. Instead, the approach should focus on operative goals that would serve as a basis for assessment of effectiveness. Managerial effectiveness is a causal variable in organizational effectiveness. It has been defined in terms of organizational goal-achieving behaviour, i.e., the manager's own behaviour contributes to achievement of organizational goals.

Factors affecting Organizational Effectiveness

Likert has classified the factors affecting organizational effectiveness into following three variables:

- **Causal Variables:** Causal variables are those independent variables that determine the course of developments within an organization and the objectives achieved by an organization. These causal variables include only those independent variables, which can be altered by organization and its management. Causal variables include organization and management's policies, decisions, business and leadership strategies, skills and behaviour.
- **Intervening Variables:** Intervening variables according to Likert are those variables that reflect the internal state and health of an organization. For example,

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the loyalties, attitudes, motivations, performance goals and perceptions of all the members along with their collective capacity for effective interaction, communication and decision-making.

- **End-Result Variables:** End-Result variables are the dependent variables that reflect achievements of an organization such as its productivity, costs, loss and earnings.

Inter-Relationship of Variables

The three variables such as causal, intervening and end-result are interrelated. The inter-relationship may be visualized as psychological process where stimuli or causal variables acting upon the organism or intervening variables and creating certain responses or end-result variables. The causal, intervening and end-result variables comprise a complex network with many interdependent relationships. The causal variables are the key to organizational effectiveness. Hence, to make organization effective, attempt should be made to improve the causal variables, while other variables will be corrected or improved automatically because of causal variables. Figure 5.1 shows the relationship among various variables.

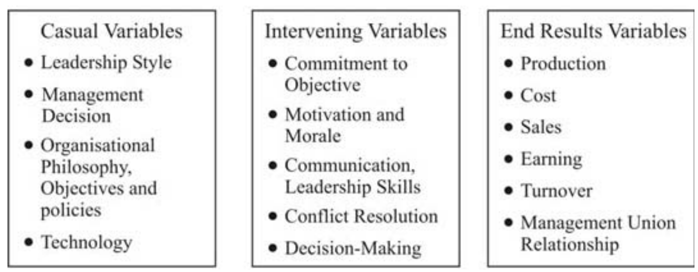

Fig. 5.1 *Inter-relationship of Variables*

The above model is quiet simple. The effectiveness model can be presented in a more complex way i.e. at three different levels such as the individual, group and Organizational levels in order to make the organization more effective. Figure 5.2 shows Levels of Variables. The effective organization is built of effective individuals who work collectively in groups.

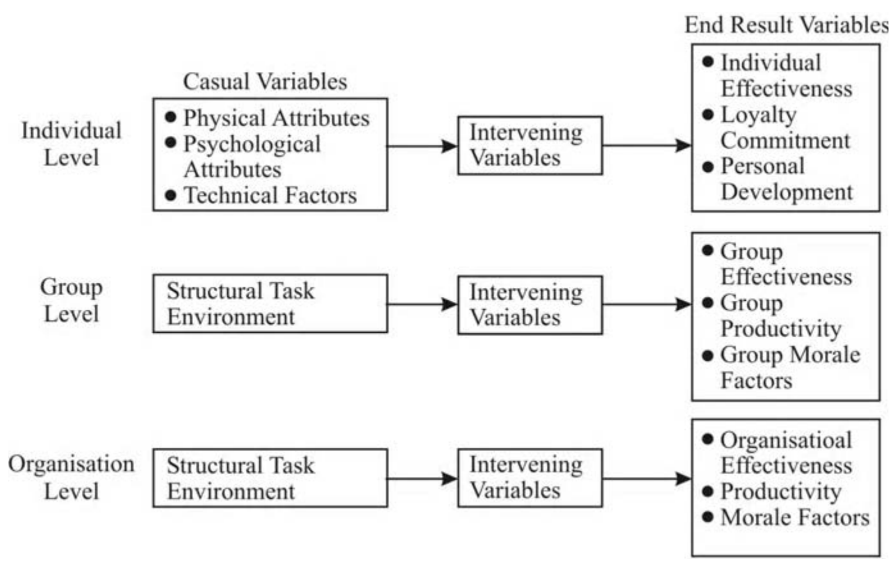

Fig. 5.2 *Levels of Variables*

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The extent to which individual and organizational goals are integrated, affects the degree of organizational effectiveness, i.e., each individual tries to satisfy his goal by working in an organization and simultaneously satisfying organizational goals. He may see his goal satisfaction in satisfying organizational goals. If there is no perfect integration of individual and organizational goals then organizational effectiveness is affected adversely. However, organizational effectiveness is not a result of integration between individual and organizational goals only but there are other causal variables affecting it.

Effectiveness through Adaptive-Coping Cycle

The organization must develop a system through which it can adapt or cope with the environmental requirements. Schein has suggested that an organization can do this through the adaptive coping cycle, which consists of various activities that enable an organization to cope with the dynamics of environment. Adaptive-Coping cycle is a continuous process. There are six stages in the adaptive-coping cycle as follows:

1. **Sensing of Change:** The first stage is the sensing of change in internal or external environment. Most of the organizations have adaptive sub-system such as marketing research, research and development and other similar devices for effective coping with the environment.
2. **Importing the Relevant Information:** Organizations must be able to take the relevant information from the environment, which constitutes the input.
3. **Changing Conversion Process:** The organization takes the inputs from environment for further processing, normally known as conversion process.
4. **Stabilizing Internal Changes:** The fourth stage of the cycle is to stabilize an internal sub-system of an organization, which is dependent on external sub-system. This is because change in one may affect other and this change can be either positive or negative.
5. **Exploring New Outputs:** When the internal change is stabilized, the organization can export new outputs, which are in accordance with environment requirements.
6. **Obtaining Feedback:** The last stage in the cycle is to obtain feedback on the outcome of the changes for further sensing the state of the external environment and the degree of integration of internal environment. This is similar to first stage. A successful coping suggests that all the stages have to be successfully negotiated and failure at any of these stages may result into ineffectiveness.

Following are the major organizational conditions for effective coping:

- There should be an effective communication system through which reliable and valid information can be passed.
- There should be enough internal flexibility so that changes can be brought and absorbed by an organization.
- Successful coping requires integration and commitment to organizational goals, which provide willingness for change.
- There should be supportive internal climate, which can support good communication, reduction in inflexibility and stimulation of self-protection. Maintaining organizational effectiveness requires additional efforts, especially when the major organizational changes take place.

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5.5.2 Organizational Efficiency

Organizational efficiency can be defined as the capacity of an organization to produce desired results with a minimum expenditure of energy, time and money. These desired effects depend on the goals of an organization which could be anything from making profit by producing and selling a product to function properly on a lower budget. Therefore, an organization operating efficiently will produce goods without waste, if the organization is both efficient and effective, it will be achieve its profit goals by producing and selling the goods without wastage. This is also referred to as maximizing profits in the business world.

A late 19th century sociologist Max Weber who studied organizational analysis said that the organizations could develop efficiency by certain system of rules and guidelines and by division of labour. The model created by Weber is considered bureaucratic, impersonal and goal oriented. However, a 20th century Austrian social scientist Peter Drucker has given different opinion. He emphasized that organizations should not only give importance to efficiency but should strive for effectiveness. His viewpoint can be summarized in his words that 'efficiency s doing things right, effectiveness is doing the right thing.'

In order to enhance the efficiency of an organization the following points need to be kept in mind. Adherence to these points will result in lower costs, optimal talent allocation and greater agility and sustainability.

- Optimize resources, spans and layers.
- Position and size support functions appropriately
- Assemble the optimal units of performance, i.e., by geography, capability, customer segment to ensure maximum effectiveness
- Adapt the operational governance approaches and build collaboration within the organization
- Use performance improvement initiatives such as Lean and Six Sigma

Efficiency vs. effectiveness

The terms efficiency and effectiveness are considered to be synonymous with each other as they both speak of competency, productivity and proficiency in managing an organization. However, in a more formal environment, the terms efficiency and effectiveness take on very different meanings. For instance, in the context of process reengineering, Lon Roberts defines efficiency as 'to the degree of economy with which the process consumes resources-especially time and money,' while he distinguishes effectiveness as 'how well the process actually accomplishes its intended purpose, here again from the customer's point of view.'

Though efficiency and effectiveness are common marketing terms, their meaning usually gets mixed up and sometimes is used interchangeably. In order to explain the difference between the two, it is important to define both the words. According to Dictionary.com 'Effective' is an adjective and it has been defined as 'adequate to accomplish a purpose, producing the intended or expected result.' Similarly, 'efficient' is also an adjective which means 'performing or functioning in the best possible manner with the least waste of time and effort.' Therefore, the difference between efficiency and effectiveness can be understood through the following statement:

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'Being effective is about doing the right things, while being efficient is about doing the things in the right manner.'

Along with excellence, efficiency and effectiveness are important pillars of an organization which help improve speed, on-time delivery and numerous other process baselines.

Efficiency is mainly concerned with the present scenario of the organization. Adding or eliminating resources by thinking about the future may disrupt the present state of efficiency. However, effectiveness on the other hand believes in fulfilling the end goal and therefore considers all the variables that may or may not change in future. Another factor which is to be kept in mind while discussing the subject of efficiency is discipline. In order to be efficient all the time, discipline and rigour are required. This also leads to inflexibility in the organization. Effectiveness keeps long-term strategies in mind and therefore is more adaptable to changes. As efficiency is about doing things right, it involves a lot of documentation and the repetition of the same steps-the constant repetition of the same steps end up hampering innovation. Effectiveness on the other hand encourages innovation as it forces people to think and invent new ways to meet the desired goals.

The most important distinction between efficiency and effectiveness is their motive. While efficiency tries to avoid mistakes, effectiveness emphasizes on gaining success.

Previously, in mass production, efficiency was known to be the most important performance indicator for any organizational structure. However due to t he increasing number of choices for a consumer, effectiveness of an organization was always put to test. Therefore, in order to be a successful organization, there needs to be a perfect balance between efficiency and effectiveness. It is not enough for an organization to be only efficient as the requirements of the stakeholders of the organization will not be met. Though effectiveness may lead to success but at what cost?

Causes for inefficiency and ineffectiveness

An organization can be deemed inefficient and ineffective due to the procedure it follows. For instance, the steps that need to be followed to achieve the organization's goals are completed serially instead of simultaneously. The measures of efficiency and effectiveness along with rapid adaptation are of great importance to anyone who has an interest in the organization, such as customers, suppliers, stakeholders, etc. Inefficient processes prove to be expensive in terms of money, waste, rework, delays and resource utilization. Ineffective processes are considered to be expensive as they are not hundred percent reliable and most of the time they don't know what they are suppose to do. Therefore, processes that are not capable to adapt easily are ineffective as they are not able to respond to customization and lack rapid decision-making. This behaviour could risk the stakeholders' loyalty towards the organization.

The best way for an organization to become more efficient and effective so that they can easily adapt to change is to ask themselves the following five questions:

- What
- Where
- How
- Who
- When

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The answers to these who, what, where, when and how questions assist in determining whether the work should be done at all, who should do it, where and when should it be done and how the work should be done. If these questions are answered correctly, then many irrelevant activities in an organization can be eliminated as they do not add value. In extreme cases, entire processes can be eliminated from organizations.

Some process efficiency measures are:

- Time taken per unit, transaction, or labor cost
- queue time per unit, transaction, or process step
- resources (finances, labour) expended per unit of output
- cost of poor quality per unit of output
- percent of time items were out of stock when needed
- percent on-time delivery
- inventory turns

Some effectiveness measures are:

- how well the output of the process meets the requirements of the end user or customer
- how well the output of the sub process meets the requirements of the next phase in the process (internal customers)
- How well the inputs from the external suppliers meet the requirements of the process

By contrast, measures of ineffectiveness include:

- defective products
- customer complaints
- high warranty costs
- decreased market share
- Percent of activities that customers perceive to be non-value added

Apart of efficiency and effectiveness the concept of adaptability is also of great importance. Adaptability speaks about the organization's ability and flexibility to respond to change. Therefore, in some respect it is the capability and flexibility of an organization to reinvent itself that ensures its long-term survival and success.

It is not easy for an organizational leader to comprehend the extent of their organization in terms of efficiency, effectiveness and flexibility if they fail to choose the right metrics. The results of these researches should be updated with the process owners who can then eliminate the negatives and improve on the process as a whole. This is inclusive of all management processes as well as lower-level work processes. Due to their nature, management processes can positively or negatively influence the work processes because the management processes are usually the ones to deal with approvals including requisitions for the purchase of essential equipment. Thus, employees need to learn and use various tools and techniques which will help them and their processes to be more efficient, effective and flexible.

5.5.3 Organizational Excellence

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In order to survive in today's competitive world, it is imperative for an organization to excel in its given field. To excel, an organization needs to make optimum use of its resources in an effective manner. Many years of experiences clubbed with different approaches to excel, one has come to realize that

Good is no longer good enough. To survive in today's competitive environment, you need to excel. To excel, a company needs to focus on all parts of the organization, optimizing the use and effectiveness of all of its resources. After years of working with many types of organizations using various approaches to improve performance, we have come to realize that there are only five elements that need to be managed for an organization to excel. We call these key elements the five pillars of organizational excellence. All five must be managed simultaneously. Top management's job is to keep all of them moving forward at the same time. To concentrate on one or two of them and let the others slide is a sure-fire formula for failure.

Organizational excellence is designed for permanent change by focusing on managing the five key pillars. Each of these five organizational pillars is not new by itself. The key to organizational excellence is combining and managing them together. The five pillars are:

- Pillar 1: process management
- Pillar 2: project management
- Pillar 3: change management
- Pillar 4: knowledge management
- Pillar 5: resource management

By effectively managing these five key pillars and leveraging their interdependencies and reactions, an organization can bring about a marvelous transformation within itself. An organization will come out of its cocoon, which had been restricting its potential, and become a butterfly that will float on the winds of success.

Pillar 1: process management

The process management concept certainly isn't new to management professionals; it's the basis of most improvement methodologies.

To manage a process, the following must be defined and agreed upon:

- An output requirement statement between process owners and customers
- An input requirement statement between process owners and suppliers
- A process that is capable of transforming the suppliers' input into output that meets the customers' performance and quality requirements
- Feedback measurement systems between process and customers, and between process and suppliers
- A measurement system within the process

These key factors should be addressed when designing a process. However, the problem facing most organizations is that many of their support processes were

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never designed in the first place. They were created in response to a need without really understanding what a process is.

There are two basic approaches to managing processes:

- *The micro-level approach*. Directed at managing processes within a natural work team or an individual department
- *The macro-level approach* . Directed at managing processes that flow across departments and/or functions within the organization

Most of the work that quality professionals do is related to continuously improving our processes. Some of the tools that we use include design of experiments, process capability studies, root cause analyses, document control, quality circles, suggestions, Six Sigma, Walter A. Shewhart's cycles, ISO 9001, just-in-time manufacturing and supplier qualification, among many others.

Management in excellent organizations requires each natural work team (or department) to continuously improve (refine) the processes that it uses. Refining the process is an ongoing activity. If the refinement process is working as it should, the total process efficiency and effectiveness should be improving at a rate of up to 15 percent a year. In most cases the project team focuses on the broad problems that reflect across departments and reaps this harvest within three to 12 months. At that time the project team can be disbanded and the process refinement activities turned over to the natural work teams that are involved in the process.

Pillar 2: project management

Consider this:

- Only 26 percent of all projects are successful.
- 40 percent of all information technology (IT) projects fail or are canceled.

Processes define how organizations function, and projects are the means by which organizations improve those processes.

There are endless examples of poor project management. Two recent examples that come to mind are:

- NASA's Space Station *Freedom* was originally budgeted for $8 billion; it is now up to $32 billion and climbing.
- The 2004 Olympic Games were 300 percent over budget one year prior to their opening.

Projects in most organizations are mission-critical activities, and delivering quality products on time is non-negotiable. For IT projects, benchmark organizations are completing 90 percent of their projects within 10 percent of budget and schedule. Information system organizations that establish standards for project management, including a project office, cut their major project cost overruns, delays and cancellations by 50 percent.

Process redesign and process reengineering are two of the most important projects that organizations undertake. These types of projects have a failure rate estimated to run as high as 60 percent. There are two main causes for these high-cost failures: poor project management and poor change management. IBM launched eleven reengineering projects, starting from the way that it manages internal information systems and continuing to the way that it develops products and serves customers.

Let's look at why projects fail.

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- Failure to adhere to a committed schedule caused by:
  - o Variances
  - o Exceptions
  - o Poor planning
  - o Delays
  - o Scope creep
- Poor resource utilization caused by:
  - o A lack of proper skills
  - o Poor time utilization
  - o Misalignment of skills and assignments
- Poor management due to:
  - o Incorrect project selection
  - o Misidentifying high-risk projects
  - o Poor control over interdependencies between projects
- Loss of intellectual capital and/or knowledge capital caused by:
  - o Lack of the means for knowledge transfer
  - o People leaving the organization
  - o Not preparing the people who will use the output from the project (change management)

With reference to project management and quality management; everyone thinks that they know what quality is so anyone can manage quality. This same thought pattern applies to project management, but just as a quality manager is a special type of professional with very special skills and training, so is a project manager. Project managers require skill, training and effective leadership specifically related to their fields.

According to the Project Management Institute (*www.pmi.org*), the project management body of knowledge defines 69 different tools that a project manager needs to master. Few of the project managers I have come in contact with during the past 50 years have mastered all of these tools. In today's complex world, most organizations have numerous projects going on at the same time. Many of these projects are interlinked and interdependent. Their requirements and schedules are continuously changing, causing a chain reaction through the organization. As a result, the organization can't afford to manage each project individually. It has to manage its portfolio of projects, making the proper trade-off of personnel and priorities.

Pillar 3: change management

We all like to think of ourselves as change masters, but in truth, we are change bigots. Everyone in the management team is all for change. They want to see others change, but when it comes to the managers themselves changing, they are reluctant to move

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away from past habits that have proven to be successful. If the organization is going to change, top management has to be the first to do so.

Change is inevitable, and we must embrace it if we are going to be successful in our challenging world. The change management system is made up of three distinct elements:

- Defining what will be changed
- Defining how to change
- Making change happen

Most of the books written about change management have been theoretical in nature. They talk about black holes, cascading sponsorships and burning platforms, but that is only the last phase of the change process. Most organizations don't understand or follow a comprehensive change management system. An effective change management system requires that the organization step back and define what will be changed. We are not talking about reducing stock levels, increasing customer satisfaction or training people; we are talking about the very fundamentals. Which of the key business drivers need to be changed, and how do they need to be changed? That means that you must develop very crisp vision statements that define how the key business drivers will be changed over time. This requires that the organization have an excellent understanding of what its business drivers are and how they operate. Then the organization must define exactly how it wants to change these drivers over a set period of time. Once the organization has defined what it wants to change, then it can define how to change. During this stage the organization looks at all available improvement tools, determines which will bring about the required changes to these key business drivers, and schedules the implementation of these tools and methodologies. This schedule makes up a key part of the organization's strategic business plan.

The last phase in the change management process is making the change happen. This is the area where the behavioral scientists have developed a number of excellent approaches to break down resistance and build up resiliency throughout the organization. It is this phase that most change management books have concentrated on, but it is the last phase in the total change management system.

Pillar 4: knowledge management

Good is no longer good enough. To survive in today's competitive environment, you need to excel. To excel, a company needs to focus on all parts of the organization, optimizing the use and effectiveness of all of its resources. After years of working with many types of organizations using various approaches to improve performance, we have come to realize that there are only five elements that need to be managed for an organization to excel. We call these key elements the five pillars of organizational excellence. All five must be managed simultaneously. Top management's job is to keep all of them moving forward at the same time. To concentrate on one or two of them and let the others slide is a sure-fire formula for failure.

Today more than ever, knowledge is the key to organizational success. To fulfill this need, the Internet and other information technologies have provided all of us with more information than we can ever consume. Instead of having one or two sources of information, the Internet provides us with hundreds if not thousands of inputs, all of which need to be researched to be sure that you have not missed a key nugget of information. We are overwhelmed with so much information that we don't have time to absorb it all.

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To make matters worse, most of the organization's knowledge is still not documented; it rests in the minds and experiences of the people doing the job. This knowledge disappears from the organization's knowledge base whenever an individual leaves an assignment.

Given the almost endless amount of information that clogs up our computers, desks and minds, a knowledge management system (KMS) needs to be designed around the organization's key capabilities and competencies.

There are two types of knowledge: explicit and tacit. Explicit knowledge is defined as knowledge that is stored as semi-structured content such as documents, e-mail, voicemail or video media. It is also referenced to as hard or tangible knowledge. It is conveyed from one person to another in a systematic way.

Tacit knowledge is defined as knowledge that is formed around intangible factors embedded in an individual's experience. It is personal, content-specific knowledge that resides in an individual. It is knowledge that an individual gains from experience or skills that he or she develops. It guides the individual's actions and is also called soft knowledge. It is embedded in the individual's ideas, insights, values and judgment. It is only accessible through direct corroboration and communication with the individual that has the knowledge.

Knowledge management is defined as a proactive, systematic process by which value is generated from intellectual or knowledge-based assets and disseminated to the stakeholders. The six phases necessary to implement an effective KMS are:

- Phase 1: requirements definition
- Phase 2: infrastructure evaluation
- Phase 3: KMS design and development
- Phase 4: pilot
- Phase 5: deployment
- Phase 6: continuous improvement

One of the biggest challenges related to implementing a KMS is transferring knowledge held by individuals, including processes and behavioral knowledge, into a consistent format that can be easily shared within the organization.

The true standard of success for knowledge management is the number of people who access and implement ideas from the knowledge networks. These networks bring state-of-the-art ideas and/or best practices into the workplace. This allows the organization to develop areas of critical mass that implement standards and also provides access to everyone so that they can make comments to improve them. Even the newest member of the organization can look at the materials and make recommendations based upon his or her personal insight, creativity and experience.

A big challenge related to implementing a KMS is in transforming knowledge held by individuals, including process and behavioral knowledge, into a consistent technology format that can be easily shared with the organization's stakeholders. But the biggest challenge is changing the organization's culture from a knowledge-hoarding one to a knowledge-sharing one.

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Pillar 5: resource management

Nothing can be accomplished without resources. Resources are at the heart of everything that we do. Too little and we fail, too much and there is waste—making our organization noncompetitive. Too many organizations limit their thinking about resources to people and money. These two are important, but they're only a small part of the resources that an organization needs to manage.

When we talk about resource management, we're talking about it in its broadest sense. It is all the resources and assets that are available to the organization. This includes stockholders, management, employees, money, suppliers, inventory, boards of directors, alliance partnerships, real estate, knowledge, customers, patents, investors, good will, and brick and mortar. It is easy to see that when you consider all of the resources that are available to the organization, effective resource management is one of the organization's most critical and complex activities.

To become an excellent organization, each of these resources needs to be managed in its own special way. The big question is, 'How do you pull all these different activities and improvement approaches together and prioritize them'? To solve this question, you must have a very thorough, total-involvement approach to strategic planning—one that involves everyone, from the chairman of the board to the janitor, from sales to personnel, from development engineering to maintenance. This is a total-involvement approach to strategic planning; it is both bottom up and top down. A total strategic planning process (i.e., a business plan) includes directions, expectations and actions.

Resource management can't be an afterthought; all executive decisions must be based upon it. It requires a lot of planning, coordination, reporting and continuous refining to do an excellent job at resource management. Too many organizations manage operations by throwing more resources into the pot. They may be very successful with this approach as long as they have very little competition, but even the giants fall if they don't do an outstanding job of resource management.

Summary

When we look at the five pillars that must be managed to achieve excellence, we see common threads that run across all of them in the form of the following:

- Communication
- Teamwork
- Empowerment
- Respect
- Honesty
- Leadership
- Quality
- Fairness
- Technology

All of the key factors are built into the word 'management'. This term represents everything that turns an employee into an individual who owns his or her job, thereby bringing satisfaction and dignity to the individual for a job well done.

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In today's worldwide marketplace, customers don' t have to settle for second best. Overnight mail brings the best to everyone's doorstep. The Internet lets your customers shop internationally so it' s easy for them to get the best quality, reliability and price, no matter who is offering it. Customers are concerned about the products that they purchase, but they are equally or more concerned about dealing with organizations that care, are quick to respond, and will listen and react to their unique needs. To succeed in the 21st century, organizations need to excel in all parts of their business. You must have an organization that excels at what it is doing but also is recognized by the stakeholders for its excellence to win today's savvy customers.

In order to excel, an organization needs to focus on the entire organization making optimum use and effectiveness of the available resources. After many years of experimenting, organizations have come up with different approaches to excel. These approaches are referred as the key elements of organizational excellence and they have to be managed simultaneously as they are inter-related to one another. Organizational excellence strives to work on all key elements by combining and managing them together.

5.6 CHANGING THE CULTURE

Although international business, to some degree, has existed for centuries, the second half of the last century was most influential in bringing the world closer to itself. The world, since 1950s has entered an era of unprecedented global economic activity, including worldwide production, distribution and global strategic alliances. More recently, in the last decade of the last century, India and China have opened up for entry of multinational companies. Some other closed markets under communism and social economies, such as one time Soviet Union and Eastern Europe have joined the international economic arena. Some multinational companies such as IBM, GE, BP and Siemens do business in more than 50 countries. According to Mitroft, 'For all practical purposes all business today is global. Firms, industries and whole societies that clearly understand the new rules of doing business in a world economy will prosper; those that do not will perish'.

Culture defines behaviour of people and organizations and international managers are increasingly recognizing the influence of national culture on organizational functioning. They are being trained in acquiring the skills of cross-cultural management and they study the behaviour of people in organizational settings around the world. They seek to understand and improve the interaction with co-workers, clients, suppliers and alliance partners from different countries and cultures. Often multilingual, the global manager thinks with a world view and develops his strategy on the basis of diverse beliefs, behavior and practices of people of different countries. He adopts well to different business environments and solves problems quickly relative to the environment he is in. He understands and respects different government and political systems and he communicates in the cultural context of a given class of people. Experienced international managers understand the need for 'global mindset' of cultural adaptability, flexibility, patience and respect.

Check Your Progress

1. Define the term 'organization culture'.
2. Why is change important?
3. What comprises the nature of change in an rganization?

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According to Adler and Bartholomew, some of the skills and approaches required of global managers are as follows:

Global perspective: A global manager should broaden his focus from one or two countries to a global business perspective.

Cultural responsiveness: He should become familiar, understand and respect the diversity and variety of cultures in different countries. He should also learn the dynamics of multinational interaction and situations.

Cultural adaptability: In addition to cultural responsiveness, a global manager should be flexible enough to adapt to the culture of the people of the host country and be able to live and work with and among them. He should indulge in cross-cultural communication on a day-to-day basis, whether he is in the home country or the host country.

Acquired broad foreign experience: He should be exposed to a variety of experiences by serving in different countries, and this will expand his horizons of thinking and interaction.

5.7 NATURE OF ORGANIZATIONAL CHANGE AND DEVELOPMENT

Once, the need for change and the goals of such change in the organizational are recognized and accepted, the management must introduce the change process in such a manner that it is more or less permanent and the management does not shift back to the original and more familiar ways of doing things. To make the change more lasting, Kurt Lewin proposed 3 phases of the change process for moving the organization from the present to the future. These stages are: (1) Unfreezing (2) Changing (3) Refreezing.

Unfreezing the situation The process of unfreezing simply makes the individuals or organizations aware and prepares them for the change. Lewin believes that the change should not come as a surprise to members of the organization. Sudden, unannounced change would be socially destructive. The management must pave the way by 'unfreezing the situation', so that members would be willing and ready to accept the change. This way, if there is any resistance to change, it can be neutralized. According to Schein, unfreezing is the process of breaking down the old attitudes and behaviours, customs and traditions so that they start with a clean slate. This can be achieved by making announcements, holding meetings and promoting the ideas throughout the organization via bulletin boards, personal contacts and group conferences. One message to members of the organization suggested by Kreitner is as follows:

We can all improve the effectiveness of our organization while increasing our personal satisfaction, if we all cooperate in a comprehensive program of finding out where we are, where we want to go and how we can get there.

The unfreezing process basically cleans the slate so that it can accept new writings on it that can then become the operational style.

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Changing or moving to the new condition: Once the unfreezing process has been completed and the members of the organization recognize the need for change and have been fully prepared to accept such change, their behaviour patterns have to be redefined. H.C. Kellman has proposed three methods of reassigning new patterns of behaviour. These are:

- *Compliance* Compliance is achieved by strictly enforcing the reward and punishment strategy for good or bad behaviour. Fear of punishment, actual punishment or actual reward seem to change behaviour for the better. For example, many people have stopped smoking because of the warning given by the Surgeon General of United States that smoking causes cancer of the lungs.
- *Identification* Identification occurs when members are psychologically impressed upon to identify themselves with some given role models whose behaviour they would like to adopt and try to become like them. Many public organizations use celebrities as role models in advising young people not to try drugs.
- *Internalization* Internalization involves some internal changing of the individual's thought processes in order to adjust to a new environment. Members are left alone to look within themselves and they are given freedom to learn and adopt new behaviour in order to succeed in the new set of circumstances. Sometimes, soul searching brings about a new dimension to the philosophy of existence and thus brings about changes in such behavioural patterns that are not considered socially or professionally redeeming.

Refreezing Refreezing occurs when the new behaviour becomes a normal way of life. The new behaviour must replace the former behaviour completely for successful change to take place. Also, it should be permanent in nature. Accordingly, it must be continuously reinforced so that this new acquired behaviour does not diminish or extinguish.

This must be clearly understood that the change process is not a one time application but a continuous process due to dynamism and ever changing environment. Accordingly, the process of unfreezing, changing and refreezing is a cyclical one and remains continuously in process.

The implementation of these three steps change model can be seen in the case of kidnapping victims or prisoners of war or in deprogramming of some religious cultists. The prisoners of war, for example, may be brainwashed into believing that they are fighting a losing and immoral war and that their enemy is really their friend, by certain shock treatments that involve three steps of unfreezing, changing and refreezing process as explained before. If these prisoners return back to their own country, the process can be repeated to bring them back to their original behaviour.

Another methodology to induce, implement and manage change was also introduced by Kurt Lewin, who called it 'force-field analysis'. This analysis is based upon the assumption that we are in a state of equilibrium when there is a balance between forces that induce change and forces that resist change. To achieve change, we must overcome this status quo. The change forces are known as driving forces and the forces that resist change are known as restraining forces as shown below:

Driving forces → Equilibrium ← Restraining forces

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Managers who are trying to implement change must analyze this balance of driving and restraining forces and then strengthen the driving forces or weaken the restraining forces sufficiently so that change can take place.

5.8 ORGANIZATIONAL CLIMATE

Every organization has some characteristics which are common with any other organization. At the same time, each organization has its unique set of characteristics and properties. This psychological structure of organization and their sub-units is usually referred to as Organizational Culture.

For a layman, culture is a commonly experienced phenomenon and many words like, climate, atmosphere, environment and milieu are often used interchangeably to describe it. In fact, most of the studies which have tried to measure an organization's ‘Culture’ have operationalised it in terms of ‘Organization Climate’. A couple of formal definitions of organization climate are given below for your perusal:

Organizational climate is a relatively enduring quality of the internal environment that is experienced by the members, influences their behaviour, and can be described in terms of values of a particular set of characteristics of the organization (Renato Tagiuri, 1968).

Organizational climate is the set of characteristics that describe an organization and that (a) distinguish one organization from other organizations; (b) are relatively enduring over time and (c) influence the behaviour of the people in the organization (Forehand & Gilmer, 1964).

Compare these two definitions of ‘Organizational Climate’ with a definition of ‘Organizational Culture’ as given by Stephen P. Robbins (1986): Organizational Culture is a relatively uniform perception held of the organization, it has common characteristics, it is descriptive, it can distinguish one organization from another and it integrates individual, group and organization system variables.

5.8.1 Perceived Characteristics of Culture and Climate

If you examine closely these sample definitions, you will not only be able to identify the commonalities but also be able to see that the abstract concept of culture and operational concept of climate basically refer to the perceived personality of an organization in very much the same sense as individuals have personality. Just as you have a personality -a set of relatively stable traits-so does an organization. Just as any culture has some do’s and don’ts in the form of totems and taboos which dictate how each member should behave with a fellow member or an outsider, similarly each organization has a culture that influences the behavior of employees towards clients, competitors, colleagues, supervisors, subordinates and strangers.

It should be noted that Organizational Culture or Organizational Climate (OC) is the perceived aspects of an organization’s internal environment, but within the same organization there may be very different OCs. This might happen because people with different length of experience or at different levels of organization's hierarchy, may

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perceive internal environment of an organization differently. Personal characteristics such as Values, Needs, Attitudes and Expectations determine the manner in which an individual is likely to perceive the various aspects of the internal working environment of the organization.

5.8.2 Dimensions of Organizational Climate

You have seen that OC refers to a set of some commonly experienced stable characteristics of an organization which constitutes the uniqueness of that organization and differentiates it from others. You might have faced some difficulty in identifying this set of characteristics because you do not yet know the various dimensions or factors of OC in which you should look for these characteristics. In the last two decades, extensive studies have been conducted which have helped us to identify some key factors of OC. Some of these common dimensions are described below:

- **Individual Autonomy:** This refers to the individual's freedom to exercise his or her responsibility. In other words, individual autonomy is the degree to which employees are free to manage themselves; to have considerable decision making power; and not to be continually accountable to higher management.
- **Position Structure:** This refers to the extent of direct supervision, formalisation and centralisation in an organization. In other words, position structure is the degree to which objectives of the job and methods for accomplishing it are established and communicated to the individual by supervisors.
- **Reward Orientation:** This refers to the degree to which an organization rewards individuals for hard work or achievement. An organization which orients people to perform better and rewards them for doing so, will have an OC characterised by high ward orientation.
- **Consideration, Warmth and Support:** This refers to the extent of stimulation and support received by an individual from other organization members. In other words, if there is a sense of team spirit among the members of an organization, the OC is likely to be perceived as considerate, warm and supportive.
- **Conflict:** This refers to the extent of conflict present between individuals and the willingness to be honest and open about interpersonal differences.
- **Progressiveness and Development:** This aspect refers to the degree to which organization conditions foster the development of the employees, allow scope for growth and application of new ideas and methods.
- **Risk Taking:** The degree to which an individual feels free to try out new ideas and otherwise take risks without fears of reprisal, ridicule or other form of punishment, indicate the risk-taking dimension of OC. This dimension is akin to ‘cautious’ versus ‘venturesome’ quality of an organization.
- **Control:** This dimension refers to the degree to which control over the behaviour of organizational members is formalised. In a highly bureaucratic organization, control systems are well defined. In a low-control organization, most of the controls are self-regulated, i.e., individuals monitor their own behaviour. You can think of this dimension as ‘tightness’ versus ‘looseness’ of an organization.

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These eight dimensions account for most of the research findings, but they do not account for all that we intuitively feel to be present in the 'Climate' or 'Culture' of an organization. For example, you may perceive an organization culture to be 'paternalistic', or a climate to be 'impersonal'. Though the fourth OC dimension (consideration, warmth and support) may cover both these different qualities, yet the 'richness' that you find in the two qualities is not fully reflected in that dimension. However, the identification of these eight dimensions (which are not absolutely independent of each other) do help us in mapping and measuring OC.

Before we move on to the next topic on Determinants of OC take the following pair matching test to check whether you have understood the focus of each dimension.

5.8.3 Determinants of Organizational Climate

At the very onset of this topic, it is useful to distinguish between determinants and dimensions of OC. Determinants are the causes, while dimensions are the components of OC. You may say, determinants are those which influence whereas dimensions are those which are influenced.

Although OC refers to the internal environment of an organization, the nature of OC is determined by a variety of internal and external factors. One of the basic premises of organizational behaviour is that outside environmental forces influence events within organizations. After acknowledging the dynamics of internal as well as external factors in this section, we will consider in greater detail the following seven internal factors. You will find these factors as determinants of OC in the following order:

1. Economic Condition
2. Leadership Style
3. Organizational Policies
4. Managerial Values
5. Organizational Structure
6. Characteristics of Members
7. Organizational Size

1. Economic Condition

Several dimensions of OC are influenced by an organization's position on the economic cycle. The economic condition of any organization influences whether its budget should be 'tight' or 'loose'. In times of prosperity-when budgets are more loose than tight-the organization tends to be more adventuresome. On the other hand, tight budget would lead to an air of caution and conservatism within an organization. Few managers are willing to suggest new programmes (probably deserving merit) when the order from above is to exercise tight control over expenses. So, dimensions of OC like 'Risk-taking', 'Control', 'Progressiveness and Development' etc. are directly influenced by economic conditions.

2. Leadership Style

The leadership style prevailing in an organization has a profound influence in determining several dimensions of OC. The influence is so pervasive that you may often wonder whether OC is a product of the philosophy and practices of prominent persons in an organization.

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Consider, for example, the results of an experimental study where three organizations were 'created' by simulation. All these three Organizations-A, B and C- were identical in terms of nature of business, size of the organization, characteristics of employees, and initial economic condition. The major difference among these three organizations was the 'leadership style'. Organization A was characterised by authoritarian style with high power motivation. Organization B was characterised by democratic style with affiliation motivation. Organization C was characterised by goal directed style with achievement motivation. The meaning of these different leadership styles and their effects on different dimensions of OC can be seen in Table 1. You will notice that one type of leadership style can influence more dimensions of OC than another style.

Table 5.1 *Leadership Style of Three Simulated Business Firms and their Effects on Dimensions of DC*

Leadership Style	**Dimensions of OC**
Organization A	
Maintains order	High position structure
Excercises authority and control	Low individual autonomy
Criticises poor performance	Low reward orientation
Criticises deviation from rules	High control
Emphasises cost reduction	Low warmth and support
Avoids involvement with employees	
Organization B	
Maintains informality	High reward orientation
Avoids individual punishment	High warmth and support
Gives general positive rewards	Low conflict
Creates friendly relationships	
Creates relaxed atmosphere	
Emphasises cooperation	
Avoids conflict	
Creates personal relationship with employees	
Organization C	
Maintains informality	High individual autonomy
Sets high standards for individuals and organization	Low position structure
Gives rewards, praise, promotion	High rewards orientation
Rewards excellent performance	High warmth and support
Gives individual and organization support	High progressiveness and development
Stresses cooperation in work	High risk-taking
Tolerates personal and task related conflict	
Stress moderate risk, create organization pride, stress challenge and excitement of work	

Source: Adapted from George H. Litwin "Climate and Motivation: An Experimental Study" in R. Taguiri and G. Litwin (eds.) Organizational Climate. Boston: Graduate School of Business Administration, Harvard University, 1968, pp. 178.

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3. Organizational Policies

Specific organizational policies can influence a specific dimension of OC to quite an extent. For example, if the company policy states that layoffs will be used only as a last resort to cope with business downturn, then it would, in general, foster an internal environment that is supportive and humanistic.

Similarly, if you are working in a company where it is agreed that the first beneficiaries, of increased profit would be the employees of that organization and shareholders would get second priority, then the OC will be characterised by High Reward Orientation and probably by High Progressiveness and Development.

4. Managerial Values

The values held by executives have a strong influence on OC because values lead to actions and shape decisions. Values add to perceptions of the organization as impersonal, paternalistic, formal, informal, hostile or friendly.

5. Organizational Structure

The design or structure of an organization affects the perception of its internal environment. For example, a bureaucratic structure has an OC much different from a System 4 organization. What is a System 4 organization? According to Rensis Likert, all organizations can be classified into four major groups, depending upon the way basic organizational processes are conducted. These major groupings are as follows:

System 1 - Exploitative Authoritative

System 2 - Benevolent Authoritative

System 3 - Consultative

System 4 - Participative

How does one know whether an organization should be categorised as System 1 or 2 or 3 or 4? It depends on the way following processes are perceived and rated in an organization:

- Leadership process
- Motivation process
- Communication process
- Decision-making process
- Goal-setting process
- Control process

Employees of an organization rate these processes on a rating scale; asking questions like the following:

- How much confidence is shown in subordinates?
- Where is responsibility felt for achieving organization goals?
- How well superiors know problems faced by subordinates?
- How much covert resistance to goals is present?
- At what levels are decisions formally made?
- Is there an informal organization resisting the formal one?

Based on the answers to these questions, an organization can be classified as system 1 or 2 or 3 or 4. A bureaucratic structure is likely to be rated as System 2 or System 3. A System 4 organization will have a distinct OC where the main theme would be strong involvement and self-control of all organization members at all levels in all basic organizational processes

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6. Characteristics of Members

Personal characteristics of the members of an organization also affect the climate prevailing in the organization. For example an organization with well educated, ambitious and younger employees is likely to have a different OC than an organization with less educated, and less upwardly mobile, older employees. The former might inculcate an environment of competitiveness, calculated risk-taking, frankness of opinions, etc.

7. Organizational Size

In a small sized organization it is much easier to foster a climate for creativity and innovation or to establish a participative kind of management with greater stress on horizontal distribution of responsibilities. On the other hand, in a large organization it is easier to have a more authoritative kind of management with stress on vertical distribution of responsibilities. This in turn leads to distinct environments as has been explained with the help of the concept of System 4 organization.

We have now studied seven basic determinants of OC. The list is not exhaustive but these are the basic internal factors determining the internal environment of an organization.

Note that OC is not influenced by factors existing within the organization only. Societal forces help shape OC as well. To understand societal influences on OC, let us consider an example in relation to the changing profile of existing and future employees. You may have noticed at least two changes which are taking place in our society. First, educational level of employees of all categories is rising. Second, societal values toward recreational and leisure activities are becoming stronger. The effect of the first change is in the expectations of employees. People want more satisfying and fulfilling work which should match their qualifications and abilities. The impact of the second change is that the passion for non-work is increasing: people feel less passionate about job performance. So, while one change is pushing towards increased professionalism, the other change is pulling towards leisure-orientation. Against these backdrops of societal forces influencing the profiles of the employees, the content of the job and the organization processes determine the OC. To sum up, OC is determined by a variety of internal and external factors where internal factors are specific to the organization while external factors refer to a number of societal forces.

5.9 ORGANIZATIONAL DYNAMICS TECHNIQUES

OD techniques are the building blocks that are the planned activities designed to improve the organization's functioning through participation of the organizational members. Some of the many OD interventions are:

Check Your Progress

4. Fill in the blanks with appropriate words.
   (a) The process of quantifying culture in an organization is called ________.
   (b) Being _____ is about doing the right things, while being _______ is about doing the things in the right manner.
   (c) The process of _______ makes the organization and its employees aware and prepared for change.
   (d) According to Kurt Lewin's force-field analysis, an organization is in a ___________ when there is a balance between forces that induce change and forces that resist change.

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Diagnostic activities: This activity involves collection of all the information about the state of the organization. This can be done through the organization's operation records, observation of task activities, meeting with subordinates, interviews with workers and so on. This could establish the 'health of the organization'. This information is analyzed and the information as well as the analysis is communicated to members. Based on this information as well as the feedback obtained from the members, some action plans are designed that are intended to improve the health of the organization.

Methodologies employed: The action plans that are designed to improve the general health of the organization pertain to three areas:

- To improve the skills, abilities and knowledge of individuals and may involve task-related skills or skills in maintaining interpersonal relationships.
- To recognize the structure of the organization so that it becomes more conducive to quality oriented and efficient operations. This may involve changes in the design of hierarchy or redesigning of work responsibilities or management by objectives.
- To help the organization members to perceive the organizational environment better. This, according to French and Bell is as follows: 'The primary emphasis is on such processes as communications, leader and member roles in groups, problem solving and decision making, group norms and group growth, leadership and authority and intergroup cooperation and competition'.

Team building: Activities are designed to improve the effectiveness of the subunit. It is important to recognize group's work problems as early as possible so that solutions can be applied before the problem can do any damage. These may be task related problems or personality conflict and personality cult problems within the group. The group's work related issues can be streamlined by changing the way things are done, by redirecting the resources to be utilized and by re-examining the work processes.

The interpersonal relationships within the team can be improved by creating an environment that is open and trustworthy, where members can openly and freely communicate their feelings and thoughts, where leadership evolves on the basis of respect and functional excellence and where conflicts are resolved on the basis of mutual understanding.

Check Your Progress

5. State whether the following statements are true or false.
   (a) The cognitive schema approach gives importance to other perceptions vis-à-vis climate.
   (b) Explicit knowledge can be defined as information stored in document, e-mails, or video media and knowledge is conveyed from one person to another person in a systematic manner.
   (c) Internalization involves changing the organization's policy to suit the needs of an individual.
   (d) The organizational culture is determined by a number of external and internal factors, where internal factors are organization specific and external factors refer to the number of societal forces.

5.10 SUMMARY

- Culture, in an organizational sense, is referred to as a set of shared values and beliefs that form the pattern of work behaviour among the employees. It consists of norms, values and unwritten rules of conduct as well as management styles, priorities and interpersonal relationships. A strong culture lets people know as to what type of behaviour is expected of them. A culture can be highly conservative where employees behave by the rules of the book or it could be more liberal where the employees have the freedom to be innovative and creative.

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- Organizational culture generally develops around the ideas proposed by the founders of these organizations. For example, Henry Ford made it clear to all executives that he is in charge of the company and he alone would make decisions. On the other hand, Edwin Land, the founder of Polaroid instant camera believed in innovation and risk taking and such characteristics are still evident in the company.
- Organizational culture has three dimensions. The first is the most observable and consists of stories about its founder or other leaders, rituals and ceremonies such as conventions or graduating ceremonies at colleges, material symbols such as luxury automobiles given as a reward for extraordinary performance and so on. The second is comparatively more subjective in nature and primarily consists of values that reflect a person's belief as to what should be and what should not be. Finally, the last is known as common assumptions reflect a deeper sense of ethics, norms and beliefs that are learned through social interaction over a long period of time and these beliefs are carried into the work place.
- While a 'dominant culture' expresses the core values that are shared by almost all members of the organization, some groups or departments within the organization develop their own pattern of behaviour or 'subculture' that is not inconsistent with the provisions of the dominant culture, and may bring about changes in such culture.
- Culture is no longer a regional domain, where a given society expresses and adheres to a stable set of cultural characteristics. High level of mobility, advanced telecommunication processes and instantaneous transfer of information from one place to another globally has brought the world closer to itself. Regional or geographical thinking is no longer adequate and hence managers must develop a global view of culture where diversity in beliefs and values must be respected. The knowledge about cultural diversity can be obtained through seminars, training sessions and in the case of multinational corporations, by rotating personnel through different positions in different countries.
- Status quo for any organization is never conducive to growth and without growth, success is always limited. For continuous growth and success, organizations must change and develop to accept and adopt changes that are brought about by the very dynamics of the environment. This would require that management must continuously monitor the external environment and its forces that are consistently impacting the internal environment of the organizations. Ample evidence exists where organizations failed because they were unable to anticipate the changed environment and thus were – either caught unprepared or were slow to react to these changes.
- Once the need for a specific change has been established, three sequential steps can be taken to initiate the change process. First step is the unfreezing of the situation. This process is similar to brainwashing of prisoners of war where the established beliefs and processes are completely wiped out of the system. It is like cleaning the slate to write new material. Once the ground work has been prepared, the second step is to bring the members of the organization into confidence so that they come to believe firmly that change would be beneficial both to the organization as well as to the members.

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- The third step is refreezing, where the change becomes permanent and a normal way of life. This change must be continuously reinforced so that this new acquired behaviour of the members does not diminish or extinguish.
- Change is always difficult to adopt because of the unknown consequences of such a change. We feel very comfortable with the familiar environment and any change is usually resisted. The change will be resisted by members if they feel insecure with it and the proper ramifications of change have not been properly communicated to them and also if such change would mean shift in power and authority that would be resented by those who lose such power and authority. Accordingly, the change should be slowly introduced and the members should participate in all decisions requiring such change. The change should be introduced at a proper time when the members would be more receptive to such change and the members must be convinced that such change would be beneficial to all.
- The change must be for the better so that it develops the organization and such organizational development should be directed towards improvement in organizational health and welfare of the members. The basic purpose of such development is to improve the operational as well as interpersonal skills of employees, to improve communication channels at all levels of the hierarchy, and to build team spirit among workers so that their inter-group relationships are highly cordial.

5.11 ANSWERS TO 'CHECK YOUR PROGRESS'

1. Organizational culture comprises the shared beliefs, values and common assumptions that an organization has.
2. This external environment affects the organizations both directly and indirectly. The organizations have no control over the variables in such an environment. Accordingly, the organizations cannot change the environment but must change themselves to align with the environment. External forces for change arise from general environment as well as from task environment. The general environment that affects the organizations indirectly consists of economic, political, legal, socio-cultural and technological forces and these forces keep the organizations alert so that they become aware of any changes in the direction and momentum of these forces.
3. The nature of change entails three steps: (i) Unfreezing (ii) Changing (iii) Refreezing.
4. (a) organizational climate
   (b) effective, efficient
   (c) unfreezing
   (d) state of equilibrium
5. (a) False
   (b) True
   (c) False
   (d) True

5.12 QUESTIONS AND EXERCISES

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Short-Answer Questions

1. How do subcultures and countercultures develop within the dominant organizational culture? Should the counterculture be tolerated by the management? If so, why?
2. What steps can the management take to maintain the cultural values within the organization in the face of dynamics of external environment? Is it necessary to maintain such cultural values? Explain in detail.
3. What are the reasons for resistance to change? What can the management do to overcome such resistance?
4. What are the five questions an organization should ask in order to be efficient and effective?
5. What are the characteristics of culture and climate in an organization?
6. According to Likert's classification, what are the three variables which effect organizational effectiveness?

Long-Answer Questions

1. Define organizational culture. How does it differ from social culture? Give examples.
2. There are considered to be three levels of culture, from the most visible to the most abstract. Describe in detail these three levels.
3. Describe in detail the three steps in the change process. Give examples where necessary.
4. What do you mean by OD techniques? Describe the various OD techniques and explain as to how they improve the functioning of the organization.
5. Define organizational efficiency. Also elaborate on its relation with effectiveness.
6. Elaborate on the key pillars of organizational excellence.
7. What are the six stages of adaptive-coping cycle in organizational effectiveness? Also list the organizational conditions for effective coping.

UNIT 6 ORGANIZATIONAL CHANGE

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Structure

6.0 INTRODUCTION

Change is a phenomenon that pushes us out of our comfort zone. It is for the better or for the worse, depending on how it is viewed. Change has an adjustment timeline that varies from person to person. Change has a negative effect on those who do not want to let go. Being flexible is the key. For instance, a roller coaster ride can symbolically be indicative of change—it can be fun if you know when to lean and create balance. Change is not related to the mantra 'just hang in there', but the mantra 'you can make it'. It is not associated with worrying. Change spurs you to achieve your best. It will cause you to learn.

This unit deals with understanding the concept of change. It also deals with the forces of change. It is the responsibility of the manager to identify areas where change is required and take suitable action to implement the change. This unit provides the step-by-step procedure to manage change. This unit also describes the various types of changes in great detail.

6.1 UNIT OBJECTIVES

After going through this unit, you will be able to:

- Define change
- Understand the concepts of change
- Assess the nature of change
- Understand the types of change
- Analyze the steps to manage change

6.2 NATURE OF CHANGE

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Change: Any variation or alteration; a passing from one state or form to another; as, a change of countenance; a change of habits or principles

If we see around us, life is changing every moment. *Maya*, the Sanskrit word, means 'life is an illusion'—the world around us is steady and not changing. A good leader looks beyond the illusion of 'changelessness' and unearths opportunities for **change**. There have been several passionate arguments put forward by academics about which comes first—a change in attitude or a change in behavior. In organizational terms, this means do we help the people challenge their beliefs and thus bring about behavioural change, or do we encourage them to experiment with behavioural change in the hope that different results will revolutionize their thinking. Well, the answer is both.

Change takes place even when employees do not believe it will. They may not be susceptible to change or even detest the idea of behaving differently, but as long as they stay open to the possibility, they are on the road to change. This is because the act of doing something differently will start to influence their belief systems. In addition, the response received from others will reinforce the new behavior. For example, a CEO of an organization might want to be less positioned, more flexible and visibly vulnerable in looking for conflict resolutions vis-a-vis peers. However, this CEO might have a dualistic approach to thinking—perceiving two alternatives to every problem: 'him' or 'they'. Thus, from this perspective, there could only be one 'winner', and the CEO will obviously be determined to win.

The management should realize the value of effective employees' cooperation and collaboration, and motivation in the workplace. Before putting into practice a change in an organization, managers should understand that different people hold dissimilar opinions about change. Also, not all employees are candid and willing to be straightforward with their managers. Therefore, managers should have the initiative to interact with all employees and keep them informed about any organizational change. By communicating and listening to employees, managers can be aware of their unfulfilled needs and resistance to change. In other words, the communication should be improved between managers and employees, in places where employees are not too keen on change.

While implementing organizational change, managers should be able to understand employees' attitudes, but also they should keep in mind how the employees feel. As leaders, managers should guide and direct employees along the organizational change process, appreciate the significance of employees' motivation to proceed with change, and be open to new ideas that come from employees. Listening and explaining to employees is an essential process to convince them about the projected benefits that are expected from the introduced change.

As soon as the change is implemented, managers should continue to communicate with employees about the benefits of the new working environment. This will promote an open exchange of ideas and information among all parties. By being helpful, managers can discover to what extent change affects employees and take remedial actions immediately to support them. For example, managers should be aware that although organizational change impacts that bring positive results into the industry do not necessarily bring about the same outcome to employees. Change of a working system may increase employees' income with extra workload which can in turn creating fatigue and low spirits.

6.3 LEVELS OF CHANGE

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There are various levels within the organizational domain where changes can be brought about for operational enhancement of the organization as well as desirable behaviour of members. The various types of changes that can have considerable impact on the organizational culture are:

Strategic change: This is a change in the very mission of the organization. A single mission may have to be changed to multiple missions. For example, when British Airways acquired a major part of US Air, the culture of the entire organization had to be modified to accommodate various aspects of American organizational culture into the British organizational culture.

Structural change: Decentralized operations and participative management style have been seen as more recent trends in the organizational structure. Since these structural changes shift the authority and responsibility to generally lower level management, it has a major impact on an organization's social climate and members have to be prepared to develop a team spirit as well as acquire skills to make on-the-spot decisions at points of operations.

Process-oriented change: These changes relate to technological developments, information processing, automation and use of robotics in the manufacturing operations. This means replacing or retraining personnel, heavy capital equipment investment and operational changes. This would affect the organizational culture and hence changes in the behaviour patterns of members.

People-oriented change: Even though, any organizational change affects people in some form, it is important that the behaviour and attitudes of the members be predictable and in accordance with the expectations of the organization and be consistent with the mission and policies of the enterprise. These changes are directed towards performance improvement, group cohesion, dedication and loyalty to the organization as well as developing a sense of self-actualization among the members. These can be developed by closer interaction with employees and by special behavioural training and modification sessions.

6.4 IMPORTANCE OF CHANGE

This external environment affects the organizations both directly and indirectly. The organizations have no control over the variables in such an environment. Accordingly, the organizations cannot change the environment but must change themselves to align with the environment.

External forces for change arise from general environment as well as from task environment. The general environment that affects the organizations indirectly consists of economic, political, legal, socio-cultural and technological forces and these forces keep the organizations alert so that they become aware of any changes in the direction and momentum of these forces. For example, when due to oil crisis, people started buying small fuel efficient cars from Japan, the American automobile manufacturers who were accustomed to producing large luxury cars, spent billions of dollars in the mid 1970s in retooling the new machinery to build smaller cars. Similarly, changes in

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laws regarding control of air pollution or dumping of chemical wastes and economical changes such as inflation rate, disposable money supply, unemployment rate – all constitute sources of change for the organizations. Social changes such as changes in the taste of clothing, or introduction of laptop or notebook computers made many companies large and successful while at the same time destroying many other companies who were slow or unwilling to adapt to the change.

Task-related environment has direct influence on the health of the organizations and it consists of customers, competitors, suppliers, labour, stockholders and so on. All these factors can induce a change in the organizational direction. Competitors can influence a change in an organization by the price structure and product lines. Price wars in airline fares have driven many airlines out of business. Stockholders can influence organizations because they can take action against the board of directors if they feel that the board is not acting in their best interests. Customers have been known to change their loyalty for better quality product and better service. Accordingly, organizations cannot rest on status quo and must remain dynamic and be able to change quickly to adjust to changed environment.

6.5 RESISTANCE TO CHANGE

Change, no matter how beneficial, is generally resented and is always difficult to implement. Since 'man follows the path of least resistance', it is easier to employ known methods than to change to new methods where the outcomes may not be as certain. It is similar to difficulties experienced when moving to a new location or changing jobs or changing a school or a college. However, a change will be easier to make and adjust to, if the potential rewards after the change are sufficiently attractive. For example, a person may change his job if the new job offers better financial benefits and equally good working conditions.

No matter what the resistance, the change must occur continually in order to adjust to dynamic forces that are continuously at play. The society will become stagnant if no changes take place. Accordingly, the reasons for resistance to change must be studied carefully and dealt with. It must be noted however that what the employees resist is not the technical changes that they are generally willing to adapt to, but the social changes that are the changes in the human relationships that most often accompany technical changes. As a result, the emphasis must be on reducing the strain that might develop due to changes in these relationships.

On the other hand, it cannot be denied that changes bring challenges, new experiences, new adventures and new rewards and hence a change may be easier to accept when it is accompanied by favourable benefits.

Factors that Increase Resistance to Change

Change is always difficult to make, be it individual change or organizational change. Attachment to familiar habits, practices, places and people may have to be given up. There are a number of reasons why people resist changes. Some of these reasons are:

Insecurity: One of the major reasons for resistance to change is uncertainty about the impact of change, specially on job security. The fear of the unknown always has a major impact on the decisions of the individuals. New technology, new procedures, new systems can all create uncertainty and hence resistance to change. Not knowing exactly what the change would bring about makes the employees anxious and apprehensive about the change. Many people have lost their jobs when a plant became automated or an office became computerised.

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Lack of communication: If the need for the change is not communicated to the workers in time and in an acceptable manner, then it can lead to resistance. A sense of participation in the change process by the employees reduces the extent of this resistance.

Rapidity and extent of change: If the changes are minor and involve routine operations, then the resistance, if any, would be minimal. However, if the changes are major such as reshuffling of staff, then the resistance will be highly visible. Similarly, slow changes in the processes, result in lower resistance than sudden or rapid changes.

The group resistance: Sometimes, the individuals resist change because the group to which they belong resists it. The individuals usually comply with the group norms and codes and support the group attitudes. This type of resistance is commonly seen in union strikes when some individuals, even when they do not agree with the reasons for the strike, go along with it so as to fully support the group to which they belong.

Emotional turmoil: One of the major reasons for resistance centers on the emotional turmoil that a change may cause, specially if the past experiences with changes have not been positive. This results in misunderstanding and lack of trust so that even when the change is well intended, its importance can be misinterpreted, leading to resistance. For example, rumours about mass layoffs due to a technological change can lead to a great deal of resistance against this change. Hence the emotional responses must be properly diagnosed and predicted and all efforts be made to alleviate any fears that the employees may have.

Loss of power and control: There are times when a change will reduce the power base of an individual, group or unit and the prospect of such loss of power will create resistance, even though such change is considered good for the organization as a whole. Downsizing of a department or a programme can create loss of influence for some people that may be resented, leading to resistance.

This resistance to change can have some very unfavourable consequences. If the change is considered or perceived to be a threat to the individual or the group, it can result in implicit defensive behaviour such as loss of loyalty to the company, loss of motivation to work, persistent reduction in output, excessive absenteeism, sullen hostility, increase in errors and so on. It can also result in overt defensive behaviour such as civil disobedience, strikes, slow down of work or aggressive unionism. These signs of resistance would require that management play an aggressive role in convincing all employees that the change would be beneficial to all parties concerned.

6.6 IMPLEMENTING CHANGE

If the changes are to be implemented successfully, they need full acceptance from employees. The easiest way to get this acceptance is the participation of employees in the change effort. Research conducted by Coch and French in a clothing factory

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indicated that the total participation in the change process resulted in increased productivity. Some of the specific strategies employed in reducing the resistance to change are :

Participation and involvement: The process of change should be genuinely wanted by the employees so that they are enthusiastic about it. It should not be simply a mechanical act of calling upon many people to 'participate'. Participation should be a part of and a result of the total treatment of the employee. Such participation of employees would ensure commitment to implementation of change. Secondly, participation will be easier to obtain from the individuals if they see some personal benefit to be gained from the change.

Communication and education: If the employees do not have adequate information or if the information that they have is inaccurate, then it is necessary to educate them about the change, its process and its working. This education can be carried out through training classes, meetings and conferences. The reasons about the change must be communicated very clearly and without ambiguity at these meetings. This will help persuade employees about the necessity of change and once persuaded, they may actively seek the change.

Leadership: The greater the prestige and the credibility of the manager who is acting as a change agent, the greater will be his influence upon the employees who will be involved in the change process. In addition to the manager who is the authorized leader, there may be an informal leader, who may have a stronger influence because of respect and high prestige that he commands from the members and he may be able to exert emotional pressure on his 'followers' to bring about the change.

Negotiation and agreement: Negotiation and agreement technique is used when costs and benefits must be balanced for the welfare of all concerned parties. This is often used in bargaining with labour unions. It is specially important in situations where the individuals or groups will end up as losers as a result of the change and where such individuals and groups have considerable power to resist.

Willingness for the sake of the group: Some individuals may be willing to accept change, even if they are not totally satisfied with it, if the group that they belong to is willing to accept the change. This is specially true about the individuals who have a continuous psychological relationship with the group so that there is group 'cohesiveness' or group togetherness.

Accordingly, management must isolate such groups who have considerable influence upon its members and try to induce the group to involve itself in the change process and accept the change.

Timing of change: Timing of introduction of change can have a considerable impact on the resistance. There is always a right time and a wrong time for introducing something new. The right time, obviously will meet less resistance. Therefore, management must be very careful in choosing the time when the organizational climate is highly favourable to change, such as soon after a major improvement in working conditions.

These factors can assist considerably in reducing resistance to change. The management must understand that while unilateral use of authority and vested power with the management can sometimes bring change, and it may be necessary to use this

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power under certain situations, such a change would be highly resented and may be shortlived. For long-term stability of the change process, the management must invite active and willing participation from the employees and share with them the benefits derived from the change.

6.7 PLANNED AND UNPLANNED ORGANIZATIONAL CHANGES

Strategic change

Strategic change is required when missions change. Multinational companies have to adapt to the culture of the nations to which they supply their products and services. Various cultural factors have to be considered in this regard and is generally carried out as 'planned change'.

Structural change

Decentralization of authority and the introduction of a flat organizational structure enable employees to experience a sense of autonomy in the work environment. Decentralization leads to the empowerment of lower-level employees to take appropriate decisions within their job parameters. This has had a major impact on the social climate of organizations on one hand and the development of team spirit on the other. Structural changes promote the acquisition of new skills and improve the ability of subordinates to take on-the-spot decisions even in critical situations.

Process-oriented change

Changes in processes are necessary to keep pace with developments in technology, automation, IT, free-market environment and availability of trained manpower. The organization must take advantage of these processes. This, however, needs heavy investment and various operational changes, but cuts down time and energy. It can bring about change in the work environment, organizational culture and modify the behaviour pattern of employees.

Cultural change

Electrifying changes in communication have, in turn, resulted in numerous social changes. This has necessitated the search for and introduction of the right culture in the organization. It is the responsibility of the top management to introduce the right organizational philosophy, instill a cultural value system among employees and practice an ethical approach to business. These are important inputs for improved performance, group cohesion, devotion to duty and the development of a 'we' feeling in the organization. This can be achieved by close interaction, training in behavioural sciences and instilling a sense of belonging within the organization. These changes are people-oriented and should, therefore, be continuous for the achievement of the organizational mission.

Steps to manage change

Organizations must plan to implement change in a systematic manner. It must identify the field in which the change is required amd ascertain whether it is strategic, structural, process-oriented or cultural. Changes can also be affected in all the areas concurrently, but it must be managed appropriately so that there is no bottleneck effect. Once the need for change is identified as also the area in which it is to be implemented, the following steps are suggested:

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Step 1—Develop New Goals and Objectives

Objectives and goals that are derived out of mission statements may need revision due to changes in external or internal forces.

Step 2—Elect an Agent for Change

It is the responsibility of the management to entrust execution of change to the appropriate authority. A manager may be given this responsibility. A change agent can also be employed from outside for the purpose. A specialist or a consultant can be brought in to suggest change and monitor implementation.

Step 3—Diagnose the Problem

Diagnosis is the first step implementing change. If an organization has a large employee turnover, then the data must be collected and made available to the consultant so that the reasons for turnover can be identified and appropriate corrective measures can be selected. The process of identifying a problem is not as simple as it appears. This itself may need research.

Step 4—Select a Methodology

It is easy, in corporate terms, to implement material change as a part of change in the system. What is important is to protect the emotions of the employees which must be considered during the selection of methods, so that it is easier to implement at a later stage.

Step 5—Develop a Plan

If the organization wants to reduce employee turnover, it may carry out a comparative study of other organizations with respect to job content, reward system, employee performance appraisal system, promotion criteria, training and development and the strategy adopted by the organization for its growth. Based on the examination of these factors, the consultant in charge of this would be able to develop a plan for change. It may require introducing a new training and development policy that can reduce employee turnover. While developing a plan, various other factors must also be reviewed. Plans should not be finalized in isolation. All department heads must be co-opted in the exercise.

Step 6—Draw a Strategy for Implementation

Care must be taken to consider the timing of any change that is to be implemented. A deliberate decision must be taken in this regard. For example, in the case of a hike in the price of a product, the decision to implement change is critical. If the change is related to internal employees, it must be communicated at an appropriate time so that there is no resistance to planned change.

Step 7—Implement the Plan

Once the decision to implement the plan and the mode by which the plan is to be implemented is decided, it is the responsibility of the various departments to implement the same. This may need notification, briefing sessions or in-house seminars so as to ensure the acceptance of all members of the organizations, especially those who are likely to get affected. Implementation may be for a short duration as a one-time change of system or process but its aftermath is of great value. Employee reactions in terms of attitudes, aspirations, emotions and behaviour must be channellized in positive directions with change.

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Step 8—Evaluate and Give Feedback

The result of the change must be evaluated and suitable feedback given. If modification to training and development causes a decrease in employee turnover, the objective of the change would be deemed to have been achieved. If the results are contrary to expectation, then a new change may be required to diagnose the cause.

6.8 FORCES OF CHANGE

Change is a phenomenon that takes place when something passes from one state to another or from one phase to another. One must understand the following premises about change. They are as follows:

- Change is neither good nor bad, i.e., it just is.
- One must find out how change can affect people/group.
- Change mostly occurs in the realm of emotion, i.e., people fear change.

When a change leads to possibilities and provides new routes for achieving goals, then that change is considered good. However, if a change prevents someone from pursuing goals, then it is considered bad. It must be determined how is change going to affect an organization and its teams. For example, a CEO has decided upon an ‘improvement’ that can take the organization to new heights but in reality is a disaster that might lead the workforce to quit the organization.

Change takes place, sometimes very fast. You could ask, how does it affect a leader? An organization is affected by several influences, some of which are global economies, creativity, public taste, fickleness of the human mind, cultural trends, natural disasters, fads, competition, employees, management structure and regulation. Each of these factors transforms into rapidly shifting elements, and with their transformation, so does the organizational nature and what is being accomplished. For instance, there might be a shift in the composition of a team, change in responsibilities, location, alteration in the organizational goals, shift in a market or in the description of target customers.

As a leader, you will often face times when the metrics in place will indicate that change is in the air. This can be learned through team members closer to the fluctuations or through interaction with customers, vendors and business partners. For instance, many times businesses get acquired by others, a source of change difficult to miss.

As a business leader, you will have to ensure the following issues pertaining to change are dealt with:

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- Become aware of change
- Plan a suitable response
- Implement the response
- Examine the results and adjust accordingly

Change is inevitable. Nothing is permanent, except for change. It is the management's duty to see that change is managed properly. Organizations must keep a watch on the environment and incorporate suitable changes that the situation may demand. Change is a continuous phenomenon. Organizations must be proactive in effecting change. Even in the most stable organizations, change is necessary just to maintain a certain level of stability. The major environmental forces that make change necessary are technology, market forces and socio-economic factors. Resistance to change is counter-productive for growth and destructive by nature; it is, therefore, undesirable. Managers must, hence, evolve policies to effect change. According to Barney and Griffin, 'the primary reason cited for organizational problems is the failure by managers to properly anticipate or respond to forces for change'.

The following are the characteristics of change:

- Change refers to any alteration that occurs in the overall work environment of an organization.
- It relates to changes in technology, organizational structure, working processes, work environment, organizational policy and the roles people play.
- The introduction of change in one part of an organization forces a change in other parts of the organization.
- If the change is beneficial, people accept it willingly. If it is not desirable, there is great resistance. If it is of no consequence to the people, they may adopt an attitude of indifference.
- If they consider the change detrimental to their growth and prosperity, they may resist through counterpressure. This reaction is based on their perception of the change and not necessarily on reality or facts. The change should, therefore, be strong enough to overcome the counter pressure. Owing to the tremendous advancement of technology, change in social environment has become a necessity. Changes take place for an organization to achieve a sense of balance or equilibrium. Thus, people learn to expect various environment relationships within the organization. They learn to adapt. The essence is that when people feel that there is a need for change, and with the change they begin to adjust to the changed situation, equilibrium is achieved. This process is never-ending because change takes place continuously.

Forces of change

An organization is an open system that has to interact with its environment and is solely dependant on it. Any change in environment makes it necessary for the organization to incorporate changes in the internal systems, subsystems and processes. This change has a chain reaction on the other internal elements of an organization. For example, any change in consumer preferences may change product features, cost, technology,

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marketing strategy and the like. Organizations must, therefore, interact with their external environment in order to survive. Organizations get inputs from the environment (men, material, process, finance information, and so on), transform it and export the output (product and services) back to the environment. The organization takes what the environment gives and, in the process, passes on what the environment wants. Thus, organizations respond to social requirements. If the response is positive, then change takes place and growth is achieved. If, on the other hand, response is negative, it will adversely affect the growth. There are various factors that must be considered in order to implement change.

Organizations undergo change because of several reasons. Some of the external causes are as follows:

- Government policies
- Economic changes
- Competition from peers
- Cost of raw materials
- Pressure groups/lobbies
- Information technology
- Scarcity of labour
- Societal pressures
- Legal requirements

Some of the internal causes are as follows:

- Leadership changes
- Decline in profitability
- Change in employee profiles
- Trade unionism
- Low morale

The organizational changes that are commonly seen in the contemporary world are downsizing/rightsizing, introduction of new technology, mergers and acquisitions.

External forces of change

Technology is a major external force that calls for change. In recent times, information technology (IT) has had a remarkable impact on the ability of managers to use information to arrive at a decision. Storage, retrieval of information and its utilization are important aspects of technology. Where human beings cannot operate, robots has been introduced to work for and on behalf of human beings. Financial decisions, operations, product features, new product development, market potential and marketing strategies are changing at a fast pace and organizations must carry out appropriate and timely change so as to avoid being left behind in the race. With liberalization, the market has become one large entity. Organizations must, therefore, be highly sensitive to changes in the external environment. The external environment is task-related and general in nature. A task-related environment has a direct influence on the health of an organization. It consists of customers, competitors, suppliers, labour and stakeholders. All these factors induce change in the organization. The general environment consists of political, legal, economic, socio-cultural and technological forces and change in government polices or fiscal policies that have a direct impact on the organization. For example, a change in the needs, expectations and desires of society for housing has changed the outlook of the financial sector and loans are now easily available to all sections of society.

Internal forces of change

Once organizations adapt to external change, the managers have to take appropriate steps as far as internal systems are concerned—change of process, modification to human behaviour, training and development of the workforce based on new technology and adopting new polices that are beneficial to the organization. Owing to current social changes in which women are taking up jobs in greater numbers, childcare, more and frequent rest periods and greater flexibility of time may be necessary. Workers are more educated and are aware of their duties and rights. This may necessitate change in corporate policies towards wage and salary structure and implementation, promotion policy and management obligation towards them. Customers, shareholders, boards of directors and employees may bring about changes in the internal environment. These, however, have to be in line with the external factors, and not arbitrary. Change, which is deliberately designed and implemented, is 'planned change'. This is carried out to counter threats and encash opportunities. 'Reactive changes' are unknown and caused as a response to sudden surprises like change in price of a particular product. It is, therefore, necessary that the management is 'proactive' in incorporating change with fewer surprises. It must build on the organization's strengths and take appropriate preventive actions on its weaknesses in order to be competitive in the market place.

Few thoughts on change

- Organizational culture is created and sustained by dialogues, discussions, negotiations and commitments that take place between members of an organization (and its stakeholders). Therefore, have different conversations if you wish to change the organizational culture!
- Culture is patterned and affects the pattern of conversational relationships. An organization needs fresh connections, diverse thinking, new behavioural methods.
- Change can be threatening to members of an organization-especially if organizational identity is under threat. Organizational identity is determined by symbols (example, code of dressing, office layouts, job titles, salary structures and so on) and rituals (example, working practices, meal arrangements and so on). Ushering in new rituals and symbols may be crucial for change, but if done insensitively might come across as challenging identity. A secure organizational identity will let change be accepted.
- Change can challenge existing power structures.
- A clear-cut cultural vision can be drawn up. Ideally, this should be a company-wide effort. For instance, business leaders can get everyone to draw up the culture they want. The leadership then can play the role of guardians and promoters of the vision.
- All business leaders must see themselves as agents of change.
- It is also important to keep in mind clear limits regarding the level to which change is permissible.

- Finally, and most importantly, patience and faith in the change management process are of utmost importance. Be aware of the Kübler-Ross change curve because many initiatives are put to a halt when they are at the bottom of the change curve.

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6.9 ASPECTS OF CHANGE

General framework for understanding change

Managers who are interested in implementing change are required to be aware of two important aspects of change:

1. **Diagnosis:** The first, most important stage of any change effort is diagnosis. Broadly defined, the skills of diagnosis include putting forward correct questions at correct time, assessing the organizational culture, developing the strategies for research and gathering information or data, and developing ways to process and interpret data. In diagnosing change, managers should attempt to find out: (a) What is *actually* happening now in a particular situation; (b) what is *likely* to happen in the future if no change effort is made; (c) what would people *ideally* want in a situation like this; and (d) what are the *blocks*, or restraints, stopping movement from the actual to the ideal.
2. **Implementation:** It involves using the data collected during diagnosis to accomplish the targets and plan for the organizational change. Questions such as the following must be asked: How can change be affected in a work group or organization, and how will it be received? What is adaptive, and what is resistant to change within the environment? (Paul Hersey et al. 1998)

Diagnosis

There are two steps in the diagnostic process. These are discussed below:

1. **Point of view:** There are various people whose interests have to be protected by the organization. It is, therefore, necessary to decide from whose point of view you are to observe the organization and from whose point of view the change should be implemented—your own, your boss, your associates, your followers or an consultant? Ideally, to assess the complete problem, you need to examine the condition from the perspective of the person whose life would be influnced by the change. Their interest is of great importance for an organization to sustain and grow in the present fast-moving world.
2. **Identification of problem(s):** Any change effort begins with the identification of problem(s). There exists a problem in a situation when what actually happens (the real) differs from what, according to you, should happen (the ideal). What is important is the end result that an organization can offer to its customers. Is the work group functioning in a harmonious manner? Is there a conflicting situation in the organization? If the response is in the negative for the former and positive in the latter, then there is a problem of behavioural nature and suitable change efforts may be required sooner than later. Before implementing any change, a leader will have to observe the battle indications in the organization. High level of absenteeism, more wastage in the use of raw materials, irrational behaviour

Check Your Progress

1. State the nature and scope of change.
2. What is the requirement of strategic change?
3. Give the significance of process-oriented change.
4. Give a brief note on how change can be good or bad.
5. What are the issues related to change that need to be considered by the leaders?
6. What are the characteristics of change?
7. Give the external causes which cause change in organizations.
8. Give the internal causes which cause change in organizations.

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of various employees, and not meeting various targets are enough indications to show that a problem exists, that it needs to diagnosed and the kind of change required to be effected needs to be decided. The discrepancy may be in the end result variables like low production or insufficient sales by the marketing department. Alternatively, problems may exist in causal factors, that is, the independent variables like leadership style, motivation levels of the employees, or the delegation of authority and empowerment. Depending upon the situation, suitable change strategies may have to be employed by the organization.

6.10 APPROACHES TO MANAGING ORGANIZATIONAL CHANGE: A CONTRIBUTION OF KURT LEWIN

Once the real situation has been established and the problem is identified, the process of implementation starts. Implementation of strategy may be for a short term or for a long term; implementation may be carried out by the managerial staff of the organization or a change agent may be invited to implement the change. All these factors need considerable thought and deliberation. Once the implementation starts, it should not be resisted by the people. It must be made clear to them that it is for them that the implementation is being done and that the benefits of change will be shared by them and not by the management. Management is just an instrument to implement change. The people are the real beneficiaries. The following theories of implementation must be studied carefully.

Theories of Implementation

Force field analysis

Force field analysis: The process of identifying the number and strength of driving and restraining forces

Force field analysis was proposed by Kurt Lewin. When a decision to implement change has been taken, it is necessary to identify and understand what forces are likely to push change and what forces are likely to restrain it. The process of identifying the number and strength of *driving* and *restraining* forces is called the field force analysis. The forces that bring about a change in the desired direction are called driving forces. They trigger a change and help it move uninterrupted. For example: motivation from a senior or extra incentives may bring about a change in the direction of improvement in efficiency. The forces that have a negative impact on the driving forces are called restraining forces. For example: insensitivity or hostility and poor infrastructure act against increased production. The stage when the difference between the sum of driving forces and that of restraining forces becomes zero is called equilibrium. If the analysis indicates that the restrained force is strong, steps may be required to reduce their strength or increase the strength of the driving forces. This may be carried out by briefing sessions, meetings and informal communication of a point. The communication must be appropriately modulated. It is the responsibility of the leader to select an appropriate leadership style to incorporate the change knowledge of organizational climate in general and of group behaviour and attitude in particular. If the subordinates are not communicative among group members, the participative style of leadership may be necessary. If the pattern of communication permits mutual consultation among subordinates, the autocratic style may mar the prospects of change. Modification may be required not only to the style of leadership but also to the 'change' itself. The implementation may start by preparing the group to the proposed change and later introducing the required change. It is a gradual process and emotions, values, feelings and attitudes of employees need to be studied in depth. Implementation of change in defence services is comparatively easier because people are customized to change and have achieved a higher degree of readiness to change by virtue of their professional climate.

Once you have determined that there is a difference between the real and the ideal situation—and have done some analysis on why that discrepancy exists, the force field analysis becomes a helpful tool. Before embarking on any change strategy, it seems appropriate to determine what you have going for you in this change effort (driving forces) and what you have going against you (restraining forces). We have found that managers generally do not undertake such analysis and later face adverse situations and the change does not take place due to the pressure of unanticipated restraining forces.

Driving force → Equilibrium ← Restraining force

Fig. 6.1 *Force Field Analysis*

Guidelines for using force field analysis

Paul Hersey et al. have suggested the following guidelines for implementing the force field analysis:

1. If the driving forces far outweigh the restraining forces in power and frequency in a change situation, managers interested in driving for change can often overpower the restraining forces.
2. If the restraining forces are much stronger than the driving forces, managers interested in driving change have two choices. First, they can give up the change efforts, realizing that it will be too difficult to implement. Second, they can pursue the change efforts, but concentrate on maintaining the driving forces in the situation while attempting , one by one, to change each of the restraining forces into driving forces or somehow to immobilize each of the restraining forces so that they are no longer factors in the situation. The second choice is possible, but very time consuming.
3. If the driving forces and restraining forces are fairly equal in a change situation, managers will probably have to begin pushing the driving forces, while at the same time attempting to convert or immobilize some or all of the restraining forces.

Logical incrementalism

The propounder of this theory was Brian Quinn, a Professor of management in the Harvard University. He analysed the process of change in a number of big organizations and derived a planning system, which can be used by the entrepreneurs to successfully implement the change. He identifies the procedure of change as a complicated process requiring a lot of time. He felt that internal and external factors may derail the senior manager's plan for strategic change like structural reorganization. The process of logical

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'incrementalism' mainly aims at developing the change in the form of comprehensive goals and then defines these goals minutely.

He gave the following five stages of logical icrementalism:

1. Common concern—an uncertain awareness of a problem or opportunity
2. Common of an idea without details—the idea is communicated for both positive and negative reactions for the purpose of refinement
3. Formal evolution of a change plan
4. Use of circulating a positive or negative event to activate the implementation of the change plan
5. Adaptation of the plan as implementation progresses

Logical incrementalism works best when the manager concentrates on a few changes. By circulating the idea in the initial stages, the management can improve the data and recognize the threats before taking any decisions including the emotional barrier. In this theory, employees are forewarned and ready to accept change, the overall support of the entire organization is garnered.

First-order and second-order change

Why does change occur in an organization? It should be understood that change does not occur in a stable environment, it occurs in vibrant and flexible situations. In the recent past, we have experienced unprecedented changes in technology, socio-economic conditions, cutthroat competitions, market variable changes and changes in customer preferences. These have replaced the old ways of life. Old organizations that have not been able to cope with changes have perished. They will survive if they are able to keep pace with development, otherwise they perish. This cycle will continue and therefore there is a need for change every time the environment demands it. Considering the above factors, there are two types of changes. These are explained below in Table 6.1.

Table 6.1 *Models of Change within Organization and Industries*

First-order change	Second-order change
Adaptation	*Metamorphosis*
Focus: Incremental change within organization Mechanism: incrementalism Resource dependence	Focus: Frame breaking change within organization Mechanism: Life cycle stages Configuration transitions
Evolution	*Revolution*
Focus: Incremental change within established industries Mechanism: Natural selection Institutional isomorphism	Focus: Emergence, transformation and decline of industries Mechanism: Punctuated equilibrium Quantum speciation

(Adapted from *Strategic Management Journal*, 1990)

1. **First-order change:** The first-order change occurs in a stable system that has remained unchanged. The theories discussed earlier in this unit are related to first-order change only. These changes are necessary for a business to grow in a competitive environment.

First-order change: Occurs in a stable system that has remained unchanged

2. **Second-order change:** Second-order change occurs when there is a change in the state (Paul Watzlawick et al. 1974). The fall of communism and the unification of Germany are examples of cataclysmic upheavals that represent second-order change. Some industries like financial services and telecommunication industries face problems of second-order change.

Table 6.1 identifies current change theories and their relationship to first- and second-order change. *Adaptation* theories maintain that individual firms monitor their environments continuously and make the necessary adjustments. Incrementalism refers to organizational changes in new products, structures and processes. The *resource dependence* mechanism sees organizational change as a response to external dependencies like suppliers, market trends, consumer perceptions and government policies.

Evolution theories describe the first-order changes that industries experience. The *Natural selection* mechanism views the entry and exit of firms in an industry as the primary method of evolution. *Institutional isomorphism* occurs when organizations change to conform to the norms of the industry. As firms experience various stages of organizational life cycle, they experience metamorphosis, second-order change. Metamorphosis differs from adaptation in that the entire firm goes through a transformation and emerges with a different configuration and strategic intent. Metamorphosis implies a different organizational structure and different focus.

Revolutionary change occurs when an entire industry is restructured and reconstituted during the brief period of quantum change that is preceded and followed by a long period of stability.

Kurt Lewin's Model of Change

Kurt Lewin proposed the three-stage model of the change process for moving an organization from the current position to the changed position. This is as follows:

Stage 1: Unfreezing : Inspiring and developing eagerness to change through

(a) Acceptance or rejection

(b) Certainty of regret or tension

(c) Procession of psychological security

Stage 2: Changing through cognitive restructuring : Helping the management view and analyse things from the angle of:

(a) Identification with a new ideal

(b) Analysis of the environment together new data

Stage 3: Refreezing: Helping the management

(a) Integrate the desired change into the organization structure

(b) Forge a significant relationship with the new point of view

1. **Unfreezing:** The process of unfreezing makes individuals ready for change. Lewin believes that employees must be informed of any impending change well in advance so that they are not surprised. Unfreezing entails unfreezing the old behaviour or situation. Edgar Schein captured this admirable idea propounded by Lewin and improved it by determining the emotional process involved in

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Second-order change: Occurs when there is a change in the state

Unfreezing: The process which makes individuals ready for change

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each stage of the model. Unfreezing involves creating motivation and readiness to change by introducing an environment of disconfirmation of existing psychological safety in the changed pattern of behaviour. This can be accomplished by communication, call meetings and promote the idea throughout the organization via bulletin boards, personal contacts and group conferences. The process of unfreezing basically cleans the slate so that fresh behavioural patterns, customs and traditions can be imprinted, so that they can then become a new way of doing things.

The following are the methods by which motivation and readiness to change among employees may be fostered:

Compliance: Compliance is achieved by introducing rewards and punishments. It has been established that the employee gets conditioned towards change if he is rewarded or punished. This is a behaviour modification tool.

Identification: Members are psychologically impressed upon to select their role model and modify behaviour. If a leader can act as a role model the change is easier.

Internalization: It is a change in an individuals psychology to adopt to the upcoming situation. Members are advised to do soul searching and adopt new behaviour patterns.

2. **Refreezing:** This refers to the integration of the new behaviour into the employee's personality and attitude. It is also referred to as stabilization. The change behaviour must necessarily fit into the social surroundings.

   Refreezing takes place when the changed behavioural patterns become stable and old patterns are not repeated. It must be re-enforced continuously so that it does not diminish in any way. The change process is not a constant process hence, unfreezing, change and refreezing must also be continued.

The Change Model—Ronald Lippitt, Jeanne Watson and Bruce Westley

Another model of change was proposed by Ronald Lippitt, Jeanne Watson and Bruce Westley. They expanded the original Lewin's (3 stage) model into a seven-stage model. The seven stages may be described as follows:

Phase 1: Development of need for change

Phase 2: Establishment of the change relationship (that is, establishment of the 'client' and 'change agent' relationship)

Phase 3: Diagnosis of the client system's problems

Phase 4: The examination of alternative routes and goals and establishing of goals and intended actions

Phase 5: The transformation of intentions into actual change efforts

Phase 6: The generalization and refreezing/stabilization of change

Phase 7: Achieving a terminal relationship with the client and change agent

Greiner's Model—Organizational Growth as a Model of Change

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Greiner has evolved a theory of change by considering 'growth' as a factor for change. He has identified various problems at each stage of the evolution of an organization. The solution to each of these problems brings about the change. Granier illustrates that in the case of an organization that wishes to achieve 'growth', growth is initially achieved through the creativity of the founders who are usually, to a great extent, entrepreneurial. This, however, creates a problem of leadership. To take care of the problem of leadership, management hires top-class managerial personnel who take charge of the situation. Over a period of time, there arises a situation wherein excessive leadership leads to concentration of power in the organization. In this kind of a situation, subordinates have to wait for decisions on even the most trivial issues. A change is, therefore, necessitated, which then leads to the delegation of authority to subordinates. This leads to another problem, which is that with greater autonomy at the group level, control becomes difficult. Since the organization has already changed from concentration to delegation, a new change is envisaged to exercise adequate control over the group. The change is in the form of issuing fresh orders and detailed instructions on each of the perceivable issues so that while the individual enjoys autonomy in the work culture, he still has to work within the framework of rules and regulations. It was later noticed that excessive rules and regulations bring with it the red tape. This problem then leads to a change in philosophy to one of collaboration. In this changed situation, the job is performed by the individual employee, work teams and work groups. It will be seen that for the achievement of growth, the organization has to change its strategy, beginning right at the stage of entrepreneurship, moving on to leadership, then delegation, to autonomy of work groups to collaboration, leading finally to the strategy of self control, self discipline and individual work ethics. It is important to understand that each change that takes place is associated with unforeseeable problems. It will also be seen that change is necessary at every stage. If the required changes are not implemented, the organization will not be able to achieve growth. Greiner's model is diagrammatically explained in Figure 6.2.

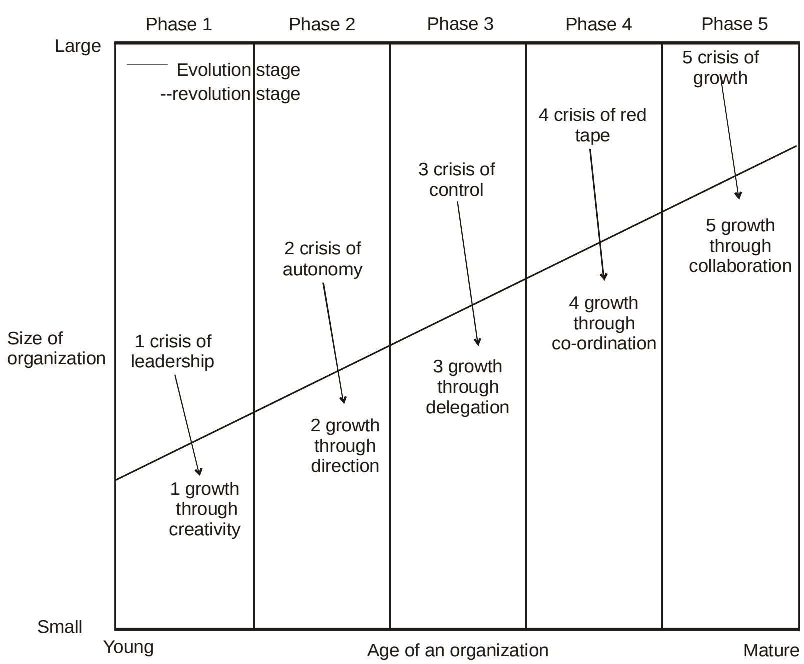

Fig. 6.2 *Greiner's Model of Organizational Growth*

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Greiner's (1972) model shows the various stages of an organization's evolution. The potential issues and problems between various stages are highlighted. A major problem that should be considered is that of managerial behaviour, that is to say, what managers have to do in order to overcome these crises in relation to time span.

The 7-S Model for Organizational Change

This model is created to assess and determine the elements of organizational structure to find out the capacity of a firm to accept change. Organizational structure consists of seven elements listed as follows: strategy, structure, system of working, shared values, style of leadership, staff and skills.

These elements can be subdivided into two classes: simple and complex.

Simple elements: These remain unchanged and are also referred to as hard elements. For example: strategy, structure and system.

Complex elements: These elements absorb changes imposed by social and cultural forces. These are also known as soft elements. For example: shared values, skills, style and staff.

These seven elements are inter-related. The characteristics and inter-dependence of these elements must be studied prior to implementing a change through 7-S model.

Whole System Transformation Model: Sullivan Model

This model was propounded by Roland Sullivan in 1974. The basic steps of this model are as follows:

1. Collecting cultural and procedural data of an organization by interviews and surveys.
2. Discussing the data with the management in the organization
3. Suggesting the desired changes and convincing the management to implement the changes for growth
4. Beginning the change at senior level to set an example
5. Implementing the change in the organization completely within two to three days
6. Ensuring short-term profits in the beginning to create enthusiasm
7. Gathering feedback, removing the barriers to change and adjusting wherever needed
8. Making the change a part of the organizational culture

Trans-Theoretical Model

This model proposes implementation of change in six steps:

Pre-contemplation: Initial resistance to change

Con-contemplation: Development of pro-change thoughts

Contemplation: Development of the spirit to take action to change in near future

Preparation: Taking action for change

Action: Clear transformation in working pattern and style

Maintenance: Resistance to fall back into the earlier pattern

Termination: Successful implementation of change, the stage when there is no temptation to change back

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Lewitt Model

Burke Lewitt proposed that there are four variables in an organization:

1. **Structure:** It refers to leadership patterns, communication and procedures within an organization
2. **Task:** It refers to actions taken to provide the product.
3. **Manpower:** It refers to the people who carry out the task.
4. **Technology:** It refers to all the tools and machinery required to carry out a task.

Lewitt model proposes interdependence among these varibles. If one of these changes, there will be a compensatory or a retaliatory change in another variable. This model does not take into account the impact of external factors.

Burke-Litwin Model

This model proposes dependence of performance on internal and external factors. It implements a plan to determine organizational or intrinsic and environmental or extrinsic factors that ascertain a successful change and it exhibits the way to relate these factors to each other to better the performance. The main characteristics of this model are:

- This model helps to distinguish between actual practice and proposed plan.
- This model includes a study of cause and effect.
- It takes into account the internal as well as external factors.
- It provides a plan for organizational assessment and manging change.

The model proposes twelve organizational variables:

1. Exterior environment
2. Organizational strategy
3. Leadership
4. Culture in the organization
5. Organizational structure
6. Leadership style
7. Processes
8. Internal environment
9. Purpose and manpower skills
10. Employees' desires and values
11. Motivation
12. Performance of people and organization

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Change Agent

Change agents are factors that are responsible for change in individual behaviour. Other changes like change in organizational structure, organizational strategy, process, policy and the like, can always be introduced in the organization with proper consultation with the employees so that they are accepted by them. Change in human behaviour is a complex phenomenon that may require a number of strategies to make change desirable. These are called change agents. They may either be initiators of change or they may serve as catalysts for such change. Four types of change agents have been identified:

(a) **Outside pressure:** External factors like fiscal policy, government policy, technology and social change introduce change in an organization. Change is generally executed by the organizations themselves. However. governments may also indulge and help organizations to adapt to new policies, like, for example, when it arbitrates a strike in an organization.

(b) **Changes top management:** Organizational change may come from the top management. It may be in the form of structural, strategic or institutional changes that may be beneficial to the organization, with particular reference to employees.

(c) **Internal organizational development:** Organizational objectives must be reviewed from time to time. This is necessitated because of environmental changes. Areas where organizational development can be carried out are work design, delegation of authority, team building, empowerment, autonomy, job enrichment , job rotation and so on.

(d) **Individual change:** Individual change refers to change in attitude, skills and behaviour. Management by objective (MBO) encompasses self decision-making, setting objectives for self, evaluating whether those have been met and the resultant modifications to work. If such development processes are introduced, individuals are likely to be more responsible and accountable for the work that is assigned to them. It is, therefore, necessary to introduce development processes / models in the organization.

ADKAR Model

ADKAR is a goal-oriented change management model that facilitates change management teams to focus their activities on specific business results. The model was originally used as a tool for determining if change management activities like communications and training were having the desired results during organizational change. The model has its origins in aligning traditional change management activities to a given result or goal.

For instance, Awareness of the business reasons for change is a goal of early communications related to a business change. Desire to engage and participate in the change is the goal of sponsorship and resistance management. Knowledge about how to change is the goal of training and coaching. By identifying the required outcomes or goals of change management, ADKAR becomes a useful framework for change management teams in the planning and execution of their work.

The goals or outcomes defined by ADKAR are chronological and cumulative. An individual must obtain each element in sequence for change to be implemented and sustained.

As a manager, you can use this model to recognize gaps in your change management process and to provide effectual coaching for your employees. The ADKAR model can be used to:

- identify employee resistance to change
- help employees transition through the change process
- make a successful action plan for personal and professional advancement during change
- develop a change management plan for your employees

The ADKAR model has the ability to spot why changes are not working and help you take the essential steps to make the change successful. You will be able to break down the change into parts, understand where the change is failing and to address that particular point. The ADKAR model was first published by Prosci in 1998 after research with more than 300 companies that were undergoing major change projects.

6.11 RESISTANCE TO CHANGE

Resistance to Change

Change is a constant phenomenon. Dynamic forces are always at play and, therefore, individuals must adjust to them and implement change. If change is not implemented, society will be stagnant. Individuals readily accept technical changes but largely resist social change. Change, no matter how beneficial, is generally resented and is always difficult to implement. It must be emphasized that change brings with it new challenges, new experiences, spirit and associated rewards and, therefore, it should be welcomed and implemented with positiveness and full support. However there are certain factors which lead to resistance to change, which we will discuss in the following sections.

Individual resistance to change

Individuals resist change for various reasons. These are given as under:

- **Fear of the unknown:** Individuals are suspicious about management actions. The organizational policies should encourage open communication, closer interaction between the leader and the led and there should an organizational culture that promotes confidence among all the employees. They must have full trust in the leadership. This can be built up by regular briefing sessions, meetings and by explaining to the workers about the impending change and why it is necessary. They must understand that managerial actions are for the overall good of the employees.
- **New learning:** Technology upgradation, open-market scenario, and fast social changes have a tremendous impact on society. Employees have to learn many new techniques due to these changes in the environment. They must display a positive attitude towards learning. It has been seen that organizations can only sustain if they adopt the culture of learning organizations.

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- **Disruption in work environment:** Change means reorganization in work culture that may involve the formation of new groups and teams. This is not preferred by workers because they might lose old friends in the process. This may cause disruption and emotional disturbance in the minds of the employees. It is the responsibility of the leader to put the employees at ease.
- **Distrust in management philosophy towards change:** There is well-documented literature on the history of labour relations which talks of the exploitation of employees by managers. That is why employees resist change. This can be overcome by the open door policy of management towards employees.

Organizational resistance to change

Organizational resistance is noticed in the following areas:

- **Threat to power structure:** Organizations have to keep pace with changes in the social structure. Decentralization, delegation of authority and empowerment have become the order of the day for organizations to be successful. These concepts and their application are being resisted by the organization because middle-level managers develop a sense of powerlessness that is not really true. This causes resistance to change by the organization.
- **Structural inertia:** Organizational structures have several mechanisms designed to produce stability. Accordingly, job assignment, selection and training of new employees and the performance reward system are designed to maintain stability and make change undesirable. Whenever an organization is confronted with change, the structural inertia acts as a counterbalance to sustain stability.
- **The domino effect:** Any change has a domino effect. Change in one system or sub-system affects changes in the other systems or sub-systems. For example, changes in volume of production will have an influence on the sales department which then resists the change.

Table 6.2 *Reasons for Resistance and Management of Change*

Reasons for Resistance	*Management of Change*
Job security	Participation and involvement
Lack of effective communication	Communication and education
Rapidity and extent of change	Leadership
Group resistance	Negotiation and agreement
Emotional turmoil	Willingness for the sake of the group
Loss of power and control	Timing of change
Technology	
New practices	
(a) Acquisitions and mergers	
(b) Woman power	

- **Vested interest of the management**: Management always wishes to recoup the sunk cost of the assets created out of the profits earned by the employees. This is always resisted by the employees. They also desire to expand the domain of their business by diversification, which is again resisted by the employees. It is, therefore, necessary to take the employees into confidence and make them a party to the strategic policies that the management may want to implement.

General causes of resistance

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- ***Job security:*** One of the major reasons for change is job security. In recent times there has been a great deal of downsizing in organizations as a means of cost cutting. The fear of losing ones job is, therefore, a factor of resistence. The introduction of modern technology and systems should lead to growth in the productivity of an organization and not lead to employee turnover.
- ***Lack of communication:*** Different people will see different meanings in any proposed change. Management must communicate in advance the need for change, and the process one is to adopt for the implementation of change. Employees should be co-opted right from the beginning in the change process so that they are party to the change and resistance is reduced to a great extent.
- ***Rapidity and extent of change:*** An autocratic leader has the tendency to introduce change abruptly and with speed. Resistance, therefore, may be expected—the degree of which depends on the persons affected by the change. If the change is of a minor nature and involves routine operations, resistance would be minimal. If on the contrary, the change is major and involves a large number of employees, there would be tremendous resistance to it. For example, when Balco was privatized all the employees resisted it.
- ***Group phenomenon:*** Individuals, on occasion, resist change because the group wants it that way. The importance of group cohesion, group norms, code of conduct and the security that the group provides to its members, play a dominant role in individual behaviour which influences them to resist change.
- ***Emotions:*** Resistance can be expected when those influenced are caught in a jam between the forces of change and the forces of resistance. Resistance may be expected if the change is made on personal grounds and depending on the emotion involved in past changes. If the experience has been pleasant, then the resistance would be negligible. Workers willingly accept technical change if it does not have an adverse effect on the social fibre of the group. Resistance can thus depend on the nature of the people who are going to be influenced by the change. Resistance may also be expected if the change ignores already established institutions, particularly with reference to customs and group norms. It is, therefore, important that due care be taken to protect the emotions of people.
- ***Loss of power:*** The downsizing of departments or the posting of an executive to a different department where there is a reduction of the power base will be resisted by the affected individuals, even though it may be of overall interest to the organization. For example, a superintendent of police of a district will resist his posting as an instructor to the police training academy.
- ***Technology:*** Technological changes are required for the growth of an organization. People have now realized that to be competitive, the latest technology which improves human skills, must be introduced in the organization. It important to consider that no human resources should be replaced by these changes. A certain amount of displacement should be taken in one’s stride. The introduction of technology that causes economic loss and disturbs social relationships are generally resisted.

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Check Your Progress

9. Fill in the blanks with appropriate words.
   (a) As per the ______ any change in one system or sub-system affects changes in the other systems or sub-systems.
   (b) _______ is a goal-oriented change management model that facilitates change management teams to focus their activities on specific business results.
   (c) ________ are factors that are responsible for change in individual behaviour.
   (d) Institutional _____ occurs when organizations change to conform to the norms of the industry.
10. State whether the following statements are true or false.
   (a) In the Trans-Theoretical model of change, con-contemplation refers to the initial resistance to change.
   (b) Complex elements are the elements which remain unchanged and cover strategy, structure and system.
   (c) Incrementalism refers to organizational changes in new products, structures and processes.
   (d) The force that bring about a change in the desired direction are called driving force.

- ***New practices:*** Due to the advent of technology and education, more and more women are now working. Some of them are serving in top decision-making positions. The domination of women is very often not liked by people and is, therefore, resisted. In order to survive, organizations have to sometimes adopt the strategy of acquisitions and mergers, which again is resisted by the employees.

Managing Resistance to Change

Change ultimately affects people in the organization. It is always better to explain to them why the change is necessary, what benefits are likely to accrue as a result of change and how these benefits are to be shared by the employees and the organization. Free flow of information and two-way communication is necessary. If proper communication is not maintained, negative attitudes are likely to be formed while change is being implemented. There is a general impression that benefits from change accrue to the organization and management at the cost of its workers. This is a false impression and must be corrected by the appropriate authority. It must be remembered that without the full cooperation of workers, no change can be planned, implemented and its benefits enjoyed. No growth of the organization can take place unless workers bring it about. Management must understand that workers constitute the key element of any organization and that they must be involved right from the stage of planning the change. This will result in increased productivity of the organization. Participation should not be simply a mechanical act of calling upon employees to 'participate'. It should be clearly understood that there is no one simple panacea for all situations. Participation is not being universally followed. The different combinations of different methods, techniques and procedures may have to be tried. There may be the need to counsel and train people. If the situation so warrants, the plan even may have to be dropped. Conscious efforts must be made by the leader to remove the fears of the employees. Participation should be a part of the total treatment of change. Such participation of workers would ensure commitment to the implementation of change. It must, ultimately, appear that the employees require the change and management is implementing it at the behest of the employees. It has been observed that management is regarded as the instigator of change and unions are considered as forestallers of change. It is, therefore, for management to take labour leaders in to confidence so that they are able to convince the members of the need and utility of change. It is important to make the workers feel that they can discuss the modalities of change and understand the nature of the fears they may have, know for themselves that there is no danger or trap in the change being planned and that the change is for the benefit of the workers and the organization. Coch and French's study of the Harwood Manufacturing Corporation show that the group which was informed of the change and why it was to occur and also participated in helping to design and plan the new jobs as well as the retraining programmes, demonstrated more successful adaptation to change than the other two groups. The other two groups included one group which had no orientation to change other than a short announcement by the management that the change would be made, and the other group was informed by management of the need for change but were asked to select a representative to help devise the necessary retraining programmes. The result was much better in the group involving all employees rather than the group involving only the representative and the group in which only an announcement regarding the change was made.

Current Trends

The following current trends are prevalent in the management of change:

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1. Most organizations scan the external and the internal environment before implementing change.
2. Changes are necessary, but it does not mean that all the changes are implemented simultaneously.
3. Changes are planned.
4. Employees are taken into confidence before implementing change.
5. A change agent is necessary to implement the change.
6. Individual and organizational resistance is reduced by evolving appropriate organizational policies.
7. Organizational culture is an important factor in implementing the change.
8. Human resource policies must be in tune with changes and should be progressive in nature. Delegation of authority, decision making, empowerment, salary administration, welfare and other connected issues are the order of the day and should be part of organizational policies before a change is planned and implemented.
9. Good communication, open door management policies, progressive thinking and a close relationship between employers and workers is considered to make implementation easier.
10. Women are being employed in greater numbers. People resist women managers because they are not used to taking instructions from women. But this trend is going to dictate the future of any organization and employees should get used to this phenomenon.

6.12 SUMMARY

- If we see around us, life is changing every moment. *Maya*, the Sanskrit word, means 'life is an illusion'—the world around us is steady and not changing. A good leader looks beyond the illusion of 'changelessness' and unearths opportunities for change. There have been several passionate arguments put forward by academics about which comes first—a change in attitude or a change in behaviour.
- Strategic change is required when missions-change. Multinational companies have to adapt to the culture of the nations to which they supply their products and services. Various cultural factors have to be considered in this regard and is generally carried out as 'planned change'.
- When a change leads to possibilities and provides new routes for achieving goals, then that change is considered good. However, if a change prevents someone from pursuing goals, then it is considered bad. It must be determined how is change going to affect an organization and its teams.

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- An organization is an open system that has to interact with its environment and is solely dependant on it. Any change in environment makes it necessary for the organization to incorporate changes in the internal systems, subsystems and processes. This change has a chain reaction on the other internal elements of an organization.
- Technology is a major external force that calls for change. In recent times, information technology (IT) has had a remarkable impact on the ability of managers to use information to arrive at a decision. Storage, retrieval of information and its utilization are important aspects of technology. Where human beings cannot operate, robots have been introduced to work for and on behalf of human beings.
- Force field analysis was proposed by Kurt Lewin. When a decision to implement change has been taken, it is necessary to identify and understand what forces are likely to push change and what forces are likely to restrain it. The process of identifying the number and strength of *driving* and *restraining* forces is called the field force analysis.

6.13 ANSWERS TO 'CHECK YOUR PROGRESS'

1. Change is a phenomenon that pushes us out of our comfort zone. It is for the better or for the worse, depending on how it is viewed. Change has an adjustment time-line that varies from person to person. Change has a negative effect on those who do not want to let go. Being flexible is the key. For instance, a roller coaster ride can symbolically be indicative of change—it can be fun if you know when to lean and create balance. Change is not related to the mantra 'just hang in there', but the mantra 'you can make it'. It is not associated with worrying. Change spurs you to achieve your best. It will cause you to learn.
2. Strategic change is required when missions-change. Multinational companies have to adapt to the culture of the nations to which they supply their products and services. Various cultural factors have to be considered in this regard and is generally carried out as 'planned change'.
3. Changes in processes are necessary to keep pace with developments in technology, automation, IT, free-market environment and availability of trained manpower. The organization must take advantage of these processes. This, however, needs heavy investment and various operational changes, but cuts down time and energy. It can bring about change in the work environment, organizational culture and modify the behaviour pattern of employees.
4. When a change leads to possibilities and provides new routes for achieving goals, then that change is considered good. However, if a change prevents someone from pursuing goals, then it is considered bad. It must be determined how is change going to affect an organization and its teams. For example, a CEO has decided upon an 'improvement' that can take the organization to new heights but in reality is a disaster that might lead the workforce to quit the organization.

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5. As a business leader, you will have to ensure the following issues pertaining to change are dealt with:
   - Become aware of change
   - Plan a suitable response
   - Implement the response
   - Examine the results and adjust accordingly
6. The following are the characteristics of change:
   - Change refers to any alteration that occurs in the overall work environment of an organization.
   - It relates to changes in technology, organizational structure, working processes, work environment, organizational policy and the roles people play.
   - The introduction of change in one part of an organization forces a change in other parts of the organization.
   - If the change is beneficial, people accept it willingly. If it is not desirable, there is great resistance. If it is of no consequence to the people, they may adopt an attitude of indifference.
7. Organizations undergo change because of the external causes which are as follows:
   - Government policies
   - Economic changes
   - Competition from peers
   - Cost of raw materials
   - Pressure groups/lobbies
   - Information technology
   - Scarcity of labour
   - Societal pressures
   - Legal requirements
8. Some of the internal causes are as follows:
   - Leadership changes
   - Decline in profitability
   - Change in employee profiles
   - Trade unionism
   - Low morale
9. (a) domino effect
   (b) ADKAR
   (c) change agents
   (d) isomorphism
10. (a) False
   (b) False
   (c) True
   (d) True

6.14 QUESTIONS AND EXERCISES

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Short-Answer Questions

1. What is change?
2. What is structural change?
3. Define cultural change.
4. Write a brief note on process-oriented change.
5. Give the two steps found in the diagnostic process.

Long-Answer Questions

1. Describe planned and unplanned organizational changes.
2. Critically analyze the forces of change.
3. Discuss various aspects of change.
4. Explain different approaches to managing organizational change.
5. Discuss various factors that are responsible for resistance to change.

UNIT 7 ORGANIZATIONAL DEVELOPMENT

NOTES

Structure

7.0 INTRODUCTION

NOTES

The term 'Organization Development' (OD) was coined by Richard Beckhard in the mid 1950s, as a response to the need for integrating organizational needs with individual needs. OD came into prominence in the 1960s and grew in response to needs. OD is a strategy of intervention in which group processes focus on the entire culture of an organization so that a planned change could be brought about. According to Harold M. F. Rush, OD 'seeks to change beliefs, attitudes, values, structures and practices so that the organization can better adapt to technology and live with the fast pace of change'. It seeks to use behavioural science knowledge to help organizations to adjust more rapidly to change.

We shall also discuss OD interventions which address a wide range of specific problems and opportunities. OD gets done when the organizational leaders and members systematically address problems and opportunities, usually guided by an OD practitioner. Practitioners have, over a period of time, developed a number of OD interventions to solve organizational problems. Interventions such as team building, survey feedback, role-playing, and inter-group conflict resolutions were developed during the early years of organizational development. Interventions such as quality of work life (QWL), work design using socio-technical systems theory and learning organizations were developed at a later stage. In addition to the aforementioned interventions, we have interventions aimed at developing self-directed teams, flexible work hours, and so on. These interventions will be studied in this unit.

OD interventions are a set of structured activities in which selected organizational units (target groups or individuals) engage in a sequence of tasks with the goal of organizational improvement and individual development. Interventions constitute the action thrust of OD. The OD practitioner, who is usually a professional well-versed in the theory and practice of OD, brings four sets of attributes to the organizational setting, the interventions:

1. A set of assumptions about people, organizations, and interpersonal relationships
2. A set of goals for the practitioner, the organization and its members
3. A set of structured activities, which are to be the means for achieving the values, assumptions and goals
4. A set of values

Changes in organizations can be both reactive and proactive. They become inevitable part of life and organizations try to sensitize the people in the organizations at different levels through both internal training and external interventions often referred to as OD Interventions (ODI). When technologies interfaced with manpower, most employees required training in knowledge and skills on one side and positive attitude to absorb such changes. The other situations are that the organizations when they are charged with negative results, they realize that people are drifting from the objectives the organization was holding sacrosanct. The organization had to look to its own objectives in the context of overall environment and how to match the employees' individual objectives to go in tune with the revised objectives of the organization. The other situations would be when there are mergers and acquisitions or winding up certain departments or creating new departments. In all such situations it is not reaction to a situation as much as proactivity in taking up change management processes. Workforce mobility and diversity are creating new employee needs along with new expectations about the work culture, and these needs, too, have to be systematically understood and responded to. HR leaders would be enjoined upon to become effective strategic partners in the creation of world class learning culture.

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Indian organizations are no exception to these compulsions. Today, they face numerous challenges and complexities, operating, as they do, in a highly volatile political and economic environment. The current environment demands more systems-driven change without undermining the emphasis on people and relationship-oriented changes. Indian economy is increasingly getting integrated with the global economies both structurally and psychologically. Silicon valley of US led to Silicon valley pockets in Bangalore and Hyderabad. The styles of living and the ways of interactions in several organizations are driven by what was happening in the west from day one.

Most Indian organizations have been more oriented towards their people and relationships rather than being driven by the systems. However, with the upcoming global competition, it is extremely important that Indian organizations should also stand up to face this competition in a highly competitive manner. The change has to be in a direction where the organizations need to move away from borrowed technologies to their own technological development and concentrated efforts on research and development. Additionally, there is a need to also drift away from relationship and people, driven organizations to more competent, skilled and professional employees who are rather system driven.

Thus, there is an emergent need for organizational development in most Indian organizations.

7.1 UNIT OBJECTIVES

After going through this unit, you will be able to:

- Understand organizational development
- Define and state the objectives of an OD programme
- Assess the different goals and types of OD programmes
- Identify different OD interventions or techniques
- Evaluate socio-technical interventions
- Analyze OD strategies for individual development
- Trace the evolution of organizational development in India
- Learn about the current scenario and recent trends of organizational development
- Understand the challenges involved in implementing OD in Indian organizations

7.2 CONCEPT AND EVOLUTION

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Organization development (OD): A strategy of intervention in which group processes focus on the entire culture of an organization so that a planned change could be ensured

Organization development is an intervention strategy in which group processes are used to focus on the entire culture of development of an organization, so that a planned change would be brought about. It makes use of laboratory training approaches, such as role-playing, management games and sensitivity training. It is important from the perspectives of society, customers and the workers themselves because overall costs are reduced that may result in reduction of wastage of human effort. In addition, the quality of the product improves and a more effective organizational climate is developed. Wendell L. French and Cecil H. Bell Jr., traced the development of OD to the pioneering effort of the National Training Laboratories and Esso Standard Oil Company, who began working on the problem of building better organizations and eventually OD evolved from their effort. There were two main reasons that made OD necessary; they are:

1. The reward structure on the job did not adequately reinforce conventional training, so it often failed to carry over to the job.
2. The second cause was the fast pace of change itself, which required organizations to be extremely effective in order to survive and prosper.

OD attempts to develop the whole organization so that it can respond to change more uniformly and capably. OD has its own shortcomings; Beckhard described the dilemma of integrating organizational needs with individual needs. Box 7.1 is a reproduction of his words.

Box 7.1 *Organizational Development*

> 'If we are talking about the basic dilemma of managing work, the management problem has two horns; one horn is, how do you take all that human energy and channel it towards the organization's mission? The other horn is, how do you organize the work, the communication patterns, the decision making, the norms and values, the ground rules so that people's individual needs for self-worth, achievement, satisfaction and so on are significantly met at the work place?
>
> A great deal of attention has been given to the second horn of dilemma. However, that alone does not solve the problem any more than the other way around. So the dilemma is, how do you manage the dilemma and not how you manage one horn of it. OD tries to work out and organize the interaction between the two'.
>
> ***Source***: Beckhard, Richard. 1969.*Organizational Development: Strategies and Models*. Addison-Wesley.

Definition of Organization Development (OD)

According to Wendell L. French and Cecil H. Bell, Jr., 'Organization Development is a systematic process for applying behavioural science principles and practices in organizations to increase individual and organizational effectiveness.'

According to Cummings and Worly, Organization development is 'a systematic application of behavioural science knowledge to the planned development and reinforcement of organizational strategies, structures and processes for improving an organization's effectiveness.'

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In the words of Burke 'Organization development is a planned process of change in an organization's culture through the utilization of behavioural science technologies, research and theory.'

According to Schmuck and Miles, 'OD can be defined as a planned and sustained effort to apply behavioural science for system improvement, using reflexive, self-analytic methods.'

According to Burk and Hornstien, 'Organization development is a process of planned change, change of an organization's culture from one which avoids an examination of social processes, (especially decision-making, planning and communication) to one which institutionalizes and legitimizes this examination.'

According to Warren Bennie, 'Organization development is a response to change, a complex educational strategy intended to change the beliefs, attitudes and structure of an organization so that they can better adapt to new technologies, markets and challenges.'

The American Society for Training and Development, defined OD as, 'An effort (a) planned, (b) organization wide, (c) managed from the top, in order to (d) increase organizational effectiveness and health, through (e) planned intervention in the organizations 'processes' using behavioural science knowledge.'

From the above definitions it would be said that organization development is a strategy for organizational improvement. The term 'Organization development' (OD) may be defined as a technique for changing the entire organization.

In the late 1950s and early 1960s, OD emerged out of insights from group dynamics and from the theory and practice of planned changes. Organization development deals in the way people and organizations function and the way to make them work better. OD programmes are long term, planned, sustained efforts. They are based on the knowledge of behavioural science disciplines such as psychology, social psychology, sociology, anthropology, systems theory, organizational behaviour, organization theory and management. The two major goals of OD programmes are:

(i) To better the working of individuals, teams and the entire organization

(ii) To teach organization members how to continuously improve their own functioning

It is a modern approach to the management of change and the development of human resources. It is an organization-wide planned change for improvement, through the use of behavioural science techniques. A healthier decision-making climate is promoted by organizational programmes that leads to improved organizational performance.

Objectives of OD Programmes

The objectives of OD, as given by Wendell French are as follows:

1. To build and enhance inter-personal trust, communication, cooperation and support among all individuals and groups throughout an organization
2. To encourage an analytical problem-solving approach with a team spirit

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3. To enhance the sense of belonging of individuals to an organization so that individual and organizational goals are synchronized
4. To extend the process of decision-making to the lowest operational level
5. To increase personal responsibility for planning and implementation

Box 7.2 *Distinguishing Characteristics of Organization Development*

- OD focuses on culture and processes.
- Specifically, OD encourages collaboration between organization leaders and members in managing culture and processes.
- Teams of all kinds are particularly important for accomplishing tasks and are targets for OD activities.
- OD focuses on the human and social side of the organization and in so doing intervenes in the technological and structural sides.
- Participation and involvement in problem solving and decision-making by all levels of the organization are hallmarks of OD.
- OD focuses on total system change and views organizations as complex social systems.
- OD practitioners are facilitators, collaborators, and co-learners with the client system.
- An overarching goal is to make the client system able to solve its problems on its own by teaching the skills and knowledge of continuous learning through self-analytical methods. OD views organization improvement as an ongoing process in the context of a constantly changing environment.
- OD relies on an action research model with extensive participation by client system members.
- OD takes a developmental view that seeks the betterment of both individuals and the organization. Attempting to create 'win-win' solutions is standard practice in OD programmes.

***Source*:** French, Wendell L. Cecil H. Bell, Jr. 2003. *Organization Development–Behavioral Science Interventions for Organization Improvement*, 6th edition, New Delhi, Prentice Hall of India (Pvt.) Ltd. p. 29.

Basic Assumptions of OD

The assumptions underlying OD programmes are

1. **Assumptions of dealing with individuals:** The two basic assumptions about individuals in organizations are:
   (a) Most individuals have drives towards personal growth and development. They want to develop their potential and ought therefore to be provided with an environment that is both supportive and challenging. In other words, an individual often wants to grow and develop as a person; this is stimulated and promoted by a supportive and challenging work environment.
   (b) Most people desire to make and are capable of making, a greater contribution to attaining organization goals than most organizational

environments permit. The implication of this assumption is that people have expertise. Organizations must remove obstacles and barriers and reward success.

2. **Assumptions of dealing with groups:** These assumptions relate to the importance of work teams:
   (a) The most psychologically relevant reference group for most people is the work group. The work group greatly influences feelings of satisfaction and competence. Therefore, individual goals should be integrated into the group's goals.
   (b) Most people interact cooperatively with at least one small reference group.
   (c) Work groups are the best way to satisfy social and emotional needs at work. Consequently, work groups that are supportive, open and trusting will promote personal growth of an individual.
   (d) Often, individuals repress their feelings about work or colleagues, because they do not want to disbalance their work environment. However, this has an opposite effect as repressed feelings greatly affect a person's problem-solving skills, personal growth, and overall satisfaction with work. Attitudinal and motivational problems in organizations require interactive and transactional solutions. Such problems have the greatest chance of a constructive solution if all parties in the system alter their mutual relationship. Cooperation is always more effective than conflicts.
3. **Assumptions for designing organizations:** These assumptions relate to the importance of designing organizations. The following points may be considered:
   (a) Traditional hierarchical forms of organizations are obsolete. Therefore, experimenting with new organization structures and new forms of authority is imperative (very important/essential); creating cooperative rather than competitive organizational dynamics is a primary task of an organization.
   (b) An optimistic, developmental set of assumptions about people is likely to reap rewards beneficial to both, an organization and its members. Co-operation is always more beneficial.
   (c) Money or capital is not the most important resource of any organization, but its employees. Employees' work affects productivity and so they must be treated carefully. An organization can achieve higher productivity only when the individual goals are integrated with organizational goals.

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Goals of OD

Edwin B. Flippo has given the following seven specific goals of OD. They are:

1. Decision-making on the basis of competence, rather than authority
2. Creatively resolving conflicts through cooperation designed to replace confrontation, to replace win-lose situations with win-win types
3. Reducing dysfunctional competition and maximizing collaboration
4. Increasing commitment and a sense of 'ownership' of organization objectives throughout the workforce

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5. Increasing the degree of interpersonal trust and support
6. Creating a climate in which human growth, development and renewal are a natural part of the enterprise's daily operation
7. Developing a communication system characterized by mutual openness and candour in solving organizational problems

Table 7.1 *Tools and Methods for Applying Organizational Development Strategies*

	Diagnostic Strategies
Constants	This strategy consists of bringing in objective outsiders (consultants) to analyse and conduct audits of existing policies, procedures and problems. Consultants can be individuals or groups and may act as change agents as well.
Surveys	Surveys consist of interviews or questionnaires used to assess the attitudes, complaints, problems and unmet needs of employees. Surveys are usually conducted by outsiders and guarantee anonymity to participants.
Group Discussions	Group discussions are periodic meetings conducted by mangers to uncover problems and sources of their subordinates' discomfort and dissatisfaction.
	Change Strategies
Training Programmes	Training programmes are ongoing or special efforts to improve or increase skill levels change or install attitudes, or increase the knowledge needed to perform present jobs more effectively and efficiently.
Meetings and Seminars	As change strategies, meetings or seminars are gatherings to help explore mutual problems and seek mutually agreeable solutions. Such group sessions can be chaired by insiders or outsiders and may be used to prepare people for changes in advance of implementation.
Grid OD	Grid OD is a six-phase programme based on the leadership grid. Its purpose is management and organizational development. The first two phases focus on management development. The last four phases are devoted to organizational development. The six phases are laboratory training, team development, inter-group development, organizational goal setting, goal attainment and stabilization.

Source: Plunkett, Warren R., Raymond F Attner, Gemmy S. Allen Management – Meeting and Exceeding Customer Expectations, Australian South-Western Thomson Learning, (7th edition) p. 325.

The choice depends on circumstances. Restrictions the managers have to take into account include limits on time, money and lack of skill on implementing a strategy. The choice of a strategy usually results from conferences and discussions involving those who will be most directly affected. The experiences, feelings and perceptions of conference participants help determine if their areas of the organization are ready for change and for OD techniques. The success of OD depends on a high level of receptiveness to change.

Purpose of OD

The main purpose of OD, according to Burton, is 'to bring about a system of organizational renewal that can effectively cope with environmental changes. In doing so, OD strives to maximize organizational effectiveness as well as individual work satisfaction.' Organizational development is the most comprehensive strategy for intervention. It involves all the activities and levels of management in ongoing problems that respond to external and internal sources. The OD process is cyclic as shown in the following figure:

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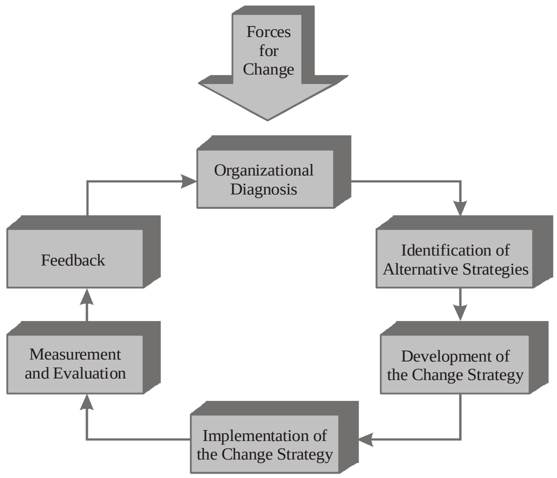

Fig. 7.1 *Model of Organizational Development Process*

Source: Burton, Gene F. 'Organizational Development – A Systematic Process', Management World, March, 1975.

7.3 ORGANIZATIONAL DEVELOPMENT PROCESS

The different types of OD activities may be classified as follows:

1. OD for an individual
2. OD for two or three people
3. OD for teams or groups
4. OD for inter-group relations
5. OD for the entire organization

1. OD for an Individual

Sensitivity training: Sensitivity training was an early and quite a known OD technique. The purpose of sensitivity training sessions or T-groups (T for training) is to change the behaviour of people through unstructured group interactions. Generally, in 'T' groups, a trained leader guides about ten participants. The aim is to make the participants more sensitive to interpersonal relationships and to increase their skill in handling the same. Participants are congregated in a free, open environment that is away from the workplace. Here, participants are encouraged to engage freely in discussions, the discussions being aided by the leader, or facilitator. No formal agenda is prepared for the discussions. The role of the facilitator is to create opportunities so that participants could express their ideas, beliefs and attitudes towards a wide variety of issues.

Sensitivity training: Envisages the formation of unstructured small groups

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Transactional analysis (TA): Is a useful technique to understand people, their attitude and behaviour

Social transaction: Two or more individuals interacting with one another

It is the objective of sensitivity training to make the participants more aware of their own behaviour, as well as to make them more sensitive to the behaviour of other people.

Nowadays, fewer organizations have their employees undergo sensitivity training. In those organizations that still use this technique, participants are screened to ensure that they are able to endure the anxiety levels that a T group causes. There are also precautions taken to guarantee that employees participate voluntarily, and not because of organizational demands, or peer pressure.

2. OD for Two or Three People

Transactional analysis (TA): When two or more than two individuals interact with one another, it results in a **social transaction**. TA was pioneered by Eric Berne, but popularized by Thomas Harris in the 1960s. Transactional analysis trains people to become aware of the context of their communications. Often, people talk expecting others to understand them, but because messages are said and heard in different contexts, meanings might get obscured. TA gives confidence to people to be more honest and open in their communication.

Transactional analysis aims to educate people about communication ways (transactions or messages) among people. By doing this, it expects that people will send clear and unambiguous messages. At the same time, TA tries to lessen bad communication habits and bring more clarity in the same.

TA has found its acceptance everywhere because of several advantages associated with it.

Morrison and O'Hearne list the following advantages of TA as shown in Box 7.3.

Box 7.3 *Advantages and Disadvantages of Transactional Analysis*

Advantages of Transactional Analysis:

- The bases of TA are simple to learn.
- The validity of TA is demonstrable.
- It provides a means for reducing the amount of bad feelings experienced by an individual.
- It increases efficient use of time.
- Helps promote effective communication.
- It reinforces and implements other management development activities, including communication, leadership, brainstorming, management by objective, job enrichment, conflict resolution, and the like.

Disadvantages of Transactional Analysis:

- Few scientific studies of its outcome are available.
- Ego states, basic to understand and utilize TA, are difficult to define.
- If inappropriately applied, TA tends to encourage 'amateur psychologising.'
- TA jargon may lead to more 'cuteness' than insight into human encounter.
- It can be used to put down, or discount, in inter-personal relations.

Source: Morrison and O'Hearne. *Practical Transactional Analysis in Management*. California: Wiley Publishing Company, (1977) p. 1.

Eric Berne uses simple day-to-day language to explain the dynamics of personality and its application for human development. His theory has the following components:

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- **Structural analysis:** A personality, according to Berne, may exist in three ego states. Berne defines an ego state to be 'a consistent pattern of feeling and experience directly related to a corresponding consistent pattern of behaviour'. These ego states are:
  - (i) ***The parent ego state:*** This ego state is constituted by feelings, attitudes and behaviour which resemble a parent. A personality in the parent ego-state is authoritative, dogmatic, overprotective, controlling, nurturing, critical, and righteous.
  - (ii) ***The adult ego state:*** This state is constituted by a set of feelings, attitudes and behaviour patterns that are in tune with the immediate reality. The adult ego stage is the 'thinking' ego state. Personalities that are in this state will be characterized by fairness and objectivity in their dealings with others.
  - (iii) ***The child ego state:*** This state is similarly constituted of a set of feelings, attitudes and behaviour patterns that resemble the feelings, attitudes and behaviour of a child. The child ego state represents the childish, dependent and immature part of a person's personality.

  A transaction is the act of communication or interaction between two people. A transaction starts with a stimulus and ends with a response to the stimulus. Since each individual involved in the transaction has three ego states; the transactions are between the various ego states.

  Depending on the kinds of ego states involved, the interaction can be complimentary, crossed or ulterior.
  - (i) ***Complimentary transactions:*** These occur when the message sent or the behaviour exhibited by one person's ego state receives the appropriate or expected response from the other person's ego state. Since, these transactions meet the needs and expectations of the initiators, communications flow freely, interactions will continue as inter-personal relations will improve. There is, therefore, no scope for conflict in complimentary transactions. Examples of complimentary transactions are parent–parent, adult–adult, parent–adult and child–child transactions.
  - (ii) ***Crossed transactions:*** Crossed transactions these are the sources of much interpersonal conflicts in organization. The result can be hurt feelings and frustrations on the part of the parties involved and possible dysfunctional consequences for the organization.
  - (iii) ***Ulterior transactions:*** A message sent may have two targets (ego states). There may be an overt message (open and expressed), but it may also contain a covert message (a hidden one). Transactions with such messages are called ulterior transactions. Ulterior transactions cause much damage to interpersonal relations.

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- **Life-position analysis:** Life position comprises certain deeply ingrained convictions about the worth of the self and others. A person's conviction about himself/herself may either be 'I am OK' or 'I am not OK'. Similarly, he/she may look at others and think, 'You are OK' or 'You are not OK'. Combining these, we have four life positions:

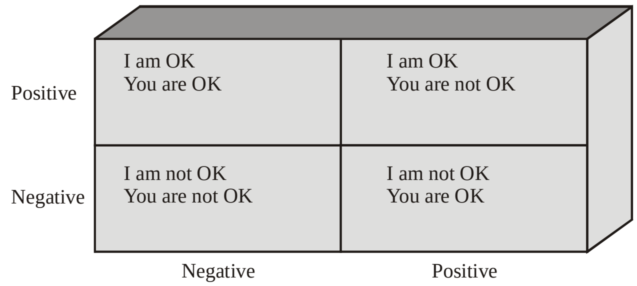

Fig. 7.2 *Life Positions*

- 'I am OK, you are OK'. This is the healthy position.
- 'I am OK, you are not OK'. This is the paranoid position.
- 'I am not OK, you' are OK'. This is the depressive position.
- 'I am not OK, you are not OK'. This is the futility position.

Of the four life positions, the ideal one is I am OK, you are OK. It shows healthy acceptance of self and others. This life position can be learnt. The other life positions are less psychologically mature and less effective. They have the potential for interpersonal conflicts.

Game: A series of ulterior transactions with a gimmick, leading to a well-defined pay-off

- **Games analysis:** A game is 'a series of ulterior transactions with a gimmick, leading to a well-defined pay-off'. Berne, in his book *Games People Play* describes more than thirty games people habitually play.
- **Script analysis:** Script analysis is detailing of specific life dramas that people compulsively play out. It is a sophisticated and complex part of TA. The four most popular elements in the script apparatus are:
  - (i) **Pay-off or curse:** This is the way the parents tell the child to end its life. According to Berne, the script pay-off will not take effect unless it is accepted by the child.
  - (ii) **Stoppers:** Stoppers are injunctions or unfair negative comment from the parent.
  - (iii) **Counter script:** Counter script messages are in the forms of slogans; proverbs for example, work hard. These counter scripts determine a person's style.
  - (iv) **Programme:** Programme is what the parent teaches a child to do in order to live out the script.

3. OD for Teams and Groups

Process consultation: A consultant works with organization members in helping them understand the nature of their working relations in a group or team situation. The aim is to help group members work more efficiently together and this is achieved by developing the diagnostic and problem-solving skills of organization members.

- **Teams:** Teams are also known by other terms such as empowered teams, self-directed teams and self-management teams. Katzenbach and Smith have defined a team as 'a small number of people with complementary skills who are committed to a common purpose, common performance goals, and an approach for which they held themselves mutually accountable'. The most common types of teams are work teams, problem-solving teams, management teams and virtual teams.
- **Work teams:** Work teams are primarily concerned with the work done by the organization. Their principle focus is on using the organization's resources effectively.
- **Problem-solving teams:** Temporary teams that are established to attack specific problems in the work place are problems-solving teams. These teams generally offer recommendations for others to implement. In problem solving teams, members share ideas or offer suggestions on how work processes and methods can be improved.
- **Management teams:** The primary job of management teams is to coach and counsel other teams to be self-managing by making decisions within the teams. These teams consist of mangers from various areas who coordinate work teams.
- **Virtual teams:** Teams that are comprised of people who do not physically meet to carry out work, and who coordinate their activities by computer or through teleconferencing or other electronic systems, are virtual teams. In general, computer technology is used by virtual teams to make members work towards a common goal. This is particularly useful when members live in different cities, or are otherwise distantly located.
- **Groups:** A group that interacts so that it can share information and take decisions to help one another in doing work within ones area of responsibility. The work group is an even stronger source of satisfaction when members have similar attitudes and values. The work group provides group members with opportunities for interaction with each other.
- **Team Building:** Team building utilizes high-interaction group activities so that it can increase openness and trust amongst team members. Team building is a process of diagnosing and improving the effectiveness of a work group with particular attention to work procedures and inter-personal relationships within it.

The diagnostic skills may involve analyses of group activities of resources, or of the relationships between team members. One of the aims of this method is to develop a sense of unity in the members of newly formed committee or group.

The method of team building is generally applied on two types of groups:

(a) A pre-existing or permanent team that comprises a manager and employees. This is often called a family group,

(b) A group that has been newly formed, either with the purpose of solving a specific problem, or that has been created as a result of structural changes in the organization. Such groups are called special groups.

Team building activities aim to diagnose the problems that retard team performance, look to improve the quality and rate of task accomplishments, strengthen

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Virtual teams: Teams that are comprised of people who do not physically meet to carry out work.

relationships between team members and promote other positive processes (like communication, or task assignment) that are active in the team. Table 7.2 is a summary of team-building activities.

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Table 7.2 *Team-Building Activities*

Activity	*Family Group*	*Special Groups*
Diagnosis	Diagnostic meetings: 'How are we doing?'	Diagnostic meetings: 'Where would you like to go?
Task Accomplishment	Problem solving, decision making, role clarification, goal setting, etc.	Special problems, role and goal clarification, resource utilisation, etc.
Building and Maintaining Relationships	Focus on effective inter-personal relationships, including boss-subordinate and peer.	Focus on inter-personal or inter-unit conflict and underutilisation of other team members as resources.
Management of Group Processes	Focus on understanding group processes and group culture.	Focus on communication, decision making, and task allocations.
Role Analysis and Role Negotiations	Techniques used for clarification and definition	Techniques used for role clarification and definition.

Source: French, Wendell L. and Cecil H Bell Jr., Organization Development: Behavioural Science Interventions for Organization Improvement, Englewood Cliffs, NJ. Prentice Hall, p. 104.

Diagnostic meetings do not always need the participation of the whole group; one or more subgroups may participate to carry out a diagnostic meeting. These meetings usually need less than a day to identify the problem areas. However, the overall process of team building needs a longer time and the activities should ideally be held away from the workplace. The consultant interviews participants in advance of such meetings, and organizes the activities around common themes. Upon meeting, the group examines chosen issues, and ranks them in order of importance. Then solutions are discussed and any necessary course of action is agreed upon. Later, a follow-up meeting may be scheduled to evaluate the success of the diagnostic meetings.

Box 7.4 *Eight Tasks of Transition Management*

- Establish the context for change and provide guidelines.
- Stimulate conversation.
- Provide appropriate resources.
- Coordinate and align projects.
- Ensure congruence of messages, activities, policies and behaviour.
- Provide opportunities for joint creations.
- Anticipate, identify, and address people's problems.
- Prepare the critical mass.

Source: Duck, Jeanie D. 'Managing Change: The Art of Balancing'. *Harvard Business Review*, Nov\Dec 1993. pp. 109–118.

4. OD for Inter-group Relations

These are organizational development processes that seek to change negative attitudes, conventional stereotypes and perceptions that groups may have of other groups. Negative attitudes, stereotypes and perceptions have a detrimental impact on the coordinative efforts of different groups. One of the best ways of resolving this is to have the leaders or managers of each group meet to assess the health of an organization and set up plans of action for improving it. To this end, the confrontation meeting may be employed. A confrontation meeting is a one-day meeting involving all the managers of an organization. In this meeting they discuss problems, discover their causes and propose remedial actions. Typically, such a meeting is called after a major organizational change, such as a merger or the introduction of a new technology.

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Although there are several approaches to improving inter-group relations, the most sought after method is problem solving. Each group is required to meet independently to list what its members think of the group, what its perceptions are of other groups, and what it believes how other groups perceive it. Thus, differences are related. Then, the groups collectively hunt for the reasons of difference. Further, subgroups that comprise members from conflicting groups are created to formulate deeper diagnoses and propose alternative actions that will improve relations between groups.

5. OD for the Total Organization

OD attempts to develop the whole organization so that it can respond to change effectively. Change is so abundant in modern society that organizations need all their parts working together in order to solve problems. OD is a comprehensive programme that is intended to ensure that all parts of the organization are well coordinated.

The survey feedback technique involves conducting attitude and other surveys, and systematically publishing the results to organization members. Then, members can determine what actions need to be taken to resolve any problem, or to exploit any opportunity that is uncovered by the survey. Thus, the survey feedback technique improves the operation of the entire organization. Any member of the organization may participate in a survey feedback. The data from the survey feedback is collected through a questionnaire and tabulated.

7.4 ORGANIZATIONAL DEVELOPMENT INTERVENTIONS

An organizational development intervention is a set of structured activities in which selected organizational units engage in. These activities involve a task or a sequence of tasks that stimulate organizational improvement and promote individual development.

As a general statement, OD activities focus on techniques or programmes to better people, as well as the nature and quality of interpersonal work relationships. The most popular OD techniques are highlighted in Figure 7.3.

The common link in such techniques is that each tries to bring about changes in the employees of an organization. Some of the OD interventions are explained below:

1. **Sensitivity training:** This is also known as laboratory training, encounter groups and T-groups. This training is a method of bettering behaviour by promoting group interactions in an unstructured way. If an individual is unaware of how others perceive them, then they are not likely to blend in well with the group. The T-group can help the individual have a more realistic understanding of their self and thus strengthen group cohesiveness and reduce interpersonal conflicts that make the whole group dysfunctional.

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Team building: The process of diagnosing and improving the effectiveness of a work group with particular attention to work procedures and inter-personal relationships within it

2. **Survey feedback:** A survey feedback is a series of questionnaires. These questionnaires are employed to identify problems in the perceptions or feelings of members and attempts to resolve them.
3. **Process consultation:** In process consultation, a consultant is hired to assist a manager or other member of an organization to perceive, understand and act upon any event. It is the consultant's task to give the manager an insight into the happenings of an organization. The consultant then goes to identify the processes that need improvement.
4. **Team-building:** Team-building processes involve high-interaction group activities. These activities increase trust and develop openness, reducing hostility, among the members of a team. Team-building processes may be applied on a single group for the members of that group, or on several groups whose activities are interdependent to facilitate inter-group work.

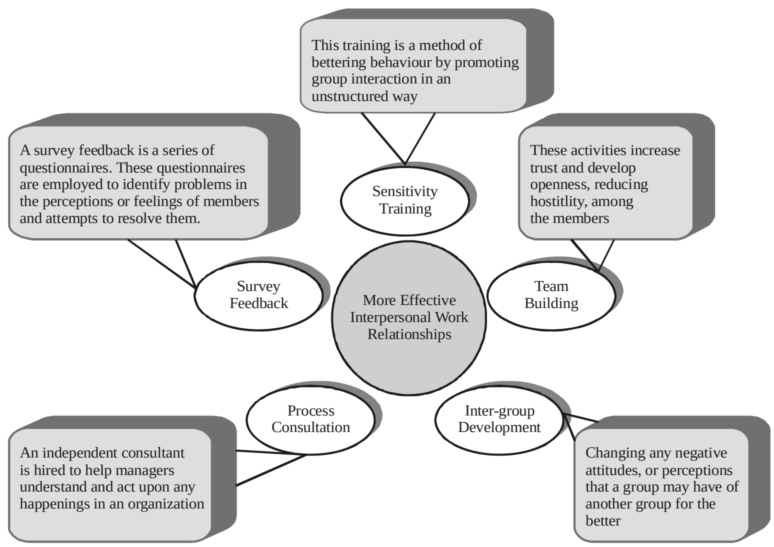

Fig. 7.3 *Organizational Development Techniques*

Source: Robbins, Stephen P. and Mary Coulter. 2003. Management, 7th edition. New Delhi: Prentice Hall of India (Private) Limited. p. 345.

Table 7.3 *Contrast of Sensitivity Training and Team Development*

Characteristic	***Sensitivity Training***	***Team Development***
Participants	Strangers	Fellow Workers
Location	Isolated	Isolated
Subject	'Here and now'	Company Problems
Structure	Little or none	Some
Trainer	Yes	Yes
Feedback	Honest	Somewhat honest

Source: Flippo, Edwin B. 1984. Personnel Management, 6th edition. New York: McGraw-Hill Book Company. p. 220.

5. **Inter-group development:** Just like inter-group relations, inter-group development tries to change the attitudes, conventional stereotypes and perceptions that groups have of each other.

7.5 PHASES OF ORGANIZATIONAL DEVELOPMENT INTERVENTION

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Warner Burke described the following phases of an OD programme:

1. *Entry:* Entry represents the initial contact between consultant and client. It also examines the reasons that led to the selection of the consultant. It further determines the problem of the client that the consultant is hired to resolve, the opportunities that the organization is within to cash is on, and the smooth working relationship that should prevail.
2. *Contracting:* This refers to establishing mutual expectations; reaching agreements on expenditure of time, money, resources, and energy; and generally clarifying mutual expectations.
3. *Diagnosis:* This involves the identification of the slot where the problem arises by way of carrying out data collection and interpreting the same. It may be related to the department, the system, processes, the culture modification or the organizational is returned.
4. *Feedback:* In this phase, the analyzed information is returned to the client system and solution to the problem and its application explored. Thrust between the client and the specialist information is nutured and extent the problem resolved and opportunities realized is ascertained.
5. *Planning change:* In this phase, the client decides what actions are to be taken; what alternatives are available and a critical analysis of the possibilities is conducted. The action plan is devised/selected from among the available and implemented.
6. *Intervention:* The action plan that is finally selected is implemented at this stage.
7. *Evaluation:* Assessing the results of the OD programme its success, changes in the organization structure, processes, systems, job design, and the total difference made to the organization are assessed. The overall OD programme is evaluated.

7.6 ORGANIZATIONAL EFFECTIVENESS AND ORGANIZATIONAL DEVELOPMENT

Since successful OD efforts must have made meaningful changes in the performance and efficiency of the people and the organization, we need to have an evaluation procedure to verify this success; identify needs for new or continuing OD activities, and improve the OD process itself to help make future interventions more successful.

Action Research

According to Wendell L French and Cecil Bell organization development (OD) is 'Organizational improvement through action research'. In fact, it would not be incorrect to say that action research (as conceptualized by Kurt Lewin and expanded later by other behavioural scientists), is the main idea that can most effectively sum up OD's fundamental philosophy. Interested in social change, specially with effective, lasting social change, Lewin held the belief that the motivation to bring about change was intimately related to action: If people are active in decisions affecting them, they are more likely to adopt new ways. 'Rational social management', he said, 'proceeds in a spiral of steps, each of which is composed of a circle of planning, action, and fact-finding about the result of action'.

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Action research: A data-based problem-solving intervention approach that is primarily based on replicating the steps involved in scientific method of inquiry

Lewin's description of the process of change involves three steps:

1. **Unfreezing:** In the situation of being faced by organizational problems the organization feels the need to bring about a change.
2. **Changing:** The problem is diagnosed by analyzing the situation and new models of behavior are explored and tried out.
3. **Refreezing:** The practical application of the new behavior model is evaluated, and if found suitable, it is adopted.

Action Research is a process used as a model for OD intervention and evaluation. It involves systematic collection of research data related to an existing system relative to some objective or requirement of the system. This data is fed back into the system and then relevant/corrective action is taken. The results are evaluated and more data is collected if required.

Action research involves scientific methods of :

1. Gathering data
2. Forming and testing hypotheses
3. Measuring results

The steps involved in Action Research are as follows:

Stage 1: At this stage, also referred to as the start-up stage, the critical success factors are identified and the various roles of the consultants and employees is chalked out. This is also the stage where the ressitance to change shows up and is dealt with. The change process is defined in a formal or informal manner.

Stage 2: At this stage, also known as the assessment stage, data is collected to identify the problems as well as opportunities in the organization. A diagnosis is made at this phase so that appropriate interventions can suggested and employed. Therefore, the primary activities of this stage are:

- Gathering of data
- Initial diagnosis
- Provision of feedback of results
- Joint action planning

Stage 3: Also known as the feedback stage, here, on the basis of data analysis, the findings of the assessment process are shared with all those involved. This also gives a chance to the people of the organization to participate, interact and jointly select suitable change interventions.

Stage 4: This is also known as the action planning stage. Based on the feedback and assessment, at this stage, suitable suggestions are made and steps are recommended to ensure focus on the interventions that would result in positive organizational change. An implementation plan is developed on the basis of the assessment done. This data is organized in a logical manner, the results are oriented, measured, acknowledged and rewarded.

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This stage of action research involves transformation or action. The actions may concern learning as well as planning of behavioural changes and execution of changes.

At this stage, the feedback at times alters the planning done earlier so that the learning process is properly aligned with the objectives of change. Action is first planned and then implemented.

Figure 7.4 below details the systems model of Action-Research Process.

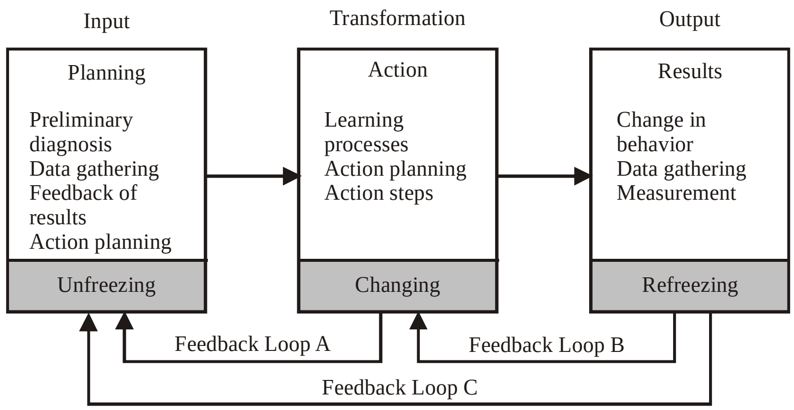

Fig. 7.4 *Model of Action-Research Process*

Before the change process is actually carried out, the current business situation is reviewed, an analysis is done based on the political, economic, social and technological conditions, the trends in the industry are reviewed, a SWOT analysis is done to assess the companies strengths, weaknesses, opportunities and threats; a GAP analysis is developed to include functions such as marketing, sales, distribution, finance, administration, human resources, etc.; the systems and core business processes are reviewed; the systems related to training, planning, budgeting, performance, etc. are reviewed

Adoption Stage

This is the results stage. Here the corrective actions taken in the previous stage are manifested in actual behavioural change. Data may be collected again to check the progress that has been made and to see if any adjustments are required in the learning process/activities. While making small adjustments would not be a problem, major adjustments would mean returning to the first stage of planning.

Some amount of overlap does take place between the stages. In the results stage, new behaviour can be tried out. If found successful, they can be reinforced so that they become an integral part of the problem-solving process/behaviour.

After taking appropriate steps to change the organization and formulating plans, the implementation process is closely monitored and followed up to ensure that everything happens the way it was intended.

Therefore, you will see that Action Research, as a model of organizational development is action-oriented. It involves not just diagnosis but active learning, problem finding as well as problem solving.

It is not enough to just return data in the form of a written report. It is equally important to provide/share feedback. This results in identification of specific problems and their primary causes. This also results in devising methods for handling these problems in a realistic and practical manner.

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The Organizational Capabilities Assessment and Alignment (OCAA) Process

The organizational capabilities assessment and alignment (OCAA) process is a comparatively new OD Technology, which was used to calculate a credible and effective Return On Investment (ROI) estimate, in a study carried on in a company formerly known as NCR.

The OCAA Methodology

The organizational capability assessment and alignment (OCAA) process assists organizations to analyse which collective capabilities are required to implement a business strategy and accomplish business results. OCAA is a kind of problem solving activity conducted for the identification of the disparities between the organization's present situation and its future aspirations. An action plan to address these gaps is its eventual output.

OCAAs should be done at times when a corporation creates a new strategy or upgrades an ongoing one. Such upgradations are done when fresh competitors come into the marketplace, forcing a downturn in the company's; when an industrial breakthrough or major technical advancements are made, or when there is a major transformation in corporate strategy. OCAA's contributions to the improvement in strategy implementation are due to factors like a more focused investment of resources, determination of the particular actions needed to implement the strategy, and enhanced strategic focus.

The process helps organizations to figure out the most important strategic capabilities that must be honed to achieve business success. with the help of this information, the organization can design a plan to produce or better these capabilities and direct everyone's endeavours to be in tune with the organizational objectives.

An OCAA effort is carried out in three phases:

(i) Plan

(ii) Assess

(iii) Align

Each phase entails its own set of activities and results.

The Need for Evaluating Organizational Development

Managers involved in OD efforts are often held responsible for the results of the the OD programme. They are now being questioned about the justification for the financial outlays for hard, bottom line outcomes, and are utilizing the resultant findings of OD evaluations to make crucial resource allocation decisions about OD Further, OD practitioners are working hard to find ways and means to improve their methods so that they can provide a structured, exact, results-based approach to generate credible evaluation data.

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Evaluation gives the evidence which builds the platform on which decisions about sustaining, institutionalizing, and augmenting successful programs are based and also the decision to modify or abandon unsuccessful ones. Rossi and Freeman have concisely summed up its purpose: Evaluation assures that the client 'got what it paid for'. There are other reasons as well to evaluate an organization's work. It is important to ascertain whether unanticipated problems arose as a outcome of the intervention. Without proper evaluation an organization cannot be sure of a trouble-free intervention. Lastly, until OD begins to accumulate and establish credible evidence for its results, it cannot be really be taken in earnest as a science or an established body of knowledge, and without proven facts it is in danger of being seen as only rhetoric or speculation.

What Corporations can do to Make Organizational Development Happen

Certain important organizational changes build the groundwork for effective Organizational Development and the evaluation process should assess whether the following actions have been carried out.

- Goal setting
- Team building
- Organization restructuring
- Development of vision and strategy
- Management of change
- Development and training of employees
- Training and development of executive and leadership
- Assessment and development of organizational culture
- Building of innovative and creative practices
- Development of communication and conflict resolution skills
- Management of performance and career planning
- Management and improvement of processes
- Development of self-managed and shared leadership teams
- Group facilitation

Studies in Evalution of Organizational Development

The area of program evaluation has developed and evolved over the last fifty years, moving on from centering principally on research methods to adopting concepts such as utilization, change, learning, strategy, values, context, politics, and organizational dynamics. In addition to the shift has come a wider epistemological perspective and a wider spread of empirical methods-qualitative and blended methods, responsive case studies, a more democratic and empowering action research, and instructive and constructionist versions of knowledge.

However, despite these evolutionary changes, there are many problems that beset the evaluation of OD Apart from the failure to evaluate OD in most cases being a serious issue, another significant problem on the other hand is that evaluation of OD is a rather expensive affair. It is widely believed that some corporations demand and

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pay much more for evaluation than required. Therefore any unnecessary evaluation can translate into unwanted expenses. Second, the processing of evaluation data is a time consuming procedure, which may holdup the communication of vital information to the company. Lastly, too much evaluation could lead to dependence on data while making subsequent decisions. Keeping such consequences of over evaluations in mind, it benefits both company and consultant to have some rules to establish the required level of evaluation.

Based on a survey of Fortune 500 HR Executives, seven hypotheses concerning the evaluation of organization development and interventions were tested . The findings revealed that uncertainty in intervention makes ground for the company's interest in multiple-level evaluations. Moreover, erratic investments in an intervention adversely effects the required level of evaluation. Head and Sorensen (1990) projected eight propositions for the purpose of establishing how much and what level of evaluation should be carried out. These propositions had evolved from a review of different literatures related to OD, such as community and social agency program evaluation and transaction costs economics. Seven of these untested propositions have been used as the hypotheses for this study.

Head and Sorensen had made use of Kirkpatrick's four-level hierarchical training evaluation model as the foundation for their work. Kirkpatrick had proposed four evaluation levels according to rigor and cost. The picking of one level is independent of the requirement to select any other. Evaluation can take many forms, depending on the levels the company want to assess, and the expenditure that might be incurred in carrying out the evaluation.

The lowest level of evaluation is reaction, which measures how the intervention was perceived by the employees involved in the the process (such as a satisfaction survey). The second level involves learning, wherein the consultant decides whether or not the employees have comprehended the new system's required knowledge and understanding. This is often done by using a test, or a 'dry run'. the third level is behavior, and it entails establishing whether or not the intervention has modified or changed the employees' actions and behaviors in the wanted direction. Generally, this level needs direct observation and measurements to be carried out before and after the evaluation. The fourth level is the most stringent evaluation level which is results, wherein the consultant assess the intervention's effect on the company's bottom-line performance (factors like cost, benefit, analysis, long-term gains, etc.).

The primary work by Head and Sorensen (1990) provides a complete discussion on the development of the current hypotheses. Seven of the eight propositions along with a brief summary of the logic for each, are represented here as as research hypotheses.

Hypothesis 1: Increased uncertainty around the intervention leads to greater rigor being demanded by the company during evaluations.

Logic: The first proposition deals with uncertainty in the consulting situation. With more uncertainty in terms of problem identification and the resultant solution parameters, the consultant demands greater flexibility for action, and the contract becomes undefined with regard to processes.

Hypothesis 2: The greater the number of times a organization has used a particular consultant, the less rigor will be needed in evaluation.

Logic: If a consultant's services have been used often by a client, the company requires less evaluation due to the resultant high degree of trust and confidence established between them.

Hypothesis 3: The more the organization invests in the intervention, the more the likelihood of the requirement for rigorous and multiple level evaluations.

Logic: Many times, by using a consultant, companies have to incur expenses for services or items that is of no use to any other purpose or consultant. With greater investments, the evaluations need to be more rigorous.

Hypothesis 4: If frequent interventions are intended by the organization, the primary stage evaluation would stress on reaction and learning. But if the intervention is not meant to be repeated, the evaluation would stress on behavior and results levels.

Logic: If the intervention is not meant to be repeated, the evaluation would focus on stress on whether or not the project worked. However, if the intervention is a pilot project meant to be replicated throughout the organization, then both the intervention's implementation process as well as its results would be the area of focus.

Hypothesis 5: The sooner evaluation information is wanted, the less demanding the evaluation will be.

Logic: Typically, it takes a a substantial period of time to assess the different variables of behavior and its results of interventions. However, for many different reasons, particularly political, the company often needs quick evaluations.

Hypothesis 6: If an interventions have often been performed in an organization, then a results level evaluation will be the only evaluation required to be performed.

Logic: If an interventions have often been performed in an organization, it can be expected to be credible and presumed that all the process 'bugs' must have been removed.

Hypothesis 7: If the intervention is started before the formalization of evaluation plans, there are less chances of behavior and results levels of evaluation being needed.

Logic: As, most behavior and results level variables need pre-test and post-test comparisons, they need detailed planning and must be identified before any intervention's execution.

Survey Development

Separate cases were written for each hypothesis. The cases represent opposing ends of the issue under study. For example, hypothesis 3 studies the effects of the company's investment. The first case deals with a client investment of $300 and the second with the spending of $7500 for materials. Each case was then randomly put under separate survey forms. The survey involved four levels of evaluation (reaction, learning, behavior, results), and the survey was undertaken by Fortune 500 Human Resource Executives.

Results

After the responses received from the participants, it was observed that executives wanted to see OD interventions evaluated in some way. It also seems that the unambiguous logic used in developing these propositions, is one of the driving forces behind determining the precise shape the evaluation takes. Also, it is comforting for the

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OD consultant to know that in general, clients do understand that often particular intervention situations can place hurdles in the evaluation process.

The results deducted from the hypotheses results reveal:

1. Uncertainness in the consulting situation results in the need for multiple-level evaluation, with greater stress on the results (bottom-line) level.
2. A consultant often used by the client will either not be required to assess his work by the client, or at most will be needed to evaluate at only a few levels.
3. Large, erratic investments (like costly 'off-the-shelf' diagnostic surveys and training matter) incurred in an intervention, are likely to require multiple-level evaluations, specially in the 'hard results' areas of reaction and behavior.
4. Pilot interventions which are meant to be replicated across the organization generally need evaluations to be carried out at all levels because the client needs to be assured about the effectiveness of the intervention process.
5. When there is adequate time for the evaluation data to be formulated, clients expect the data to comprise both the results and behavior levels. On the other hand, with less time in hand, clients expect less comprehensive data focused only on reaction and learning levels.
6. When frequent interventions are carried out an organization clients generally demand only reaction-level evaluations, not wanting to pay for the knowledge already gained by the organization.
7. If the evaluation plan has been decided before an intervention is executed, the company is likely to expect rigorous assessments carried out at multiple-levels, with an eye on the result level. This finding proves that many times for different reasons, OD projects do not necessarily follow the action research model.

It was also noted after the survey that though most of the times the evaluations conducted by the consultants, the option of clients conducting their own evaluations also seemed like an option which was both viable and cost-effective. These findings reiterated that though evaluation is an indispensable element of the action research model, it could be performed by both consultants and the organization internally.

7.7 CONCEPTS OF ORGANIZATIONAL DEVELOPMENT INTERVENTION

OD intervention address a comprehensive range of specific problems and opportunities. The key concepts related to the field are discussed below.

7.7.1 Planning Organizational Development Interventions

First, behind every programme is an overall game plan or intervention strategy. This plan involves the identification of the problem, seeking opportunities, implementation of the programme, its outcome sequencing of various activities when the programme is in the implementation stage and the feedback. Intervention strategies are based on the diagnosis and the goals desired by the client system (organization). Let us imagine that the client system of an organization wants to replace the present sales system based on the zonal, divisional and district-wise sales activities. The system that is in vogue is that

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sales people at the district level conduct the sale of the product, the same is reported to the divisional manager who, in turn, reports to the zonal office. All the zonal managers will compile the sales proceeds and report it to the head office, which may be at the national level. The client wants a new sales system, whereby the intermediate hierarchy is deleted, and where the sales people report directly to the national level office. In this new system that is envisaged, each sales representative is given a sales quota and he would be asked to complete the same on a time-bound basis.

The desired redesign requires diagnosis to determine whether the work will be undertaken by all the sales people, the time required to switch over to the new system, and the willingness of the sales employees. This will also lead to various system changes—training and development of the employees, rewards system, empowerment, communication layout, physical control reporting system, leadership, motivation, morale and a host of other factors. It will also require a change in management philosophy. The questions still remain as to what we are trying to accomplish? What interventions/ activities will get us there? What is the timing and sequencing of interventions.

The following points help practitioners structure the activities in 'better' ways:

1. Structure the activity to include the relevant people who are related to the activity that is being planned. If the aim is team effectiveness then have the whole team working together on a particular job so that their effectiveness can be measured within the time allotted to them to complete the activity.
2. Structure the activity so that it is (a) problem-oriented or opportunity-oriented and (b) oriented to the problem and opportunities generated by the clients themselves. Solving problems and capitalizing on the opportunities are involving, interesting, and enjoyable tasks for most people.
3. Structure the activity in such a manner that the goal is clear and the way to achieve the same is clearly defined.
4. Structure an activity that has a high degree of probability. The client and the practitioner must ensure that the goals are realistic and attainable. Failure in this de-motivates the people involved in the implementation. Reasons for failure must, at all costs, be identified. On the contrary, the sense of achievement raises aspirations and the feeling of self-worth.
5. Structure an activity that is based on the conceptual theory and involves utilization of experience. Integrated learning would, thus, take place when the people undertake the activity involving experience and utilization of various concepts.
6. Activities must be carried out in a free environment. People should not work in a defensive manner. They should be anxious to learn together. All activities should be considered as an experiment so that better systems and procedures are evolve while experimenting.
7. Structure the activity so that the participant learns both how to solve a particular problem and also to 'learn how to learn'. Such structure often means scheduling time for reflecting on the activity and testing out learning; it may mean devoting as much as half the activity to one focus and half to the other.
8. Structure the activity so that individuals learn about the task and the process. The task is what the group is working on. The term 'process' refers to how the group works and what else is going on as the workers work on the task.

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9. Structure the activity so that the 'whole' individual works. It means calling into play role demands, thoughts, beliefs, feelings and strivings of the individual. All parts of the individual must get involved in the job assigned to him.

The following set of considerations concerns choosing and sequencing interventions activities. Michael Beer (1980) suggests the following points:

1. **Maximize diagnostic data:** In general, interventions that will provide the data needed to make subsequent intervention decisions should come first. This is particularly true when the change agent does not know much about the situation. Violation of this rule leads to choosing inappropriate interventions.
2. **Maximize effectiveness:** Interventions should be sequenced so that early interventions enhance the effectiveness of subsequent interventions.
3. **Maximize efficiency:** Interventions should be sequenced to conserve organizational resources, such as time, energy and money.
4. **Maximize speed:** Interventions should be sequenced to maximize the speed with which ultimate organizational improvement is attained. Violation of this rule occurs when the progress of the intervention is slower to conform to the other rules.
5. **Maximize relevance:** Interventions that management sees as most relevant to immediate problems should come first. In general, this means interventions that will have an impact on the organization's performance or task come before interventions that will have an impact on individuals or culture.
6. **Minimize psychological and organizational strain:** A sequence of interventions should be chosen that is least likely to create dysfunctional effects such as anxiety, insecurity, distrust, dashed expectations, psychological damage to people, and unanticipated and unwanted effects on organizational performance.

7.7.2 Organizational Development Intervention Strategies

The study of OD can be carried out on four different fronts as under:

(a) At the individual level, which includes personal counselling and career planning at the intra-personal level

(b) Problem solving, interpersonal communication and interpersonal relationships at the dyadic level

(c) Group goal achievement and aspects related to group dynamics at the group level

(d) At the societal level, wherein OD intervention may include assisting people to resolve their personal problems, like housing, education, induction programmers and social acceptance especially for those who are new to the organization

7.7.3 Classification of Organizational Development Intervention Strategies

Organizational development strategies can be broadly classified as in Table 7.4.

Table 7.4 Organizational Development Strategies

OD Strategies for Personal Concern	Job-Related OD Interventions
Sensitively training	Work flow
Transactional analysis	Job evaluation
Process consultations	Job redesigning
Team building interventions	
Third party interventions	
Individual counselling	
Life and career planning	
Role playing	
System analysis	Change in physical setting
Flexible work hours	Formalization
Job sharing facilities	Organizational mirroring
Job evaluation and role analysis techniques	

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7.7.4 Organizational Strategies for Personal Concern

Sensitivity training

Kurt Lewin first introduced sensitivity training in 1945. Sensitivity training is also known as T-groups or Lab training. This method is used to train teams with an ultimate objective of organizational development. Sensitivity training envisages the formation of unstructured small groups. Members of the group interact with each other and learn from various situations. Kurt Lewin was a theorist, researcher and practitioner of interpersonal and inters-group dynamics and a strong propagator of community relationship as an approach to the overall organizational development. T-groups developed various models of role-playing, learning, change as also the transactional nature of human beings. Team-building dynamics was the major contribution of the T-group. Sensitivity training involved organizational topics like deadlines, duties and responsibilities, policy, procedures and inter-organizational group relationship.

Lewin carried out sensitivity training by field theory, group dynamics, change processes and action research which were of profound importance to people involved in development. The method helped individual to change their attitude, understand human nature, and modify behaviour to suit a particular situation and be a useful member of the team.

Team-building interventions

Teams: The team is a small number of people with complementary skills who are committed to a common purpose, a set of performance goals and an approach for which they hold themselves mutually accountable (Katzenbach and Douglas Smith). Teams have emerged as the most important group phenomenon in various organizations. Joseph Juran first tried to adopt the 'team approach to problem solving'. Today, teams are becoming increasingly popular as a result of advanced IT and concern for total quality management and organizational learning processes. OD has shifted from a reliance on individual managers and workers to inter-functional management teams and work teams that focus on complex problems and tasks. Teams can be formed for any purpose. They can go beyond the traditional formal work group by having a collective synergistic effect. Production teams, and teams for rendering advice in the

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form of board and review panels are generally formed. Teams can also be formed for the completion of the specific task like research and development and engineering work. Action teams for sports, entertainment, expedition, surgery and negotiation are also formed. The objective of such teams is to plan, implement and receive feedback of the job done. However Quality, Circles and Self-managed teams are very common in most of the organizations.

Teams and work groups**:** 'Team' is frequently used for any group, especially to get them to work together and to motivate them. Jon and Douglas differentiated team from work-group. A work group's performance is a function of what its members do as individuals. A team's performance includes both individual results and what we call 'Collective work products'. A collective work product is what two or more members must work on together. It reflects the joint, real contribution of team members. A comparative understanding of teams and the work- group is given in Table 7.5:

Table 7.5 *Comparison of Teams with Work Groups*

Team	***Work-Group***
1. The team plays a shared leadership role.	1. The workgroup has a strong, clearly-focused leader.
2. The team has individual as well as Mutual accountability.	2. Individual accountability for the part of work he/she is doing.
3. The team has a specific purpose. It is a specific part of the organizational purpose.	3. Its purpose is the same as that of the organization.
4. The team works on collective work products.	4. The work-group has individual work products.
5. The team encourages open-ended, active problem-solving meetings.	5. The work-group runs effective meetings.
6. The team measures performance directly by assessing collective work products.	6. The work-group measures effectiveness directly (For example, financial performance of overall business).
7. The team discusses, decides, and work together.	7. The work group discusses, decides, and work individually.

(Reference: Jon R. Kazenback and Douglas K. Smith, *The Discipline Teams*, Harvard business Review).

Quality Circles and Self-Managed Teams: Quality circles are made up of volunteers from the lower levels of operations in manufacturing who offer advice to the management on improving quality and productivity. On the other hand, self-managed teams, sometimes called autonomous work teams, are formally designated by management and can be made up of employees from all levels. Self-managed teams may make decisions and do the real work of the organization. These teams have no appointed manager. They do their own managerial functions.

Development of Self-managed Teams: Self-managed teams can be developed to a great extent. These teams should be made up of dedicated people who enjoy working together, who maintain high standards and demonstrate high productivity. These teams should be monitored on a regular basis and evaluated in the following areas:

(a) Team mission
(b) Goal achievement
(c) Empowerment

(d) Open and honest communication

(e) Positive role and norms

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By controlling such key functions, self-managed teams can be effective and contribute to the performance goals of the organization. Effectiveness of the team can be achieved by considering the following points:

(a) A proper training and development schedule should be planned well in advance.

(b) A facilitator (trainer) must be co-opted with the team right from the beginning. Team members and facilitators should develop rapport. Facilitators should create an environment where individual members can clear his doubts without hesitation.

(c) Group goals should be set up in advance and required resources should be made available to the team. Processes should be well-established.

(d) Decision-making, delegation of authority and the extent of empowerment should be clearly spelt out by the organization. Members should experience autonomy in the work environment.

(e) The group should be trained in various methods of group decision-making, intra-group relations and should have an adequate knowledge of various group functions.

(f) Intra-group procedures involving setting up meeting formats, taking down the minutes of conferences and checking the progress of each point should be known to each of the members of the group.

(g) Team members should be trained so that they are self-managed.

7.7.5 Transactional Analysis (TA)

Eric Berne first introduced TA in 1964. He stated that every individual has three ego states in varying degree. A person acts and reacts depending upon the situation and the ego state displayed by the person with whom he is interacting.

(a) The parent ego state represents feelings of superiority, authority, being judgemental and so on.

(b) The adult ego state represents maturity, objectivity, logic and rationality in communication.

(c) The child ego state indicates a dependant, impulsive and rebellious nature of behaviour. Most of us have one dominant ego state. Any communication between two people is called transaction. The transaction can be analysed in terms of the ego states of both parties which may be complementary, crossed or ulterior. The complementary transaction refers to transactions where two people communicate verbally from a compatible ego state. For example, the adult-to-adult communication. Crossed transaction occurs when the two ego states are incompatible. An adult to child communication falls in this category. This kind of communications is not good and it produces anger, resentment and frustration between the two individuals involved in the communication. Ulterior transactions take place when two parties involve themselves in communication where the main issue is circumvented.

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(d) TA is a useful technique to understand people, their attitude and behaviour. Communication should preferably be from adult to adult ego states. This will lead to a better understanding and logical approach to the problem. Crossed and ulterior communication should be avoided while interacting with each other. TA helps to quickly identify and untangle crossed transactions. By understanding the extent to which ulterior transactions occur in organizations, efforts can be made, if necessary to minimize them since avoiding authentic encounters adversely affects the organizational effectiveness. It is, therefore, necessary for the employees to identify individual ego states, situations under which one is working, organizational stress and its effect on individual behaviour and transact accordingly. By practice, interpersonal problems can be reduced to a great extent and organizational growth is achieved with TA.

7.7.6 Process Consultation

Process consultation requires a combination of skills in establishing helpful relationships, knowing what kinds of processes to look for in organizations and intervening in ways to improve organizational processes (Schein, 1969). The essence of process consultation is that a skilled consultant (facilitator) works with managers, groups and individuals with the object of developing their process skills. It involves diagnosing, understanding and solving process-related problems. There are various processes in the organizations like the enrolment process and the administrative process which itself has various sub-processes within it. The managers have evolved a particular process and they expect that all the employees would implement it. For example, the communication process. In this process, managers must ensure a free flow of vertical, horizontal and diagonal information and that no work should suffer for want of required information in the required format. Should there be any problem, an outsider consultant is employed to examine the process, identify the problem areas, suggest solutions, implement and obtain feedback. It involves ascertaining solutions to various issues in the organization. Major processes that are generally evaluated are as below:

(a) Organizational structure and design modification.
(b) The dynamics of interpersonal relationships
(c) The nature and scope of communication
(d) The issues relating to leadership style which are followed by various leaders
(e) Group problem solving on organizational, social and domestic issues
(f) The decision-making process
(g) Welfare measures
(h) Training and development
(i) Issues of production, quality control, leading to product modification and, thereby, achieving organizational effectiveness.

The process consultation sensitizes the individuals who are directly or indirectly involved in the above processes. Individuals display their voluntary commitment to develop organizational processes and assist each other to resolve issues irrespective of their departmental boundary.

7.7.7 Third-Party Peacemaking Interventions

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Sometimes when parties are unable to reach a conclusive settlement on their own or when some matters in the total package appear unresolved under current circumstances, a third party intervention may be required. The third party can either be an arbitrator or a mediator. In the process of arbitration, a third party is generally involved. This third party acts as a judge and has the power to issue a decision that has to be agreed upon by the involved parties. This arbitrator may be assigned by the government or the courts or by agreement of both parties. The arbitrator listens to the positions advanced by both parties and makes a decision based on the merits of the case. In mediation, a neutral third party tries to persuade both parties to adopt a give and take policy and reach a settlement. He gives his reasons in a rational manner and encourages each party to respect the viewpoint of the opposing party. The mediator does not have the power to enforce his decision. The approach involving the use of a mediator is generally used to resolve the issues between the management and the labour unions. In such situations, a common mediator who is acceptable to both the parties generally plays the role of resolving different issues that may be involved between the two parties. These mediators are trained to perform such role.

A facilitator to resolve conflict in the organization uses third party interventions. Walton (1969) suggests that a fundamental aspect of third-party peacemaking is for the consultant to make the two disagreeing parties each other confront and agree that conflict does exist and is leading to a situation where OD efforts are being hampered. The problem generally relates to emotional disagreement by conflicting parties. The facilitator resolves the issue by creating a congenial atmosphere by way of selecting a place, mode and appropriate agenda for the meeting. During the course of the meeting, he evolves techniques by which both parties agree that there does exist conflict between them. The facilitator identifies the problem and suggests remedial methods. If the problem is of a structural nature, like sharing scare resources, then problem-solving strategies are implemented. If the problem is of an emotional nature, like anger, distrust or fear, the consultant has to adopt strategies for behaviour modification. This kind of problem take more time and effort to be resolved.

7.7.8 Individual Counselling/Interpersonal Interventions

Interpersonal interventions are interventions employed to understand and modify interpersonal patterns in the workplace in relation if organizational development. The following learning points must be remembered

- To understand the human process interventions of the T-group, process consultation and team building
- To review and understand the effectiveness of these interventions in producing change in the workplace

The approach to interpersonal intervention is as follows:

- T groups
- Process consultation
- Third-party intervention
- Team building

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Counselling: It is defined as discussion of an emotional problem with an executive, with the general objective of reducing it so that performance is maintained at adequate level or even improved upon

According to Ghosh and Ghorpade, 'Counselling is defined as discussion of an emotional problem with an executive, with the general objective of reducing it so that performance is maintained at adequate level or even improved upon.'

According to B.J. Prasantham, 'Counselling is a relationship between the counsellor and the counselee characterized by trust and openness, in a one to one, or a small group relationship, whereby the counselee is helped to work through his interpersonal and or intra-personal problems and crises. He is also helped to mobilize his inner and outer resources and to find new options in facing life.'

According to Keith Davis, 'Counselling is discussion of a problem that usually has emotional content with an executive in order to help the executive cope with it better. Counselling seeks to improve executive mental health.'

Counselling refers to the process of advising an employee or, preferably, in most cases, listening to the statement of his problem and enabling him to form his own thinking and find a solution for it. Counselling relates to understanding and helping people. As counselling involves discussion, it forms a process of communication. Effective counselling is a function of communication skills by which an individual shares his emotions with another individual. Counselling deals with resolving the emotional difficulties of individuals which excludes mental illness. Although the emotional problems may not appear to be very significant or complex to others, they are important to the individual who has them and whose productive efficiency or performances are, thus, affected. The problems may relate to stagnation, no promotions, job insecurity, inappropriate treatment by superiors, job stress and the like. Apart from emotional imbalance, need for counselling may arise from varied on and off-the-job conditions such as dissatisfaction, resistance to change, alienation, frustration, stress and conflict.

Counselling helps solve employee problems so that they develop self-confidence, self-worth, understanding and the ability to work effectively. Various functions of counselling are, therefore, to advice, reassure, communicate, release emotional tension, and clarify thinking and orientation. While performing the above functions, counselling may have several accomplishments. Maier indicates seven such accomplishments of counselling. These are:

(a) Identification of attitudes and values

(b) Reduction of frustration

(c) Location and acceptance of true problems

(d) Stimulation of problem solving

(e) Development of responsibility

(f) Conformity of solution with value system

(g) Availability of expert knowledge

Characteristics of counselling

The following are the characteristics of counselling:

- It is exchange of ideas and feelings between two people, counsellor and counselee, so it is an act of communication. Thus successful counselling depends on communication skills.

- It helps executives in coping with their emotional problem, which on the other hand helps in tackling organizational problems. Counselling also helps an organization to be more human and considerate with the problems of executives.
- It is generally confidential and hence executives feel free to talk openly about their problems involving both jobs and personal problems.
- It may be performed by both professionals and non-professionals.
- It enhances job satisfaction and morale of the executives.

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Causes of counselling

In today's fast-moving society, an executive is confronted with numerous problems, which may be personal or related to his job. Some of the conditions like frustration, job dissatisfaction, resistance to change, intergroup conflict and interpersonal relationship generate counselling needs. In such situations, counselling facilitates reducing of his stressful condition and thereby helping him return to normal job performance and behaviour. Thus, counselling helps an emotionally disturbed executive to become normal and develop self-confidence, self-control and understanding in order to work effectively. The causes of counselling needs are:

- **Conflict**: A conflict arises when there is disagreement between two or more individuals or groups or when a group tries to gain acceptance of its views or objectives by the other group. A group consists of two or more individuals who interact regularly with each other to accomplish a common purpose or goal. Conflict among groups is undesirable and it should be avoided and resolved as soon as possible. Conflicts may be personal or organizational. Personal conflict among the individuals of a group is more emotional in nature and reflects feelings, anger, distrust, fear, resentment, clash of personality and tension. The organizational conflict involves disagreement on the factors such as allocation of resources, organizational policies and procedures, nature of assignments and distribution of rewards. The most serious problem which the individuals face is interpersonal conflict as it affects deeply their psychological being. In order to avoid conflict, an environment of goodwill and trust should be developed by the organization. Proper organizational structures, authority relationship and good human relations can help in preventing conflict. Counselling facilitates resolution of conflict by reducing emotional blockages.
- **Stress**: Stress is a condition of strain that has a direct bearing on emotions and physical conditions of an individual. When the stress is excessive, it can threaten one's ability to cope with the environment. People who are stressed may become nervous. Stress also leads to physical disorders because the internal body system changes with the stress level. The causes of stress can be classified under two heads:
    - o **On-the-job stress**: The job itself may pose as the basic cause of stress. Executives may not be able to cope with the demands of the job or the requirements of the job may be unclear to them. In such situations, the executives may feel overloaded with work, pressure, tension, anxiety and insecurity. All these feelings cause stress.

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- o **Off-the-job stress**: The causes of stress off the job are numerous, such as financial problems, death in the family, marital problems and problems with children.

The ability to tolerate stress is not the same in all individuals.

- **Frustration**: Frustration is another factor which necessitates counselling. When an executive faces repeated interference in his work it prevents him from achieving the desired goals. In frustration, the executive may show various kinds of reaction such as aggression, apathy, withdrawal, regression, physical disorders, substitute objectives, negativism and fantasy.

Functions of counselling

There are many functions of counselling. Some of them are as follows:

- **Offering advice**: A counsellor after carefully listening to the problems of a counselee makes judgements about the counselee's problems and guides him towards desired courses of action. It has been observed that advising develops a very good relationship between the counsellor and the counselee as the latter starts depending on the former.
- **Offering reassurance**: Reassurance provides courage, confidence and strength and develops a positive feeling that he is pursuing a suitable course of action and is on the right track. Reassurance is needed when an executive is assigned a challenging task.
- **Inducing a clarified thinking**: Clarified thinking is another function of counselling. It encourages a person to think in a rational and realistic manner. Clarified thinking encourages a person to accept responsibility and to be more realistic in solving the emotional problems which occur in between.
- **Releasing emotional tension**: An important function of counselling is the release of emotional tension. This release is also termed as emotional catharsis. When people share their emotional problems with someone, they get emotional release from their tension and frustrations. This emotional release may not solve the problem but paves the way forsolution.
- **Facilitating communication**: Counselling facilitates improvement in upward and downward communication. In the upward communication process, the feelings and emotional problems of executives can be interpreted to management. It also helps in achieving downward communication as the counsellors interpret company activities and give work insights to executives.
- **Reorienting executive's self**: It involves a change in the executive's basic self through a change in basic goals and values. It helps people in recognizing and accepting their strengths, weaknesses and limitations.

Types of counselling

Counselling is of the following types:

- **Directive counselling:** Directive counselling is the process of hearing of a person's emotional problems, deciding what he should do and then telling and motivating him to act accordingly. Under directive counselling, a counsellor performs all the functions of counselling, except reorientation. If the directive counsellor listens to an executive's problems carefully and makes the counselee realize that his advice is worthwhile, then directive counselling can be successful.

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- **Non-directive counselling:** Non-directive or client-centred counselling is the process of skilfully listening to a person and encouraging him to explain his emotional problems, understand them and determine courses of action. It focuses on the counselee rather than the counsellor as judge and adviser and hence it is 'client-centred'. Professional counsellors generally follow non-directive counselling. They facilitate a counselee in discovering and finding a suitable course of action by himself. The counsellor not only tries to solve the immediate problem of the counselee but also attempts to bring about an attitudinal change in him. Besides having certain advantages, non-directive counselling has several limitations: it is time-consuming, it requires professional counsellors, it is costly, and so on.
- **Participative counselling or cooperative counselling:** This form of counselling is worth a serious notice as it appears to be more practically applicable and more readily suitable to managerial attitudes and temperament in Indian organizational situations than the other two. It is in the middle of directive and non-directive counselling. Participative counselling is a close and mental relationship between the counsellor and the counselee that establishes a cooperative exchange of ideas, information, knowledge, values, feelings to solve the counselee problems. It is not dominated by either party; on the contrary, it integrates many advantages of both directive and non-directive counsellings. Usually this method uses four counselling functions of reassurance, communication, emotional release and clarified thinking.
- **Life and career planning:** Life has become very fast because of automation, social change and the technological leap. The expectations of individuals have, therefore, grown out of proportion. It is the responsibility of the organization to plan growth of each employee. This will enhance the organizational culture, growth and the sense of belonging. This will also facilitate succession in family-run organizations. At the supervisor and worker levels, training and development is essential. It is the responsibility of the line managers to organize periodic cadres, refresher courses, and promotion cadres and ensure that the work force is kept updated. A career manning Cell should be established in large organizations, whose sole responsibility should be to plan, organize and conduct career planning courses in consultation with the HR department, training institutes, government agencies and NGOs. One of the drawbacks of career planning is the constant turnover of the employees for various reasons. If career planning is effective, the employee turnover will reduce drastically. Career planning is one of the important functions of the organization which should be taken seriously.

Steps in counselling

Counselling is meant to help utilization of human resources in an organization. A counsellor has to help his executives to be aware of their strong or weak points and help them to improve upon the strong points and overcome their weaknesses. In fact, every manager or supervisor is in a way counselling his executives knowingly or unknowingly every day. The usual counselling process goes through the following three phases:

- **Initiating**: It involves developing mutual understanding**,** openness and acceptance, sometimes termed as rapport building.
- **Exploration**: It involves reading the mind of the counselee with the help of his feelings, strengths and weaknesses, and his problems and needs. The skill of the counsellor lies in making the counselee discover his own shortcomings and weaknesses and size up his problem in the light of mutuality of the organizational situation.
- **Formulation of action plan**: The formulation of an action plan is done for improving the performance of executives working in the organization. However, it may take more than one session to arrive at the ultimate stage of formulation of the plan, but at the end of each session the action plan following that may be worked out.

Drawbacks of counselling

The following are the drawbacks of counselling:

- It may help an executive for better adjustment with his superior but it does not improve the working environment.
- It attempts to change the attitude and behaviour of an individual, which does not last in long run.
- It usually follows an appeasement policy. Counsellors do not want to annoy the management by telling the reality.

7.7.9 Role Playing

Role playing is a spontaneous acting out of a realistic situation. Real-life situations are used to teach the trainees. When few individuals play a role, the others observe and criticize at the end of the session. Role playing is a substitute for experience. It emphasizes techniques of observation, participation, copying and discussion. Trainees try to enrich themselves by trying out different approaches of role playing. Role playing, as a tool of organizational development, is an important instrument. It should be carried out under an expert so as to derive maximum advantage.

Role conflict: Two or more individuals may have different expectations and even at times expectations of totally opposing nature from the same individual. Thus, there are two or more sets of pressures on the individual so that it is not possible to satisfy all of them. In other words, role conflict occurs when contradictory demands are simultaneously placed upon an employee. For example, an architect may have been expected to produce creative designs by his client. At the same time, he may be pressurized for timelines. Thus, both these roles are actually conflicting in nature. Similarly, a contractor may ask a carpenter to do something that may be different than what the city building code prescribe, thus causing a role conflict.

Inter-role conflict is another type of role conflict. An individual may be performing more than one role simultaneously in his life and both these roles may have different types of expectations from the individual. Thus the roles are expected to have a conflict with each other. For example, a mother may be aware of the fact that her son has committed a crime but she still may not inform the police about the same. Similarly a police officer attends a family party where several guests are consuming drugs which is not true as per the law.

Studies conducted by Robert Kahn and his colleagues at the University of Michigan regarding role conflict, lead to the following conclusion:

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'Contradictory role expectations give rise to opposing role pressures (role conflict), which generally have the following effects on the emotional experience of the focal person: intensified internal conflicts, increased tension associated with various aspects of the job, reduced satisfaction with the job and its various components, and decreased confidence in superiors and in the organization as a whole. The strain experienced by those in conflict situations leads to various coping responses such as social and psychological withdrawal (reduction in communication and attributed influence) among them.

If there is conflict present in one's role, then the person may not feel connected with his role leading to the weaker bond of trust, respect and attraction of oneself for his role. It is quite clear that role conflicts are costly for the person in emotional and interpersonal terms. They may be costly to the organization, which depends on effective coordination and collaboration within and among its parts'.

7.7.10 Job-Related Interventions

Workflow

In a highly technological environment, every job has to be reviewed periodically so as to ensure that the job has the following attributes:

(a) **Task identity:** As far as possible a job must have an identifiable right from its inception to its completion. It is necessary because a worker identifies himself with the job and derives a greater satisfaction.

(b) **Meaningfulness:** While designing a job, due care should be taken to ensure that every job should involve skill variety. The job should utilize all the abilities of the individuals. The job should not be of routine nature.

(c) **Task significance:** Employees will derive maximum satisfaction if the job they are doing is of a great significance. For example, manufacturing of a firing mechanism in a petrol vehicle is of great significance.

(d) **Autonomy:** Employees should enjoy autonomy while they are performing. Freedom of action, decision-making and discretion in scheduling a job should be taken into account by OD efforts. Autonomy requires that the content, structure and organization of the job is such that individuals or groups performing those jobs can plan, regulate and control their own work. Autonomy implies the use of individual skills effectively so that the contribution to the job is meaningful. It regulates the individual. Autonomy is self-governance.

Job evaluation

Wendell French defines job evaluation as 'a process of determining the relative worth of the various jobs within the organization, so that differential wages may be paid to jobs of different worth'. Relative worth of a job means the relative value produced. The variables which are assumed to be related to the value produced are such factors

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as responsibility, skill, efforts and working conditions. It is important to note that job evaluation is, in other words, the ranking of job, not the job holder. Job holders are rated through the performance appraisal. Job evaluation provides the basis for developing job hierarchy and fixing structure. It must be remembered that job evaluation is not absolute. That is why job evaluation cannot be the sole determining factor for deciding the pay structure. Various external factors like technological changes, labour market, the collective bargaining capacity of the workers, and political and economic factors affect the level of wages. It is important to note that regular review of various jobs should be done by the organization and suitable modification to pay structure be made. Employees have a positive impact on personal development. It is at the workplace that individuals derive their satisfaction and can further organizational development in a long run.

Job redesign strategies

Job design refers to the study of jobs, tasks and the constellation of tasks. It includes job enrichment, job enlargement, job characteristics, models and social information processing perspectives. The traditional approach involved fitting people to job. A more recent approach to designing jobs incorporates both objectively gathered descriptions of the jobs and the perceived requirements and relationships of job-holders. Since Hertzberg's work on job enrichment, a great deal of interest has been aroused in job redesigning. Apart from collecting data pertaining to the job and work, a great deal of emphasis on human values has also been added. Davis proposed the concept of job design as 'the organization (structuring) of a job to satisfy the technical–organizational requirements of the work to be accomplished and the human requirements of the person performing the work'. Job designs change as job-holder needs and work requirements change. Job redesign strategies seek to address these changes. Job redesign approaches aimed at enhancing productivity and employee motivation include job enlargement, the scope of the job, the variety of activities, the number of processes and the required skills to accomplish the job. Job extension, that is, doing more of the same work, is a form of job enlargement.

7.7.11 Socio-Technical Interventions

Systems analysis

An organization should study both external and internal environment, analyse the socio-economic factors like the prevailing standard of living, social demands on employees, aspirations of children and the ability of the individual to fulfil the same. Demographic factors also play a dominant role in the organizational development paradigm. Based on the above factors, an organization should design its reward system so that the employee is able to live at a desired level and meet its social obligation. This is important because the systems so evolved would be able to generate enthusiasm and the desire to excel, which will bring growth to the organization. A contingency approach should be adopted by the managers in this respect and aspirations of the employees be met. Of late the individual has started comparing his status vis-a-vis the status of the workers throughout the world. A certain amount of parity is required to be adopted by the organizations. In the light of the above discussion the following system needs attention:

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(a) Recruitment system
(b) Reward system
(c) Appraisal system
(d) Training and development
(e) Organizational mission with particular reference to growth potential
(f) Technical upgradation
(g) Social recognition
(h) The ability and will of the organization to plan for the growth of the children of the employees to enable them to be competitive in the present social scenario

Flexible work hours

Organizations should plan work according to the brick pattern. The responsibility to produce is assigned to teams and work groups. The work assigned to them should be based on timings. All the resources are made available and no interference should be made by the senior members, thereby providing them with total autonomy. Flexible work hours are necessary for dual career families. For instance, dual career members, who are now trying to combine their family and work lives, face problems managing their work–family interface. Workshops should be conducted for both spouses on time management, childcare, stress management, and the management of all that comes in the way of performance.

Job-sharing facilities

Organizations should create job-sharing facilities within itself and may also have tie-ups with other organizations for sharing the job. This is particularly required for the research and development branch of any organization. Job sharing creates additional facilities without any monetary burden on the organization and optimum utilization of resources is achieved. If the facilities are available for performing the work, employees can meet deadlines more easily.

Job evaluation and role analysis techniques

An individual should be trained to handle more than one job so that, if required, he could be gainfully employed in a different role (job). Job evaluation and job analysis techniques have already been discussed in an earlier unit. Individuals have to play different roles in the organization. He should be made self-sufficient so that he can fulfil his obligations. It is important that an individual is satisfied with the job he is performing. Job redesign, job rotation, job simplification and job automation are some of the methods where organizational development takes place.

7.7.12 Structural Interventions

Change in physical setting

The Physical setting and its importance on productivity is a subject on which a lot of work has been done. The objective of the ideal physical setting of machinery is to reduce the physical fatigue that workers are often subject to and provide maximum physical convenience to the worker for doing the job. This involves the layout of the

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machinery, the position of the operator, the availability of tools and raw material. This also involves the supervision that is required to be carried out by the superiors. For example, you will notice that in the case of the layout in banks or in a bottling plant, there are standard tailor-made layouts available and the organization can adopt them with suitable modification. The objective is to improve productivity. Taylor has done pioneering work on the subject in early Twentieth century when management concepts were in the evolution stage.

Formalization

Formalization refers to the extent to which policies, procedures, rules and regulations exist in the organization. Policies are basic guidelines and principles based on which the organizational objectives are to be fulfilled. Policies are laid down with great thought and deliberation and are indicative of the culture that the organization wants to follow. Policies are mandatory requirements of any system. Policies are general in nature and give basic guidelines to the manager on how to operate. For example, the recruitment policy or the training and development for managers. On the other hand, rules and regulations are strict in nature and individuals must to obey those. There is no scope for deviation. These are the prescribed codes of conduct that need to be strictly followed. Procedures are methods which are practical in nature and are followed to carry out any work. These are generally stated in the standing orders for an organization. These are necessary to relieve managers of the necessity of directing so that he can concentrate on the job exclusively. There are certain situations that are not covered in the policy of the organization. Under this situation, the manager has to interpret the event/situation and give his decision. This phenomenon is called 'management by exception'. Thus, formalization of rules, regulations, policies and procedures help managers focus on the primary managerial functions. Too much of formalization is not advisable as it reduces the personal contact between employees and managers. It also gives the feeling of too much of bureaucracy and the lack of operational freedom. For creativity and innovation, less formalization is recommended. For organizational development, it is, therefore, necessary to ensure a mix of both formalization and work autonomy to the employees.

System intervention strategies

The systems intervention approach points out that organizations follow up on both process and structural intervention strategies at the same time to produce desired changes in functions of different work-teams. Process and structural interventions thus affect management control systems and the operational performance of organizations.

7.7.13 Organizational Mirroring

Organizational mirroring is an intervention technique to assess and improve an organization's effectiveness by obtaining feedback from the organizations with which it interacts. When an organization experiences difficulties working with other organizations, it can seek assistance from these organizations through organizational mirroring. The process of organization mirroring is as follows:

(i) A representative from outside organizations like suppliers or government organizations with whom the host organization faces problems is invited for mirroring or reflect back their perception.

(ii) He generally interviews the people attending the meeting in advance of the scheduled meeting.

(iii) He ascertains the magnitude of the problem that the host organization is seems to be facing.

(iv) A meeting takes place in which groups/sub-groups identify the problems faced by the host organization and suggest solutions.

(v) Host organizations should genuinely want to resolve their problems with the external organization; only then can organizational mirroring be of any use.

(vi) Host organizations should implement the action plan developed during the meeting.

7.7.14 Innovation

Innovation is the process of creating new ideas and putting them into practice. It is the means by which creative ideas find their way into everyday practices, ideally those practices that contribute to improved customer service or organizational productivity. Product innovation results in the introduction of new or improved goods or services to better meet customer needs. Process innovations result in the introduction of new and better work methods and operations.

Innovation process

New product development can be carried out by innovative ideas (Figure 7.5). The process of innovation takes the following four steps:

1. **Idea generation:** To create an idea through spontaneous creativity, ingenuity and information processing
2. **Initial experimentation:** To establish the idea's potential value and application
3. **Feasibility determination:** To identity anticipated costs and benefits
4. **Final application:** To produce and market a new product or service, or to implement a new approach to operations

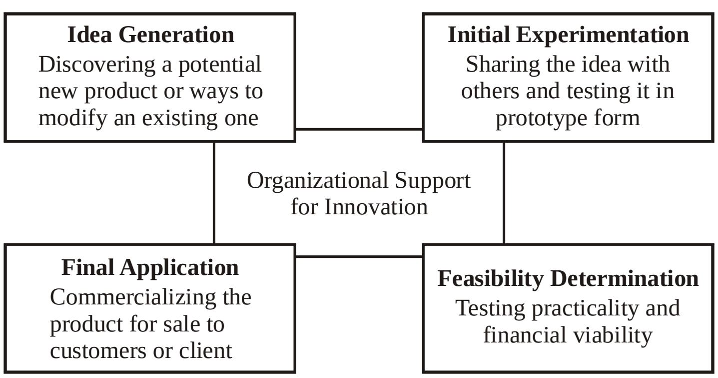

Fig. 7.5 *Innovation Process: New Product Development*

The innovation process is not complete until final application has been achieved. A new idea, even a great one, is not enough. In any organization, the idea must pass through all stages of innovation and reach the point of final application before its value can be realized.

Features of innovative organization

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(a) Highly innovative organizations have strategies and cultures that are built around a commitment to innovation
(b) Tolerance to mistakes and respect for well-intentioned ideas
(c) Highly innovative organizations have structures that support innovation
(d) Emphasize creativity through teamwork and cross-functional integration
(e) Innovative organizations practise decentralization and empowerment
(f) Organizational plan and staff organization with clear commitment to innovation
(g) Innovative organizations pay special attention to critical innovation roles of idea generators, information gatekeepers, product champions and project leaders
(h) Innovative organizations benefit from top-management support

Creativity

Creativity generates unique and novel responses to problems. One individual on behalf of a group makes individual decisions. In a dynamic environment full of non-routine problems, creativity in crafting decisions often determine how well people and organizations do in response to complex challenges. Group dynamics and the group as an important resource for improving creativity in decision-making were examined in an earlier chapter. Indeed, making good use of such traditional techniques as brain storming, nominal groups and the Delphi method can greatly expand the creative potential of people and organizations. MIS, DSS and other computer-based techniques further enhance the decision-making ability of individuals.

Stages of creative thinking: Creative thinking is carried out in five stages. These are as follows:

(a) *Preparation:* In this stage, people engage in active learning and the day-to-day sensing that is required to deal with the complex environment successfully.
(b) *Concentration:* Actual problems are defined and framed so that alternatives can be considered for dealing with them.
(c) *Incubation:* People look at the problems in diverse ways that permit the consideration of unusual alternatives, avoiding tendencies towards purely linear and systematic problem-solving.
(d) *Illumination:* At this stage, people respond to flashes of insight when all pieces to the problem fit together.
(e) *Verification:* This stage refers to conducting a logical analysis to confirm that good problem-solving decisions have been made.

All these stages of creativity need support and encouragement in the organizational environment. However, creative thinking in decision-making can be limited by a number of factors. These are the following:

(i) Judgemental heuristics can limit the search for a number of alternatives.
(ii) When attractive options are left unconsidered.
(iii) Cultural and environment blocks.

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Creativity model

The rational decision-maker needs creativity, which is the ability to produce novel and useful ideas. Most people have a creative potential which they can use when confronted with decision-making problems. Bur in order to unleash that potential, they have to get out of the psychological rut most of us get into and learn how to think about a problem in divergent ways.

Three component model of creativity

This model is based on the extensive work done by T.M. Ambabile on the subject. This model proposes that individual creativity essentially requires expertise, creative-thinking skills and intrinsic task motivation. The model is shown in Figure 7.6 below:

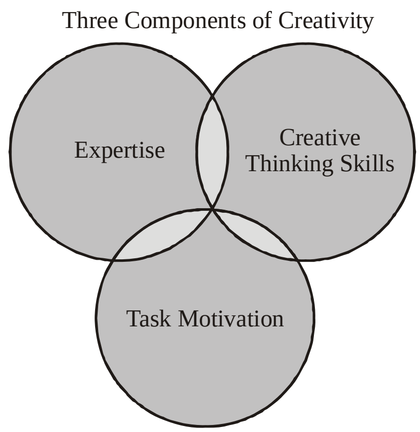

Fig. 7.6 *Creativity Model*

Source: T.M. Amabile, ‘Motivating Creativity in Organizations: On Doing What You Love and Loving What You Do’, *California Management Review*, Vol. 40, No. 1, pp. 39–58, 1997.

1. **Expertise:** Expertise is the foundation of all creative work. Aryabhatta had the expertise to be creative in mathematics. Bhabha’s knowledge of physics made him creative in nuclear sciences. The potential for creativity is enhanced when individuals have ability, knowledge and proficiencies.
2. **Creative thinking skills:** This encompasses personality characteristics associated with creativity, the ability to use analogies as well as the talent to see the familiar in a different light. For instance, the following individual traits have been found to be associated with the development of creative ideas: intelligence, independence, self-confidence, risk taking, an internal locus of control, tolerance for ambiguity and perseverance in the face of frustration.
3. **Intrinsic task motivation:** this refers to the desire to work on something because it is interesting, involving, exciting, satisfying or personally challenging. This motivational component is what turns creativity potential into actual creative ideas. It determines the extent to which individuals fully engage with their expertise and creative skills. Creative people often love their work. An individual’s work environment can have a significant effect on intrinsic motivation. Five organizational factors have been found that can, especially, impede one’s creativity:

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(i) Expected evaluation focusing on how your work is going to be evaluated
(ii) Surveillance—being watched while you are working
(iii) External motivators—emphasizing external, tangible rewards
(iv) Competition—facing win-loose situations with peers
(v) Constrained choice—being given limits on how you can do your work

It is, therefore, necessary to objectively study and lay down evaluation systems. Installation of cameras for the boss to observe what workers are doing is a bygone method of supervision as it kills creativity. For the enhancement of creativity, healthy competition and autonomy in work environment is necessary.

7.7.15 Learning Organizations

Major work has been done on learning organizations by Frederick W. Taylor through the introduction of scientific management. However, the origins of today's use of term learning organizations is usually attributed to the seminal work of Chris Argyrris and his colleagues, who made the distinction between first-order or 'single-loop' and second-order or 'double-loop' learning.

1. **Single-loop learning** involves improving the organization's capacity to achieve the known objectives. It is associated with routine and behavioural learning. Under single-loop learning, the organization learns without significant change in basic assumptions.
2. **Double-loop learning** re-evaluates the nature of the organization's objectives and the values and beliefs surrounding them. This type of learning involves a change in the organization's culture. Importantly, double-loop learning consists of a drastic change resulting in a change in the basic assumptions of the organization, cultural or structural, for which the organization has to conduct adoptive learning. The system faces several difficulties. More importantly generative learning is needed. Generative learning involves creativity and innovations. The generative process leads to the total reframing of an organization's experiences and learning from that process. Senge propagated generative learning

This tension stems from the gap between the organization's vision and reality and suggests that learning organizations continually question and challenge the status quo. Systems thinking refers to the ability of learning organization to recognize the shared vision of employees throughout the organization and be open to new ideas and the external environment. Another major characteristics is the organizational culture. It must place a high value to learning and the setting up of a mechanism for suggestions, teams, empowerment and empathy. The factor of empathy reflects the genuine concern for and interest in an employee, suggestions and innovations, which can be backed by the reward system. All these factors contribute to a truly learning organization.

7.7.16 Steps in Organizational Development

The steps of organizational development for initiating a whole organization development (WOD) effort are listed as follows:

- Clarification of whole organization objectives
- Data gathering

Check Your Progress

1. Who coined the word 'Organizational Development'?
2. What is the main pursuit in organizational development (OD)?
3. Give the main reasons which make OD really essential for the organizations.
4. What are the main objectives of organizational development?
5. Give the distinguishing characteristics of organizational development.
6. What are the two basic assumptions of OD regarding dealing with individuals?
7. Define sensitive training.
8. What is transactional analysis?
9. What are the four fronts on which OD can be studied?
10. Draw a comparison chart of teams and work groups.

- Diagnosis
- Prescribing interventions
- Commitment
- Implementation
- Progress review

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Teams are an important element in the new high performance forms of organizations. It is important to understand what teams are and what they aren't, if they are to be used effectively. They are not always effective. They can be highly dysfunctional. They can develop a 'group thinking' mentality that can produce bad decisions. They can be disruptive, leading to arguments and discord in the organization. They can be enormously wasteful of people's time and energy. Problem solving teams are used to improve the way the organization performs, and management teams are

7.7.17 Team Interventions

It must be mentioned that there are different levels of intervention. While discussing team interventions, it must be mentioned that interventions can take place at the individual, dyadic (pair of individuals), team/departmental, interdepartmental, organizational, inter-organizational or even industry level. OD programmes often include multi-level interventions. For example, an organization wanting to reduce bureaucracy in its levels would want to introduce a series of bureaucracy-bashing interventions at the following levels:

- Individual level (employees requested to report back by a specific date on how they could reduce the complexity and paperwork required in their jobs)
- Interdepartmental level (workshops to discuss how procedures can be dovetailed and duplication of work across departments can be reduced)
- Organizational level (strategic planning sessions within leadership to identify ways to instill new priorities, measures and values away from the bureaucratic focus that developed)
- Inter-organizational level (workshops with funders and government departments to discuss reporting and paperwork requirements with a focus on rationalizing documentation while still meeting requirements).

Check Your Progress

11. How can the effectiveness of a team be achieved?
12. What are the characteristics of counselling?
13. What do you understand by role playing?
14. List the process of organizational mirroring.
15. List the steps of organizational development.
16. How has the scenario changed post liberalization in the Indian organizations?
17. State the different types of organizational intervention techniques.
18. What are the different reasons that go to prove that training is an effective organizational intervention technique?
19. What are the different types of interventions which are taken up by HRD technique?
20. Which are the different characteristics of an organization which are not impacted by the results of HRD Audit?

7.8 ORGANIZATIONAL DEVELOPMENT INTERVENTIONS AND INDIAN ORGANIZATIONS

Professional bodies such as ISABS (Indian Society for Applied Behavioral Sciences), Indian Society for Individual and Social Development (ISISD), Indian Society for Training & Development (ISTD), and the HRD Network, and academic institutions such as the IIMs (Indian Institute of Management) have intensely worked to bring about a cultural synthesis in OD interventions. This has resulted in backstopping the efforts of Change management through:

- Training
- Role focused interventions

- Person focused interventions
- Action Research

7.8.1 Training

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Training is an organizational development intervention which is continuously evolving in different organizations. It is considered to be a platform for facilitating interactions on different planned subjects. The main participants of a training programme are faculty, the participants and other interest groups. These can be from within the organization or these could be external to an organization.

Any OD process is initiated with a thorough diagnosis of the 'symptoms'. All training is not ODI. Training targeted at bringing about change is alone part of ODI. V. Nilakant and S. Ramnarayan at Chemcorp, a public sector unit in manufacturing chemicals laid the foundation for new approaches to ODI. Tata Management Consultancy crystallised the training methodologies. Training Need Analysis formed the first step in ODI through the first diagnostic approach. Later National Bank for Agriculture and Rural Development developed ODIs as reactive instruments to bring about attitudinal and cultural changes in the Regional Rural Banks and Cooperative Banks to serve as foundation for economic change.

While reactive efforts are always incremental in character, proactive efforts result in bringing about total change. This is where ODI results in convergence of organizational goals with individual employee goals. One of the post ODI analyses revealed the following outcomes:

- It provides a medium of participation and involvement
- It allows greater personal learning and insight about organizational problems
- It facilitates acceptance of the diagnosis since it emerges in a setting of common language & symbols
- It facilitates the establishment of trust and collaboration among the participants and between the participant and the trainers.

For example, the Aditya Birla Group has embarked on a large scale cultural change to make their units more professional, entrepreneurial and effective. The change was initiated through a world wide survey of the organizational culture of their units. The survey results were presented and a number of areas were identified for improvement. A series of training programs are being conducted to orient or reorient their top level managers in terms of their leadership roles, styles, delegation and other competencies. Simultaneously, attempts are also being made to introduce Assessment Centers for identifying and developing talent among the current employees for future roles. In all these, training is being used as a focal intervention.

Performance Management Systems, training need identification, identification of Key Performance Areas, conducting performance review discussions are all common interventions in several organizational transformation management. The most common goal of all these interventions is change in culture of the organization.

However, in the earlier times, training used to be static and a mechanistic process which did not largely involve interactions between the groups.

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Dynamic, multi-faceted and interactive training which is being implemented in the current scenario by most of the organizations have several advantages. These include:

1. Training can be targeted to increase the consciousness of different participants.
2. The participants and other interest groups can be made significantly aware about the gaps that may exist in the theoretical and practical approach with respect to different organizational aspects.
3. Training can be extremely useful in meticulously handling the shared problems of the group at a common platform.
4. It also serves as a platform that leads to generation of different ideas which could be impactful for bringing about change in an organization.
5. It is also very useful for developing positive energy levels amongst the trainee groups with respect to implementation of change.

Thus, training has been proven to be extremely effective organizational intervention. Whether an organization formally launches the different organizational development efforts or not, most of the times, conduct of training programmes at different levels of hierarchy has been seen to be a regular affair.

Most of the organizational development processes are targeted to establish a thorough diagnosis of the different symptoms of an organization. Training as an organizational intervention approach can be successfully used in order to identify any existing issues at an organization. Simultaneously the different educational objectives of these training programmes can also be achieved.

This has been also proved by two Indian consultants who have been actively studying the organizational development intervention approaches. These consultants are V. Nilakant & S. Ramanarayan. They were associated with one of the large and successful public sector unit in the chemical industry. A training workshop was conducted at this organization with the objective of assessing the needs of the employees at different levels. This workshop was conducted by the Tata Management Center.

The Center planned to first conduct a training needs assessment workshop. The prime objective of this workshop was to determine the scope and content of the training. They also planned to conduct a training after the workshop particularly targeted at the Chairman, the Managing Director and the top management of the company. The objective of the training that was planned with the top management was to derive a strategic direction which could actually become the basis for the training.

The observations of the workshop were as under:

- Most of the senior management were performing the role of technical specialists and not of the managers.
- The employees of the organization were largely dissatisfied with the different personnel and HR policies at the organization.
- Motivation and guidance was found to be lacking at the senior management level.
- With respect to the function and department, a high level of parochialism was felt.
- The culture of the organization was found to be highly bureaucratic.

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The scope of the training was to be decided on the basis of the observations from the workshop. Based on the different observations that were made, it was decided that further workshops will be planned. These workshops will be primarily targeted to include several skill building exercises. These skill building exercises will be based on the themes of learning, interpersonal relations, teamwork and leadership.

The prime objectives of these planned workshops were as under:

- To work around the real issues of the issues which are task-related
- To aid different participants to learn from their experiences
- To inculcate the feelings of collaboration, team building spirit
- To arrive at different options in order to find out the solutions for different problems presently being faced by the organization.

Though these workshops continued to focus on training but different issues came out as a result of these workshops. These issues included poor quality of service with respect to the materials department. As a result of the identification of these issues with respect to the department, another unique workshop was planned in order to specifically improve the functioning of the department. There were other departments which were also studied as a result of the training. These departments were the personnel department, R&D department, etc. Thus, the organizational development consultants were trusted by the organization for several programs and workshops in order to solve the different organizational issues. This could be called as a convergence effect of organizational intervention on a particular organization. This was called as a convergence effect because it was a slow and an incremental change. The prime objective was to further refine and fine tune the existing processes of the organization by making changes in the present structure, procedures and systems of an organization.

Different objectives of the organization were achieved by workshops and training. The workshops helped in finding out the differences between the realities and the perceptions of people. The training ensured to provide a common platform to take care of the common concerns, to find solutions to the shared problems, to arrive at the issues faced by an organization at a given point in time. Through incremental changes in the different systems and processes, it was possible to take care of the different issues and take steps towards achieving organizational effectiveness. This organizational intervention technique helped in creation of an environment in the organization which could create a climate for ensuring transformational change.

The greater expression of dissatisfaction in the employees of the organization also led to creation of high levels to change towards the betterment through these workshops and training efforts.

Thus, this is an example of implementation of training as an effective organizational intervention approach at an Indian organization.

The different reasons which have been recognized and which support the fact that training is an effective organizational development intervention technique include the following:

- Training helps in providing a platform for both participation as well as involvement.

- Training can help in ensuring greater personal learning of the participants.
- The participants are also able to get a greater insight into the different organizational problems.
- The participants are receptive to accept the diagnosis as common language and symbols are characteristic of a training programme.
- Training also contributes towards inculcation of trust and collaboration among the different participants.
- The trust is also established between the trainers and the participants as a result of the training efforts.

Several Indian organizations use training as an organizational development intervention technique. However, it may not be correct to say that all training based interventions are actually organizational development interventions. Training is known as an organizational development technique only if it has been planned to bring some kind of change in the organization. Training is used as an approach to bring change at the unit level by different management consultants, organizations and management professionals. An example of the same is the Aditya Birla Group where training was used in order to bring forward the cultural change at a large scale. The prime objective of the organization was to ensure that all its operating units are more operational, entrepreneurial and also more effective. A series of training programmes were planned in order to meet these objectives. The training objectives were based on a worldwide survey that was conducted in order to arrive at some conclusions related to the organizational culture of their units. The prime focus of the training programmes was to effectively orient as well as reorient the senior managers of different units with respect to the different leadership skills, other competencies important to play a senior manager's role. The group also made efforts in order to introduce the concept of assessment centers. The concept of these centers was to identify as well as develop talent of the employees working in the group in order to prepare them for their future roles. Thus, training was primarily used as a focal intervention technique of organizational development.

In most organizations, training is used in the performance management systems in order to identify the different key performance areas. It is also used to conduct performance related discussions. The reasons for using training in the performance management systems was based on the assumption that it will help in bringing about the cultural change.

7.8.2 Action Research

Action research is a data based problem solving model that replicates the steps involved in the scientific method of inquiry. As an OD intervention, action research has pointed out to more efficient resolution of practical problems, better understanding of ground realities by social scientists and generation of new insights for theory building. Some of the issues that surfaced during the multi-layered interaction are:

- Ageing of equipment resulting in equipment breakdown
- Poor inventory management leading to expensive procurement of spares for running the plant

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- Poor coordination between the user departments leading to increased number of indents and delays in responding to such indents either due to obsolescence of the required material
- Poor functioning of the Materials Department
- Poor interpersonal relations
- Lack of trust between the different layers
- Top management listening to what was pleasing to the ears instead of seeing what was actually obtaining and taking steps in time to correcting the situation.
- Lack of attention on market – though all the three deal with same suppliers, each paid differently for the same supplies and
- No quality tests were applied before acceptance of the materials, etc.
- High degree of mutual hostility and lack of cooperation even between stores and purchase personnel.

After the Managing Directors, trade union leaders and the shop floor leaders agreed on the vision, mission, objectives and goals, SWOT analysis led to a set of actions that corrected most of the lapses within a span of just one month and the trust building exercises done by the top management resulted in all the three units moving on a new cultural horizon that later brought dividends to the employees and the organizations. A Departmental Monitoring Committee was also appointed by consensus to ensure sustainability of the change interventions.

The prime objective was to correct the different systems. The solution that was thought of was integrating the users departments with the materials department. Additionally, it was considered important to create an interface between the user departments and the procurement executives so as to ensure a greater responsiveness to the different customer needs. The other steps that were taken included the following:

- The purchase of the low value materials was decentralized to the user departments itself.
- The members of the users department were made to feel more responsible and a greater accountability was attached to their work profiles. This could help in reducing the number of complaints with respect to the delays. This was also expected to ensure that the materials department could focus on higher value items.
- The computerization of the work systems was encouraged as this could reduce the work load on different personnel. This could also motivate them sufficiently and thus ensuring them functioning more effectively and smoothly.
- Other steps were also suggested with respect to appointing a department specific work force so as to ensure the implementation of different changes.

The recommendations were used as a basis by the different departments to prepare specific action plans. The timelines that were assigned for the process of implementation was seven months. It was then recommended that once the implementation is complete, the follow-up of the results needs to be done by the consultants.

After the follow up which was made by the consultants, different findings were collated and they were as follows:

- Reduction in the total number of pending indents to almost less than 250
- Level of inventory dropped down
- Smooth functioning of the procurement system by the user department
- Reduction in the number of complaints from the user departments
- Increased commitment and involvement levels owing to the formation of the multiple task forces

Though most of these findings indicate that the existing problem at the organization could be solved to a great extent but there were several loopholes identified. These included:

- Resistance to change was exhibited and most users did not adapt well to the change.
- Computerization did not lead to the expected results.
- Several other problems were also identified which primarily indicated incomplete implementation of the recommendations made by the consultants.

Thus action research, as an OD intervention served in cultivating a climate of increased collaboration, participation and involvement, increasing interdepartmental interface. As the employees became self reflective, meaningful solutions arose for practical concerns & problems, but more importantly there was a development of self-help competencies to deal with problems of the future.

7.8.3 Survey Feedback

L&T (1975) and Crompton Greaves (1982) were the first two institutions that effectively used annual Organizational Climate Surveys as OD instrument. Both organizations experienced climate surveys as critical tools to provide insights into areas requiring improvements. On the basis of initial experience, Crompton Greaves has even made this survey research an institutionalized biannual affair.

Although Voltas, in 1988-89, surveyed HRD climate to initiate organizational improvements, the exercise became short-lived as the Company's life was threatened with wrong acquisitions like the Allwyn and the product diversification thoughtlessly. The structured survey focused on all subsystems of HRD including organizational structure, employee satisfaction, communication meetings, appraisals, training, promotion policies, etc. The survey led to extensive strengthening of the HRD system in the organization.

Mafatlal Group also takes the credit for following the survey feedback for ODI. This group had five divisions - each headed by a unit head. Since the leadership styles were somewhat different, each of the units was perceived to have a different style. The Company realized that quality consciousness in all the units hold the key for its growth and this required the leadership to change their ways of working and also carrying with them the trust of the employees. They then decided to use survey feedback to bring about change in the entire top team. Accordingly a team of consultants was commissioned to survey the organizational culture at various locations and through the feedback assist the participants to recognize the relationship between their style and

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the culture they were building. The following areas were studied with the help of questionnaires:

- Physical strength of the division to cope with the future
- Satisfaction level of the employees on various aspects such as decision making, autonomy, role clarity, job satisfaction and team spirit.
- Conflict resolution mechanisms used
- Organizational learning
- HRD climate
- Managerial effectiveness
- Leadership styles
- Standards of excellence etc.

The consultants then analyzed the data obtained through a workshop. The top management was given detailed training on conceptual issues. Detailed feedback on various organizational issues was provided which further helped the top management team to develop a collaborative culture and implement innovative and efficient systems leading to overall organizational effectiveness.

7.8.4 Human Resource Development (HRD)

HRD Interventions

Uday Pareek and T.V. Rao share the laurels for separating HR and Personnel functions in organizational restructuring exercises and designing performance appraisal systems in L&T, SBI and a host of other institutions they interacted.

The nature of interventions undertaken by the HRD departments include:

- TQM based interventions (in most cases these are undertaken also by a separate group of professionals)
- Survey Feedback
- Role clarity and Role negotiation exercises
- Training
- Career Planning and Succession exercise
- Assessment Centers and promotion policies
- Visioning and value clarification exercises
- Performance coaching workshops
- Team building interventions

7.8.5 Role-Focused Interventions

A large number of Indian organizations are also using role based interventions for the process of organizational development. This is because role clarity plays an extremely important role at the level of each and every professional especially when an organization is going through the process of restructuring. Therefore, several organizations keep focusing on the conduct of role clarity and role negotiation exercises.

Most of the times the role negotiation exercises are conducted between the departments itself. The managers in the Indian companies are capable of differentiating themselves from the rest and they also develop loyalties to their departments very soon. This may result into the following:

- Increase in the interdepartmental conflicts
- Organizational goals are not met

Thus, in various organizations the different efforts have been oriented towards achieving a synergistic and a collaborative culture. On this subject, the management consultant Udai Pareek has also written a book which is called *Managing Organizational Roles* which is widely used to teach this subject and is also referred by HR departments of different organizations.

A short process-oriented program which is used to diagnose the role efficacy in a group of employees working in an organization is termed as Role Efficacy Lab (REL). Different steps are being taken in the organizations to increase the levels of role efficacy with respect to their different employees across departments. The prime objective of this technique of organizational intervention is to understand the commitment level of the employees and groups towards the organization and the top management. This technique thus helps in developing opportunities to get support and motivation from the top management. It also provides a platform to the top management to comment on the expectations of a manager and thus they can work on the different action plans accordingly.

Role efficacy laboratory (REL) is also very common in Indian organizations. Most of the times, it is conducted as a part of the training or restructuring interventions. When it is conducted as a part of the training, the prime objective is to increase to overall role efficacy. The concept of role efficacy was developed by Udai Pareek in the mid-seventies.

The organizations which have a relationship oriented culture may have the importance of role stress. This is because in such organizations the employees may have to perform multiple roles and thus they may suffer from work related stress. In such organizations, dual reporting is also prevalent which can create different problems and issues. In order to find solutions for managing role stress, role stress programs have also been conducted by Indian organizational development practitioners.

7.8.6 Interventions Focused at Specific Individuals

In these interventions, HRD subsystems have a great role to play such as training, performance development, counseling,etc. There is continuous focus on an individual in a given organizational context.

Interventions focused at specific individuals can be classified as below:

- **Interventions with active participants:** The examples of these interventions include encounter groups, role plays, self-study, reflection and awareness expansion, instrumentation, etc. Most of these are used when training is used as an intervention. Most of the organizations are increasingly adopting instrument based feedback approach. The different instruments that are being commonly used by the organizations include MBTI, FIRO-B, 16-PF,etc. In this respect, organizations also take the help of different books. A number of books have

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Check Your Progress

21. Fill in the blanks with appropriate words.
    (a) The _________ ego state is constituted by a set of feelings, attitudes and behaviour patterns that are in tune with the immediate reality.
    (b) Under the script apparatus, the element of ________ are defined as injunctions or unfair negative comments from the parent
    (c) The ________ process assists the organizations to analyse which collective capabilities are required to implement a business strategy and accomplish business results.
    (d) _________ refers to the extent to which policies, procedures, rules and regulations exist in the organization.

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also been published in India on this subject. For example, Handbook of Psychological and Social Instruments is one such book.

- **Self Assessment through Feedback on Instruments (SAFI services):** This organizational development intervention was used in order to ensure self assessment for promoting managerial effectiveness. The approach was developed in the late seventies. However, because of lack of sufficient manpower and also less interest of the HRD departments in different organizations, these types of interventions have not been really successful.
- **Facilitator Active Interventions:** These interventions generally encompass different psychodynamic methods, approaches for motivation, training and development programs, focus on coaching and mentoring, etc.
- **360 Degree Feedback Based Interventions:** In the recent past some of the Indian organizations are using multi-rater assessment methods to initiate change process. The first systematic program using this method was initiated at the Indian Institute of Management Ahmedabad in 1987. A number of CEOs participated in this program. They were provided feedback on their Management Styles, Leadership Styles, Leadership Roles, Delegation, and other competencies. Initially restricted to IIM, the strategy has gained popularity with quite a few organizations later.
- **Achievement Motivation Lab:** Yet another instrument developed by David McClelland, David Winter and the team is Achievement Motivation labs; it helps in inculcating a sense of achievement economically and emotionally, in the mid-sixties. Since its initiation was first in Gujarat the model is popularly known as Gujarat Model. A good number of organizations have successfully used AMTs either to build a culture of competitiveness or a culture of excellence in their companies. Organizations like Larsen & Toubro, Deepak Nitrite, Crompton Greaves, etc. have used the AMT interventions extensively.
- **Extension Motivation Model:** Udai Pareek and Somnath Chattopadhyay have developed an instrument to measure the motivational climate of organizations using the six motive model: Achievement, Expert Power, Dependence, Control, Affiliation and Extension. (Of these six motives the concept of extension motivation was formulated by Udai Pareek in mid-sixties. Extension motivation was proposed as the main driver for social change in developing countries. Since then the concept of Extension Motivation has gained popularity and Extension Motivation labs are being conducted in the country. They are very popular interventions for NGOs and the social services sector.) Some of these interventions essentially deal with enhancing or changing the motivational profiles of individuals and through them the culture of the company. Hence they are mixture of individual and organization interventions. They are also popular among the sales and service personnel.

In the financial sector, NABARD experimented ODIs in Regional Rural Banks and District Cooperative Central Banks. While in the case of the former it could be seen as partially successful, in the case of later it mostly ended as unfinished experiment. Therefore, this case study would help understanding the processes of ODI from a different perspective.

Check Your Progress

22. State whether the following statements are true or false.
    (a) According to organizational development, decision-making should be based on competence rather than authority.
    (b) Ulterior transactions boost the morale of employees as it also contains a hidden message along with an open and expressed message.
    (c) Under Lewin's model of change, refreezing is the situation where the organization faces problems and needs to bring about a change.
    (d) According to the five stages of creative thinking, illumination refers to a stage where people respond to flashes of insight when all pieces to the problem fit together.

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National Bank for Agriculture and Rural Development (NABARD), at the behest of Reserve Bank of India functions both as regulator and refinance provider for the operations of both the Regional Rural Banks (RRB) and District Cooperative Central Banks (DCCB). While discharging these functions, it noticed several irregularities in the functioning of these institutions that have mostly demonstrated failures during their functioning. With direct feedback during the inspections of these banks, it thought better equipped to deal with their underlying problems impairing the growth. It could get support and resources for this task when the Vaidyanathan Committee recommended recapitalization of cooperative banks that was accepted by the Government of India and the RBI Committee that recommended restructuring of RRBs by undertaking amalgamations by the sponsor banks. Therefore, three triggers – one continuing losses of these institutions; two, recapitalization and three, restructuring of DCCBs, Primary Agriculture Cooperative Credit Societies and in respect of RRBs, losses and restructuring of RRBs by the sponsor banks demanded a new discipline, a new culture and a new way of looking at these institutions both by the internal customers (staff) and external customers of various hues (government, depositors, borrowers, suppliers etc.). Post amalgamation scenario of RRBs gave rise to new issues, such as, different systems and procedures, IT platforms, level of computerization, team approach, work culture, emotional integration, seething apprehensions, etc.

7.9 SUMMARY

- The term 'Organization Development' (OD) was coined by Richard Beckhard in the mid 1950s, as a response to the need for integrating organizational needs with individual needs. OD came into prominence in the 1960s and grew in response to needs. OD is a strategy, of intervention in which group processes focus on the entire culture of an organization so that a planned change could be brought about.
- Organization development is an intervention strategy in which group processes are used to focus on the entire culture of development of an organization, so that a planned change would be brought about. It makes use of laboratory training approaches, such as role-playing, management games and sensitivity training.
- The main purpose of OD, according to Burton, is 'to bring about a system of organizational renewal that can effectively cope with environmental changes. In doing so, OD strives to maximize organizational effectiveness as well as individual work satisfaction.' Organizational development is the most comprehensive strategy for intervention.
- Diagnostic meetings do not always need the participation of the whole group; one or more subgroups may participate to carry out a diagnostic meeting. These meetings usually need less than a day to identify the problem areas. However, the overall process of team building needs a longer time and the activities should ideally be held away from the workplace.
- An organizational development intervention is a set of structured activities in which selected organizational units engage in. These activities involve a task or

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a sequence of tasks that stimulate organizational improvement and promote individual development.

- Since successful OD efforts must have made meaningful changes in the performance and efficiency of the people and the organization, we need to have an evaluation procedure to verify this success; identify needs for new or continuing OD activities, and improve the OD process itself to help make future interventions more successful.
- OD intervention pertaining to the development of the individual and of teams of various types.
- Intervention pertaining to the job as well as structural interventions.
- The application of OD intervention. It requires energy, time, money and the right person as a specialist to implement and achieve modification that is desired. All the people in the organization must also be psychologically ready for the change.
- The management's commitment should be total, only then will such a mission be possible.
- Though several efforts have been applied in order to hasten the implementation of the organizational development approach and other related techniques, it has not been able to produce the desired results in India.
- It has also been researched that the Indian cultural values are actually largely supportive towards the implementation of organizational renewal as well as the process of implementing change at an organization. India has a rich cultural heritage which itself contains a paradigm of change. On the basis of this change, it could be also possible to develop newer approaches and designs with respect to organizational development.
- The Indian organizations have been forced to change after liberalization and as a result they are implementing the different organizational development technologies.
- There are different organizational development approaches that are available. However, the ones which are most prevalent in India and have also succeeded in bringing about change in the Indian organizations include training, action research, survey feedback, Human Resource Development (HRD), HRD Audit, role focused intervention and interventions focused at specific individuals.
- Several issues have come up with respect to the field of organizational development when the different techniques have been used and experienced by the Indian practitioners.
- The process of organizational development is becoming more and more prevalent in the Indian organizations. The process is being used by many Indian organizations to diagnose their areas of improvement and then institute a focused change process using the organizational development intervention techniques.
- In India, organizational development is slowly emerging as one of the integral functions of the management profession. Most of the organizations have at least institutionalized the organizational development mechanisms in India. The process of organizational development is also being implemented by different non-profit

and even public sector organizations as with time they are also realizing the importance of organizational development in their survival and growth in the Indian Industry.

- In the current scenario, the evolution of organizational development continues in India and is focused at providing effective training, coaching, planning as well as change support to different organizations in India.
- In order to implement any kind of organizational intervention in India, the practitioners need to have a lot of patience as well as perseverance with respect to the achievement of their objectives and goals. This is because they may face several challenges while implementing these intervention techniques in Indian organizations.

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7.10 ANSWERS TO 'CHECK YOUR PROGRESS'

1. The term 'Organization Development' (OD) was coined by Richard Beckhard in the mid 1950s, as a response to the need for integrating organizational needs with individual needs.
2. OD seeks to change beliefs, attitudes, values, structures and practices so that the organization can better adapt to technology and live with the fast pace of change. It seeks to use behavioural science knowledge to help organizations to adjust more rapidly to change.
3. There were two main reasons that make OD necessary; they are:
   - The reward structure on the job did not adequately reinforce conventional training, so it often failed to carry over to the job.
   - The second cause was the fast pace of change itself, which required organizations to be extremely effective in order to survive and prosper.
4. The main objectives of OD are as follows:
   - To build and enhance inter-personal trust, communication, cooperation and support among all individuals and groups throughout an organization.
   - To encourage an analytical problem-solving approach with a team spirit.
   - To enhance the sense of belonging of individuals to an organization so that individual and organizational goals are synchronized.
   - To extend the process of decision-making to the lowest operational level.
   - To increase personal responsibility for planning and implementation.
5. The distinguishing characteristics of organizational development are as follows:
   - Specifically, OD encourages collaboration between organization leaders and members in managing culture and processes.
   - Teams of all kinds are particularly important for accomplishing tasks and are targets for OD activities.
   - OD focuses on the human and social side of the organization and in so doing intervenes in the technological and structural sides.

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- Participation and involvement in problem solving and decision-making by all levels of the organization are hallmarks of OD.
- OD focuses on total system change and views organizations as complex social systems.
- OD practitioners are facilitators, collaborators, and co-learners with the client system.

6. The two basic assumptions about individuals in organizations are:
   (i) Most individuals have drives towards personal growth and development. They want to develop their potential and ought therefore to be provided with an environment that is both supportive and challenging. In other words, an individual often wants to grow and develop as a person; this is stimulated and promoted by a supportive and challenging work environment.
   (ii) Most people desire to make and are capable of making, a greater contribution to attaining organization goals than most organizational environments permit. The implication of this assumption is that people have expertise. Organizations must remove obstacles and barriers and reward success.
7. Sensitivity training was an early and quite a known OD technique. The purpose of sensitivity training sessions or T-groups (T for training) is to change the behaviour of people through unstructured group interactions. Generally, in 'T' groups, a trained leader guides about ten participants. The aim is to make the participants more sensitive to interpersonal relationships and to increase their skill in handling the same. Participants are congregated in a free, open environment that is away from the workplace.
8. When two or more than two individuals interact with one another, it results in a social transaction. TA was pioneered by Eric Berne, but popularized by Thomas Harris in the 1960s. Transactional analysis trains people to become aware of the context of their communications. Often, people talk expecting others to understand them, but because messages are said and heard in different contexts, meanings might get obscured. TA gives confidence to people to be more honest and open in their communication.
9. The study of OD can be carried out on four different fronts as under:
   (a) At the individual level, which includes personal counselling and career planning at the intra-personal level
   (b) Problem solving, interpersonal communication and interpersonal relationships at the dyadic level
   (c) Group goal achievement and aspects related to group dynamics at the group level
   (d) At the societal level, wherein OD intervention may include assisting people to resolve their personal problems, like housing, education, induction programmers and social acceptance especially for those who are new to the organization

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10. Comparison of Teams with Work Groups

Team	Work-Group
1. The team plays a shared leadership role.	1. The workgroup has a strong, clearly-focused leader.
2. The team has individual as well as Mutual accountability.	2. Individual accountability for the part of work he/she is doing.
3. The team has a specific purpose. It is a specific part of the organizational purpose.	3. Its purpose is the same as that of the organization.
4. The team works on collective work products.	4. The work-group has individual work products.
5. The team encourages open-ended, active problem-solving meetings.	5. The work-group runs effective meetings.
6. The team measures performance directly by assessing collective work products.	6. The work-group measures effectiveness directly (For example, financial performance of overall business).
7. The team discusses, decides, and work together.	7. The work group discusses, decides, and work individually.

(Reference: Jon R. Kazenback and Douglas K. Smith, *The Discipline Teams,* Harvard business Review).

11. Effectiveness of the team can be achieved by considering the following points:
   (a) A proper training and development schedule should be planned well in advance.
   (b) A facilitator (trainer) must be co-opted with the team right from the beginning. Team members and facilitators should develop rapport. Facilitators should create an environment where individual members can clear their doubts without hesitation.
   (c) Group goals should be set up in advance and required resources should be made available to the team. Processes should be well-established.
   (d) Decision-making, delegation of authority and the extent of empowerment should be clearly spelt out by the organization. Members should experience autonomy in the work environment.
   (e) The group should be trained in various methods of group decision-making, intra-group relations and should have an adequate knowledge of various group functions.
   (f) Intra-group procedures involving setting up meeting formats, taking down the minutes of conferences and checking the progress of each point should be known to each of the members of the group.
   (g) Team members should be trained so that they are self-managed.
12. The following are the characteristics of counselling:
   - It is exchange of ideas and feelings between two people, counsellor and counselee, so it is an act of communication. Thus successful counselling depends on communication skills.
   - It helps executives in coping with their emotional problem, which on the other hand helps in tackling organizational problems. Counselling also helps

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an organization to be more human and considerate with the problems of executives.

- It is generally confidential and hence executives feel free to talk openly about their problems involving both jobs and personal problems.
- It may be performed by both professionals and non-professionals.
- It enhances job satisfaction and morale of the executives.

13. Role playing is a spontaneous acting out of a realistic situation. Real-life situations are used to teach the trainees. When few individuals play a role, the others observe and criticize at the end of the session. Role playing is a substitute for experience. It emphasizes techniques of observation, participation, copying and discussion. Trainees try to enrich themselves by trying out different approaches of role playing. Role playing, as a tool of organizational development, is an important instrument. It should be carried out under an expert so as to derive maximum advantage.
14. The process of organization mirroring is as follows:
    - (i) A representative from outside organizations like suppliers or government organizations with whom the host organization faces problems is invited for mirroring or reflect back their perception.
    - (ii) He generally interviews the people attending the meeting in advance of the scheduled meeting.
    - (iii) He ascertains the magnitude of the problem that the host organization is seems to be facing.
    - (iv) A meeting takes place in which groups/sub-groups identify the problems faced by the host organization and suggest solutions.
    - (v) Host organizations should genuinely want to resolve their problems with the external organization; only then can organizational mirroring be of any use.
    - (vi) Host organizations should implement the action plan developed during the meeting.
15. The steps of organizational development for initiating a whole organization development (WOD) effort are listed as follows:
    - Clarification of whole organization objectives
    - Data gathering
    - Diagnosis
    - Prescribing interventions
    - Commitment
    - Implementation
    - Progress review
16. Post liberalization, the scenario has changed to a great extent in different organizations in India. The reasons for the same are as below:
    - Increasing number of behavioural scientists and T-group trainers

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- Implementation of HRD movements by several Indian organizations
- Structured HRD departments in most Indian organizations
- Increasing number of multinational companies now forming a part of Indian industry
- Contribution of the multinational culture
- Influence of western education
- Role played by the professional bodies such as Indian Society for Applied Behavioural Sciences (ISABS), Indian Society for Individual and Social Development (ISISD), Indian Society for Training & Development (ISTD)
- Role played by the HRD Network
- Contribution from the academic institutions such as Indian Institutes of Management
- Educational practices being imparted by the Center for Organizational Development established in India.

17. The different organizational development techniques which are most prevalent in India and have also succeeded in bringing about change in the Indian organizations include training, action research, survey feedback, Human Resource Development (HRD), HRD Audit, role focused intervention and interventions focused at specific individuals.
18. The different reasons which have been recognized and which support the fact that training is an effective organizational development intervention technique include the following:
    - Training helps in providing a platform for both participation as well as involvement.
    - Training can help in ensuring greater personal learning of the participants.
    - The participants are also able to get a greater insight into the different organizational problems.
    - The participants are receptive to accept the diagnosis as common language and symbols are characteristic of a training programme.
    - Training also contributes towards inculcation of trust and collaboration among the different participants.
    - The trust is also established between the trainers and the participants as a result of the training efforts.
19. The different types of interventions which are taken up by the HRD technique include the following:
    - Bringing forth cultural change by implementing new performance management systems.
    - Interventions based on Total Quality Management (TQM) (taken up by separate group of professionals)
    - Implementing survey feedback techniques
    - Exercises related to role clarity and role negotiation

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- Conduct of training programmes
- Career planning exercises and other succession exercises
- Creation of assessment centers and promotion policies
- Exercises related to value clarification
- Visioning
- Workshops related to performance coaching
- Interventions related to team building

20. It has been also found that some of the organizational characteristics did not seem to have a relation with the utilization of the audit inputs. These characteristics include the following:
    - Market positioning
    - Tendency of formation of groups amongst the employees
    - Links of the company with the Industry
    - Institutional collaboration
    - Responsibilities towards society
21. (a) Adult
    (b) Stoppers
    (c) Organizational Capabilities Assessment and Alignment (OCAA)
    (d) Formalization
22. (a) True
    (b) False
    (c) False
    (d) True

7.11 QUESTIONS AND EXERCISES

Short-Answer Questions

1. Define the concept of organizational development.
2. Give a brief note on the evolution of the concept of organizational development.
3. What are the basic assumptions of OD?
4. Provide the tools and methods for applying organizational development strategies.
5. Outline the present environment of the organization and apply socio-technical intervention.
6. Change in physical setting improves the organization. Write a brief note on that.
7. Write a note on the past trends and evolution of organizational development in India.

8. What are the different HRD Audit inputs as identified by TV Rao and Raju Rao?
9. What are the issues involved in implementing organizational development at the level of Indian organizations?
10. What are the different challenges faced by organizational development practitioners while working in Indian organizations?
11. What do you understand by OD Intervention?

Long-Answer Questions

1. Explain the classification of different types of activities.
2. Describe the process of OD interventions.
3. Explain various phases of intervention.
4. Derive the functional relationship between organizational effectiveness and OD.
5. Explain the concept of quality of work life. Does this concept exist in your organization?
6. Explain job evaluation and how the job may be re-designed.
7. Explain the concept after visiting an organization in the vicinity of your workplace.
8. Describe in detail the role of training as an organizational intervention technique. Support with examples from the Indian industry.
9. Explain the role played by survey feedback and action research in the process of organizational development.
10. Describe in detail the steps that can be taken by the organizational development practitioners in order to overcome the different challenges faced by them in Indian organizations.
11. Explain the implications involved in organizational development in the Indian context.
12. How did the OD instrument evolve as a change management instrument? Explain.
13. Substantiate the statement that ODI should be seen as a learning exercise and not as a training programme.

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