ORGANISATIONAL BEHAVIOUR

(BBA6 B12)

VI SEMESTER

CORE COURSE

B.B.A.

(2019 Admission onwards)

CBCSS

UNIVERSITY OF CALICUT

School of Distance Education

Study Material

VI Semester

Core Course (BBA6 B12)

B.B.A.

ORGANISATIONAL BEHAVIOUR

Prepared by:

> *Dr.P.Siddeeque Melmuri,*
> Assistant Professor,
> School of Distance Education,
> University of Calicut.

Srutinized by:

> *Mr. Baijumon*,
> *Asst. Prof., Dept. of Commerce,*
> *Govt. College, Malappuram.*

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Syllabus

BBA6B12 -(Core)

Organisational Behaviour

Time: 5 Hours per week   Credits: 4

Internal : 20   External 80

Objectives:

To familiarize the students with the basic concepts of individual behaviour and organizational behaviour

To enable the students to catch an idea about inter-personal and group behaviour

To acquire knowledge regarding the organizational change and organizational development

Learning Outcomes: On learning the course the students will be able to-

Understand the different concepts of Organisational Behaviour

Analyse individual and group behaviour

Understand and deal with organisational change, development and stress

Module I : Organizational Behaviour(OB): Meaning-Features-Nature and Scope of OB-The Basic Assumptions of OB, Major Disciplines and their Contributions to OB; Concepts of Strategic Organisational Behaviour and International Organisational Behaviour. **15Hours**

ModuleII : Individual Behaviour: Factors Affecting Individual Behaviour-Basic Psychological Process—Personality, Determinants Of Personality—Personality Traits—Perception,Perceptual Process-Factors Affecting Perception—Learning, Theories of Learning—Social Learning-Learning Curve.   **15 Hours**

Module III : Group: Concept of Group Dynamics—Features of Group—Types of Group Behaviour—Formal and Informal Group Behaviour—Group Norms—Group Cohesiveness. Teamwork- Types

of Teams-Team Building-Team Roles- Team Norms- Team Cohesiveness.

15 Hours

Module IV : Motivation and Leadership: Motivation- Concept, Theories-Maslow's, Hertzberg's and McGreger's, X and Y theories); Financial and Non Financial Motivation. Leadership- Types— Theories (Trait theory, Michigan Studies and Fideler'sContingency Model); Modern Approach to Leadership Theories—Leadership Styles.

20 Hours

Module V : Stress Management—Meaning, Types of Stress— Causes of Stress Consequences of Work Stress- Conflict, Types of Conflicts— Levels of Conflict, Conflict Resolution-Organisational Development— Meaning, Need, Benefits and Limitations -Steps in OD - Organizational Changes. **15 Hours**

Reference books:

1. Fred Luthans: Organisational behaviour, McGraw hill Education.
2. Danial C. Fieldman and Hugh Arnold: Managing individual and group behaviour in organization, McGraw hill.
3. Henry Mintzberg: The structure of organization, Prentice Hall.
4. Edwin Gerlof: Organization Theory and Design, McGraw hill.
5. Robin. S. P: Organizational Behaviour, Pearson Education India.
6. Aswathappa: Organizational Behaviour, Himalaya Publishing house.
7. Jai B. Sunhat: Culture and Organisational Behaviour, Sage Texts

Module I

ORGANIZATIONAL BEHAVIOUR

Meaning and Concept of Organisational Behavior

Organisational behaviour is the study and application of knowledge about how people act within the organizations. It is a human tool for human benefit. It applies broadly to the behaviour of people in all types of organizations, such as business, government, school and service organizations. Wherever organizations are, there is a need to understand organisational behaviour.

The organizational behaviour has a goal lo help the managers make a transition to the new paradigm. Some of the new paradigm characteristics include coverage of second-generation information technology and total quality management such as empowerment, reengineering and benchmarking, and learning organization for managing diversity of work. The new paradigm sets the stage for the study, understanding, and application of the time-tested micro-variables, dynamics and macro-variables. One must know why management needs a new perspective to meet the environmental challenges and to shift to a new paradigm.

Management is generally considered to have three major dimensions—technical, conceptual and human. The technical dimension consists of the manager's expertise in particular functional areas. They know the requirements of the jobs and have the functional knowledge to get the job done. But the practicing managers ignore the conceptual and human dimensions of their jobs. Most managers think that their

employees are lazy, and are interested only in money, and that if you could make them happy in terms of money, they would be productive. If such assumptions are accepted, the human problems that the management is facing are relatively easy to solve. But human behaviour at work is much more complicated and diverse. The new perspective assumes that employees are extremely complex and that there is a need for theoretical understanding given by empirical research before applications can be made for managing people effectively.

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

The organisation's work gets done through people, individually or collectively, on their, own or in collaboration with technology. Therefore, the management of organisational behaviour is central to the management task—a task that involves the capacity to "understand" the behaviour patterns of individuals, groups and organisations, to "predict'" what behavioural responses will be elicited by various managerial actions and finally to use this understanding and these predictions to achieve "control".

Organisational behaviour can then be defined as: "The study of human behaviour in organisational settings, the interface between human behaviour and the organisational context, and the organisation itself."

The above definition has three parts—the individual behaviour, the organisation and the (interface between the two. Each individual brings to an organisation 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 organisational settings. The organisational behaviour is specifically concerned with work-related behaviour, which takes place in organisations. In addition to understanding; the on-going behavioral processes involved, in 'their own jobs, managers must understand the basic human element of their work. Organisational behaviour offers three major ways of understanding this context; people as organisations, people as resources and people as people.

Above all, organisations are people; and without people there would be no organisations. Thus, if managers are to understand the organisations in which they work, they must first understand the people who make up the organisations.

As resources, people are one of the organization's most valuable assets. People create the organisation, guide and direct its course, and vitalize and revitalize it. People make the decisions, solve the problems, and answer the questions. As managers increasingly recognize the value of potential contributions by their employees, it will become more and more important for managers and employees to grasp the complexities of organisational behaviour.

Finally, there are people as people - an argument derived from the simple notion of humanistic management. People spend a large part of their lives in; organisational settings, mostly as employees. They have a right to expect something in return beyond wages and benefits. They have a right to expect satisfaction and to learn new skills. An understanding of organisational behaviour can help the manager better appreciate the variety of individual needs and' expectations.

Organisational behaviour is concerned with the characteristics and behaviours of employees in isolation; the characteristics and

processes that are part of the organisation itself; 'and the characteristics and behaviours directly resulting from people with their individual needs and motivations working within the structure of the organisation. One cannot understand an individual's behaviour completely without learning something about that individual's organisation. Similarly, he cannot understand how the organisation operates without; studying the people who-make it up.

Thus, the organisation influences and is influenced by individuals. Organizational behaviour integrates the relevant contents of these disciplines to make them applicable for organizational analysis. e.g. it addresses issues, which may be relevant to the case, such as the following:

- What facilitates accurate perception and attribution?

- What influences individual, group and organizational learning and the development of individual attitudes toward .work?

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

- What motivates people to work, and how. Does the organizational reward system influence worker's behaviour and attitudes?

- How do managers build effective teams?

- What contributes to effective decision-making?

- What are the constituents of effective communication?

- What are the characteristics of effective communication?

- How can power be secured and used productively?

- What factors contribute to effective negotiations?

- How can conflict (between groups or between a manager and subordinates) be resolved or managed?

- How can jobs and organizations be effectively designed?

- How can managers help workers deal effectively with change?

Nature of OB

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

1. **A separate field of study and not a discipline only**: OB has a multidisciplinary orientation and is thus, not based on a specific theoretical background.

2. **An inter disciplinary approach:** OB is essentially an interdisciplinary approach to study human behaviour at work. It tries to integrate the relevant knowledge drawn from related disciplines like psychology, sociology, anthropology etc. ,to make them applicable for studying and analyzing OB

3. **An Applied Science:** OB basically does the application of various researches to solve the organizational problems related to human behaviour.

4. **A Normative Science:** while the positive science discusses only cause and effect relationship, OB prescribes how the

findings of applied researches can be applied to socially accept organizational goals.

5. **A Humanistic and Optimistic Approach:** it applies humanistic approach towards people working in the organization. It treats people as thinking, feeling human being.

6. **Total system approach;** The system approach is one that integrates all the variables affecting organizational functioning. Man's socio –psychological framework is complex one and the system approach of OB tries to study this complexity and to find solution to it.

OB –as an interdisciplinary approach

Organizational behaviour is an applied behavioral science that is built on contributions from a number of behavioral disciplines such as psychology, sociology, social psychology, anthropology and economics. Let's see how these disciplines are related to organizational behaviour:

A. **Psychology**. Psychology is the study of human behavior which tries to identify the characteristics of individuals and provides an understanding why an individual behaves in a particular way. This thus provides us with useful insight into areas such as human motivation, perceptual processes or personality characteristics.

B. **Sociology**. Sociology is the study of social behavior, relationships among social groups and societies, and the maintenance of social order. The main focus of attention is on the social system. This helps us to appreciate the functioning of individuals within the organization which is essentially a socio-technical entity.

C. **Social psychology**. Social psychology is the study of human behaviour in the context of social situations. This essentially addresses the problem of understanding the typical behavioral patterns to be expected from an individual when he takes part in a group.

D. **Anthropology**. Anthropology is the science of mankind and the study of human behaviour as a whole. The main focus of attention is on the cultural system, beliefs, customs, ideas and values within a group or society and the comparison of behaviour among different cultures. In the context of today's organizational scenario. It is very important to appreciate the differences that exist among people coming from different cultural backgrounds as people are often found to work with others from the other side of the globe.

E. **Economics.** Any organization to survive and sustain must be aware of the economic viability of their effort. This applies even to the non-profit and voluntary organizations as well.

F. **Political Science**. Although frequently overlooked, the contributions of political scientists are significant to the understand arrangement in organizations. It studies individuals and groups within specific conditions concerning the power dynamics. Important topics under here include structuring of conflict, allocation of power and how people manipulate power for individual self-interest etc.

Importance and scope of organizational behaviour

Properly emphasized to achieve organisational objectives. Barnard has observed that an organisation is a conscious interaction of two or more people. Organisational behaviour provides opportunity to management to analyse human behaviour and prescribe means for shaping it to a particular direction.

Organisational behaviour helps to analyse 'why' and 'how' an individual behaves in a particular way. Understanding Human Behaviour Organisational behaviour provides understanding the human behaviour in all directions in which the human beings interact. Thus, organisational behaviour can be understood at the individual level, interpersonal level, group level and inter-group level.

• *Interpersonal Level:* Human behaviour can be understood at the level of interpersonal interaction. Organisational behaviour provides • means for understanding the interpersonal relationships in an organisation. Analysis of reciprocal relationships, role analysis and transactional analysis are some of the common methods, which provide such understanding.

• *Group Level:* Though people interpret anything at their individual level, they are often modified by group pressures, which then become a force in shaping human behaviour, Thus, individuals should be studied in groups also.. Research in group dynamics has contributed vitally to organisational behaviour and shows how a group behaves in its norms, cohesion, goals, procedures, communication pattern and leadership. These research results are advancing managerial knowledge of understanding group behaviour, which is very important for organisational morale and productivity.

• *Inter-group Level:* The organisation is made up of many groups that develop complex relationships to build their process and substance. Understanding the effect of group relationships is important for managers in today's organisation. Inter-group relationship may be in the form of co-operation or competition.

Scope and importance of OB can be visible in following points:

• *Controlling and Directing Behaviour:* After understanding the mechanism of human behaviour, managers are required to control and direct the behaviour so that it conforms to the standards required for achieving the organisational objectives. Thus, managers are required to control and direct the behaviour at all levels of individual interaction. Therefore, organisational behaviour helps managers in controlling and directing in different areas such as use of power and sanction, leadership, communication and building organisational climate favourable for better interaction.

• *Use of Power and Sanction:* The behaviours can be controlled and directed by the use of power and sanction, which are formally defined by the organisation. Power is referred to as the capacity of an individual to take certain action and may be utilized in many ways. Organisational behaviour explains how various means of power and sanction can ,be utilized so that both organisational and individual objectives are achieved simultaneously.

• *Leadership:* Organisational behaviour brings new insights and understanding to the practice and theory of leadership. It identifies various leadership styles available to a manager and analyses which style is more appropriate in a given situation. Thus, managers can adopt styles keeping in view the various dimensions of organisations, individuals and situations.

• *Communication:* Communication helps people to come in contact with each other. To achieve organisational objectives, the communication must be effective. The communication process and its work in inter-personal dynamics have been evaluated by organisational behaviour.

• *Organisational Climate:* Organisational climate refers to the total organisational situations affecting human behaviour.

Organisational climate takes a system perspective that affect human behaviour. Besides improving the satisfactory working conditions and adequate compensation, organisational climate includes creation of an atmosphere of effective supervision; the opportunity for the realisation of personal goals, congenial relations with others at the work place and a sense of accomplishment.

• *Organisational Adaptation:* Organisations, as dynamic entities are characterised by pervasive changes. Organisations have to adapt themselves to the environmental changes by making suitable, internal arrangements such as convincing employees who normally have the tendency of resisting any changes.

Basic Assumptions (Foundations of OB) of OB

Organizational behavior bases on two fundamental assumptions. Nature of people and nature of organization are used foundations of organizational behavior. Individual differences, a whole person, caused behavior, and human dignity are practiced in nature of people and social systems, mutuality of interests, and holistic concept are applied in nature of organization.There are two types basic assumptions of OB. They are the assumptions about nature of people and the assumptions about nature of organization.

A. The Assumptions about Nature of People

It is necessary to understand basic assumptions about the nature of people for understanding organizational behavior. The following are the basic assumptions about nature of people.

1. Individual Differences

Organizational behavior assumes that all the individuals are differences from each other. The difference in individuals can be in several ways like physical characteristics, intelligence, perception, personality, attitudes, aptitudes, emotion, learning capability and communicative ability.

2. A Whole Person

Organizational behavior assumes that an individual should be considered as a whole person. We cannot separate individual's psychology, beliefs, values, attitude from physical work settings.

3. Selective Perception

Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to the environment. Perception is an individual's own view. Each person has a unique way to see, organize and interpret about event, people and things.

4. Motivated Behavior

Motivation is the willingness to do something to achieve organizational goals and, at the same time, to satisfy individual needs. Every employee expects motivated behavior from manager. Manager need to understand about how employees can be motivated for better performance.

5. Value of the Person

Organizational behavior assumes that people are more valuable and different than non-living things. Employees should be treated with respect, dignity and equity by the organizations. Employees should not be treated only economic tools.

6. Desire for Involvement

Individuals have desire for involvement in work. They want to show their creativity, skills, and efficiency while doing the work. People have capabilities for task performance, role fulfillment, and meaningful contribution and to meet challenging situations.

B. The assumptions about Nature of Organizations

The nature of organizations is the area of study of organizational behavior. There are following basic assumption about nature of organizations.

1. Social System

Organizations are the part of social system. Organizations are operated by social and psychological laws. Organizational behavior assumes that organizations are open social system. These systems affect behavior of individual.

2. Mutuality of Interest

Organizational behavior assumes mutuality of individual and organization interests. Interests flow both ways. Organizations need people and people need organizations. Mutual interest provides a common goal for all the participants, which results in encouragement of the people to solve problems of the organization.

3. Ethical Treatment

Ethics involves moral issues and choices. It deals with right or wrong behavior about event, people and things. Ethical behavior of an individual depends on the moral standard or codes of conduct determined by society. Managerial ethics is the standard

of behavior that guides individuals' managers in their work. Organizational should establish rules, code of conduct, working procedures and system

MODELS OF ORGANISATION BEHAVIOUR

Organizations differ in the quality of organizational behaviour that they develop. These differences are substantially caused by different models of organizational behaviour that dominant management's thought in each organization. The model that a manager holds usually begins with certain assumptions about people and thereby leads to certain interpretations of organizational events.

The following four models of organizational behaviour are as follows:

A. Autocratic model

B. Custodial model

C. Supportive model

D. Collegial model

Autocratic Model

In an autocratic model', the manager has the power to command his subordinates to do a specific job. Management believes that it knows what is best for an organization and therefore, employees are required to follow their orders. The psychological result of this model on employees is their increasing dependence on their boss. Its main weakness is its high human cost.

Custodial Model

This model focuses better employee satisfaction and security. Under this model organizations satisfy the security and welfare needs of employees. Hence, it is known as custodian model. This model leads to employee dependence on an organization rather than on boss. As a result of economic rewards and benefits, employees are happy and contented but they are not strongly motivated.

Supportive Model

The supportive model depends on 'leadership' instead of power or money. Through leadership, management provides a climate to help employees grow and accomplish in the interest of an organization. This model assumes that employees will take responsibility, develop a drive to contribute and improve them if management will give them a chance. Therefore, management's direction is to 'Support' the employee's job performance rather than to 'support' employee benefit payments, as in the custodial approach. Since management supports employees in their work, the psychological result is a feeling of participation and task involvement in an, organization.

Collegial Model

The term 'collegial' relates to a body of persons having a common purpose. It is a team concept.

Management is the coach that builds a better team. The management is seen as joint contributor rather than as a boss. The employee response to this situation is responsibility. The psychological result of the collegial approach for the employee is 'self-discipline'. In this kind of environment employees normally feel some degree of fulfillment and worthwhile contribution

towards their work. This results in enthusiasm in employees' performance.

Four models of organizational behaviour

	Autocratic	*Custodial*	*Supportive*	*Collegial*
Basis of Model	Power	Economic resources	Leadership	Partnership
Managerial orientation	Authority	Money	Support	Teamwork
Employee psychological result	Dependence on boss	Dependence On organization	Participation	Self-discipline
Employee needs met	Subsistence	Security	Status & Recognition	Self-actualization
Performance result	Minimum	Passive cooperation	Awakened drives	Moderate enthusiasm

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

Strategic approach to OB

An approach that involves organizing and managing the people's knowledge and skills effectively to implement the organization's strategy and gain a competitive advantage

Factors and Outcomes of Strategic Approach

Organizational Factors (culture, work environments, adaptability)

Organizational Success

--Satisfaction of Individuals and Groups

-Individual Factors (learning ability, personality, values, motivation, stress)

--Productivity of Individuals and Groups

-Interpersonal Factors (leadership, communication, decision-making skill, intra- and inter-group dynamics, communication)

International Organisational Behaviour

The International OB examines from an international perspective and within the international context.

Influence of International   OB

How culture affects human performance

How cultural differences can be used to enhance key organizational functions Cultural values and major frameworks for understanding culture, Motivation and work values, communications, negotiations and cross-cultural conflict resolution, groups & teams, leadership, decision making, ethics, and human resources management.

Significance of International OB

The international context of OB is becoming increasingly significant as organizations expand beyond their national boundaries.

Managers of multinational firms have to manage a variety of social, political and economic environments as well as unique individual differences.

The differences at the level of the individual include

individualism/collectivism, power distance, uncertainty avoidance, and masculinity/femininity, which are different in different countries

Managers need to be sensitive to cultural differences across different countries to achieve their goals in the global economy.

The various aspects that differentiate cultures are people's perceptions, their relationship with their environment, the time dimension, and the importance attached to public and private space.

Managerial leadership is the process of influencing others to direct their efforts towards the achievement of specific goals. Many factors influence the way in which managers lead their employees - personal values, interpersonal skills, background and the decision-making skills of the manager.

Employees who travel to a foreign country for work find it difficult to adapt to the new culture because of factors like parochialism, ethnocentrism and culture shock. In some countries, the emphasis on production rather than productivity becomes a barrier to the improvement of the performance of the organization.

It is not possible to transfer business practices directly from one country to the other It is also not possible to use either the home country practices or the traditional practices of the host country. The best approach for expatriate managers would be to operate within the scope of home office policies, after adapting them to fit the culture of the host nation. Traditional and conservative approach to leadership cannot be used for organizations with a global presence. Globally competent managers have a good understanding of the worldwide business environment and try to learn about various cultures in order to carry out business operations in different countries successfully.

Module II

INDIVIDUAL BEHAVIOUR

All organizations are composed of individuals. No organization can exist without individuals**.** Human behavior, which is; considered a complex phenomenon, is very difficult to define in absolute terms. It is primarily a combination of responses to external and internal stimuli.

These responses would reflect psychological structure of the person and may be results' of the combination of biological and psychological processes, which interpret them, respond to them in an appropriate manner and learn from the result of these responses.

Psychologist Kurt Levin has conducted considerable research into the human behavior and its causes. He believes that people are influenced by a number of diversified factors, which can be both genetic and environmental. The influence of these factors determines the pattern of human behavior.

An individual makes a variety of contributions to an organization in the form of—efforts, skills, ability, time, loyalty and so forth. These contributions presumably satisfy various needs and requirements of the organization. In return for contributions, the organization provides incentives such as pay, promotion, and job security to the employee. Just as the contributions available from the individual must satisfy the organization's needs, the incentives must serve the employees' needs in return.

If both the individual and the organization consider the psychological contract fair and equitable, they will be satisfied with the relationship and are likely to continue it. If either party perceives an imbalance or iniquity in the contract, it may initiate a change. A major challenge faced by an organization, thus, is to manage the psychological contracts.

One specific aspect of managing psychological contracts is managing the person-job fit. The 'person-job fit' is the extent to which the contributions made by the individual match the incentives offered by the organization. The behavior of individuals in organization is the primary concern of management and it is essential that the managers should have an understanding of the factors influencing the behavior of the employees they manage.

NATURE OF INDIVIDUAL DIFFERENCES

Individual differences are personal attributes that vary from one person to another. Individual differences may be physical and psychological. The following figure shows the attributes of physical and psychological differences

Physical Differences	Psychological Differences
Height	Personality
Weight	Attitudes
Body Shape	Perception
Appearance	Motivation
Complexion	Learning

Whenever an organization attempts to assess the individual differences among its employees, it must consider the situation in which that particular behavior occurs. Individual differences make the manager's job extremely challenging. In fact, according to a recent research, "variability among workers is substantial at all levels but increases dramatically with job complexity. Due to these reasons, growing work force diversity compels managers to view individual differences in a fresh way. Leaders now talk frequently about "valuing differences" and learn to "manage diversity". So rather than limiting diversity, as in the past, today's managers need to better understand and accommodate employee diversity and individual differences.

Important dimensions of individual differences

• Self-concept

• Personality dimensions

• Abilities, and

• Personal values and ethics.

Self-concept

Self is the core of one's conscious existence. Awareness of self is referred to as one's self-concept. Sociologists Viktor Gecas defines self-concept as "the concept the individual has of himself as a physical, social and spiritual or moral being". In other words, every individual recognizes himself as a distinct individual. A self-concept would be impossible without the capacity to think. This brings us to the role of cognitions. Cognitions represent, "any knowledge, opinion, or belief about the environment about oneself, or about one's behavior". Among many different types of cognitions, those involving expectation, planning, goal setting,

evaluating and setting personal standards are particularly relevant to organizational, behavior.

Self-esteem

Self-esteem is a belief over one's own worth based on an overall self-evaluation. Those with low self-esteem tend to view themselves in negative terms. They do not feel good about themselves, tend to have trouble in dealing effectively with others, and are hampered by self-doubts. High selfesteem individuals, in contrast, see themselves as worthwhile, capable and acceptable. Although, high self-esteem is generally considered a positive trait because it is associated with better performance and greater satisfaction, recent research uncovered flaws among those having high self-esteem. Specifically, high self-esteem subjects tended to become self-centered and boastful when faced with situations under pressure Hence moderate self-esteem is desirable.

Managers can build employee self-esteem in four ways:

1. Be supportive by showing concern for personal problems, interests, status and contribution.

2. Offer work involving variety, autonomy and challenges that suit the individual's values, skills and abilities.

3. Strive for management-employee cohesiveness and trust building.

4. Have faith in each employee's self-management ability, reward successes.

Self-efficacy

Self-efficacy is a person's belief about his' or her chances of successfully accomplishing a specific task. According to one organizational behavior writer, "Self-efficacy arises from the gradual acquisition of complex, cognitive, social, linguistic, and/or physical skills through experience",

There is strong linkage between high self-efficacy expectations and success in terms of physical and mental tasks, anxiety reduction, addiction control, pain tolerance and illness recovery.

Oppositely, those with low self-efficacy expectations tend to have low success rates.

Personality Dimensions

The big, five personality dimensions are: extroversion, agreeableness, thoroughness, emotional stability and openness to experience. Ideally, these personality dimensions that correlate positively and strongly with job performance would be helpful in the selection, training and appraisal of employees. The individuals who exhibit; traits associated with a strong sense of responsibility and determination generally perform better than those who do not.

Physical and intellectual qualities

Physical differences among individuals are the most visible of all differences. They are also relatively easy to assess. Intellectual differences are somewhat more difficult to discern, but they too can be assessed by fairly objective means. The abilities/skills and competencies of employees are both physical and intellectual qualities.

• **Ability**- it refers to an individual's skill to perform effectively in one or more areas of activity, such as physical, mental or interpersonal work. Individuals with numerical ability, for example, can be trained to apply their ability in the field of engineering, accounting and computer science. Abilities develop from an individual's natural aptitudes and subsequent learning opportunities. Aptitudes are relatively stable capacities for performing some activity effectively. Learning opportunities translate aptitude into abilities through practice, experience and formal training. Organizations have to ensure that people possess the necessary abilities to engage in the behaviors required for effective performance. This can be accomplished either by careful selection of people or by a combination of selection and training.

• **Skills** – skills are generally thought of as being more task-specific capabilities than abilities.

For example, an individual with numerical ability who goes to school to learn accounting develops a numerical skill specific to that field'. Thus, when a particular ability is applied to a specialized area, (for example accounting), it becomes a skill.

• **Competencies-** are skills associated with specialization. Competencies are skills that have been refined by practice and experience and that enable, the-individual to specialize in some field. For example, an accountant with numerical "ability and accounting skill takes a position in the Taxation Department and as time passes, he develops more competency as a tax expert.

Physical abilities such as strength, flexibility, endurance and stamina can be developed with exercise and training. Mental abilities such as reasoning, memory visualization, comprehension and inter-personal abilities can also be developed through practice and education. Even in the absence of such formal
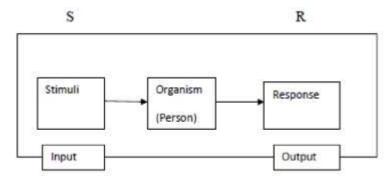
programs, many individuals manage their own careers in such a way as to continually upgrade their abilities, skills and competencies in order to remain valuable to their organizations.

Psychological Process of behaviour

Behaviour represents the course of action of a person. It is the outcome of an action also. It is easy to understand the behaviour of a person, if we know what caused it or what made the person behave in a particular way. It caused by number of variables. Some of the stated as under;
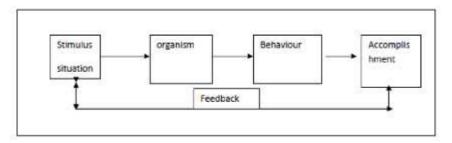
SR Model :(Stimulus- Response model)

The model assumes that the reasons which cause human behavior are of two types; internal feeling and external environment. Internal feeling of a person may relate to his motivational factors whereas external environment which is also called the stimulus directly influence the activity of a person. Stimulus can be anything from the external environment like heat, sound etc. the behaviour is determined by the stimulus or in other way the external environment forces determine one's behaviour. From stimulus, the behaviour (response) occurring.

S.O.B.A Model: (Stimulus –organism- Behavior- Accomplishment Model)

This model combines the SR model and human being. Here the organism is immobile/ passive, but it is mediating, maintenance and adjective function between S and R

Stimuli(S) - Denotes the external environmental situations. Stimulus is very comprehensive and all encompassing nature. it stimulates people into action, interrupt what they are doing and help them to make their choices.

Organism (O) - organism not only stands for physiological being but also heredity, knowledge, skills, attitude etc. it maintains the interaction between stimulus always.

Behaviour (B) - it includes body actions, facial expressions, emotions and thinking. Behaviour is anything done by a person.

Accomplishment (A) - accomplishments are the consequences of behaviour. Some of the accomplishments stimulate the organism repetitively and some doesn't. Thus individual behaviour is not a self induced phenomenon, but it is affected by a larger system.

Individuals behave differently to different stimuli because of multitude of factors. This includes an individual's **:**

Factors Influencing Individual Behaviour

1. Personality-personality traits

2. Economic factors-wage rate, technological change, the job, economic outlook, employment opportunity etc.

3. Socio-cultural factors-social environment consist of relation with friends, relatives, coworkers, superiors, subordinates etc.

4. Cultural factors- basic values, perceptions, work ethics, preferences etc.

5. **Organizational factors-** structure, hierarchy, resources, leadership, support etc, from organization

6. **Motivation-** internal motivation (individual skill, ability, intelligence etc.) external (incentives, training etc.)

7. **Attitudes**- perception favorably or unfavorably.

8. **Values-** personally or socially preferable.

9. **Abilities-** actual skills and capabilities of a person and physical-mental ability

10. **Perception-** is the viewpoint which one interpret a situation.

11. **Personal factors**- age, sex, education, intelligence, marital status, religion etc.

PERSONALITY

The term personality has been derived from Latin word **"personnare**" which means to speak through. Personality is traditionally refers to how people influence others through their external appearances.

Gorden Allport defines "Personality is the dynamic organisation within an individual of those psychological systems that determine his unique adjustment to his environment".

Personality is a complex, multi-dimensional construct and there is no simple definition of what personality is. Maddi defines personality as, "A stable set of characteristics and tendencies that determine those commonalities and differences in the psychological behavior and that may not be easily understood as the sole result of the social and biological pressures of the moment".

From the above definition we can infer that all individuals have some universally common characteristics. Some personality theorists stress the need of identifying person-situation as interaction. This is equivalent to recognizing the social learning aspects related to personality. Such a social learning analysis is one of the most comprehensive and meaningful ways included in the overall study of organizational behavior. From this perspective, personality means the way people affect others. It also involves people's understanding themselves, as well as their pattern of inner and outer measurable traits, and the person and situation interaction. People affect others depending primarily upon their external appearance such as height, weight, facial features, color and other physical aspects and traits.

Personality traits

Personality traits are very important in organizational behavior. In particular, five personality traits especially related to job performance have recently emerged from research.

Characteristics of these traits can be summarized as follows:

1. Extroversion: Sociable, talkative and assertive.

2. Agreeableness: Good-natured, cooperative and trusting.

3. Conscientiousness: Responsible, dependable, persistent and achievement-oriented.

4. Emotional Stability: Viewed from a negative standpoint such as tense, insecure and nervous.

5. Openness to Experience: Imaginative, artistically sensitive and intellectual. Identifying the above "big five" traits related to performance reveals that personality plays an important role in organizational behavior. Besides physical appearance and personality traits, the aspects of personality concerned with the self-concept such as self-esteem and self-efficacy and the person-situation interaction also play important roles.

Personality formation

The personality formation of an individual starts at birth and continues throughout his life. Three major types of factors play important roles in personality formation, which are as follows:
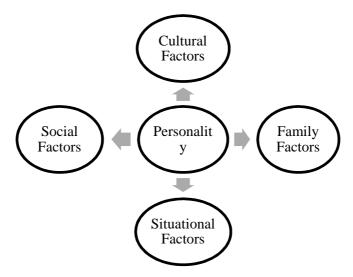
• *Determinants:* The most widely studied determinants of personality are biological, social and cultural. People grow up in the presence of certain hereditary characteristics (body shape and height), the social context (family and friends) and the cultural context (religion and values). These three parts interact with • each other to shape personality. As people grow into adulthood,

their personalities become very clearly defined and generally stable.

• *Stages:* According to Sigmund Freud human personality progresses through four stages: dependent, compulsive, oedipal and mature. This concept of stages of growth provides a valuable perspective to organizational behavior. Experienced managers become aware of the stages that their employees often go through. This helps them 19 deal with these stages effectively and promote maximum growth for the individual and for the organization.

• *Traits:* Traits to personality are also based on psychology. According to some trait theories, all people share common traits, like social, (political, religious and aesthetic preferences but each individual's nature differentiates that person from all others.

Determinants of personality

Peoples are very complex. They have different ability and interest. Personality is influenced by four major factors as:

1. Cultural factors

Culture largely determines what a person is and what a person will learn. Culture is the complex of the believes, values and techniques for dealing with the environment which are shared with the contemporaries and transmitted by one generation to the next. Norms, attitude, moral values, introducing and accepting changes etc will influence the personality.

2. Family

Family is an important factor in shaping personality of an individual. The impact of these factors on the personality can be understood identification process. Identification starts when a person begins to identify himself with some other members of the family. Normally child tries to behave like father or mother.

Home environment, family background, social class, parent education level, race, family relationship, geographical location, birth order, number of members in family etc will determine the personality development of an individual

3. Situational factors

Situation extends an important press on individual. Every individual goes through different types of experience and events in his life. Some will influence his behaviour and some will change and modify his behaviour.

Eg. A trauma suffered by a person, especially sex assault, affects his later life also. Timid/shy person performs his heroic acts in certain life saving situation, without caring for his own safety.

4. Social factors

Socialization is a process by which an infant acquires from the enormously wide range of behavioral potentialities that are open to him at birth or customarily acceptable to the family and social groups. The contribution of family and social group in combination with the culture is known as socialization. It initially starts with the contact with the mother and later on the other members of the family, schoolmates, friends, and then colleagues at workspace and so on. An individual has to accept the norms of the society in which he exists.

PERCEPTION

Perception is described as a person's view of reality. Perception is an important mediating cognitive process. Through this complex process, people make interpretations of the stimulus or situation they are faced with. Both selectivity and organization go 'into perceptual, interpretations.

Externally, selectivity is affected by intensity, size, contrast, repetition, motion and novelty and familiarity. Internally, perceptual selectivity is influenced by the individual's motivation, learning and personality. After the selective process filters the stimulus situation, the incoming information is organized into a meaningful whole.

"It is the interpretation of sensory data so as to gather meaningful ideas". In the process of perception, people receive many different kinds of information through all five senses, assimilate them and then interpret them. Different people perceive the same information differently.

Perception plays a key role in determining individual behaviour in organizations. Organizations send messages in a variety of

forms to their members regarding what they are expected to do and not to do. In spite of organizations sending clear messages, those messages are subject to distortion in the process of being perceived by organizational members. Hence, managers need to have a general understanding of the basic perceptual process.

Basic Perceptual Process

Perception is influenced by characteristics of the object being perceived, by the characteristics of the person and by the situational processes. Perception is a screen or filter through which information passes before having an effect on people. It consists of:

1. **Perceptual input**- Information, object, event, people, symbols etc. Characteristics of the object include contrast, intensity, movement, repetition and novelty. Characteristics of the person include attitude, self-concept and personality.

2. **Perceptual mechanism**- receiving of information by means of five senses from the external environment and process them to form output. It includes:

a. Perceptual receiving

b. Perceptual selectivity

c. Perceptual organization

d. Perceptual Interpretation (perceptual context, perceptual defense, halo effect, projection, attribution, stereo typing etc.)

3. **Perceptual output**- behavioral outcome of perceptual mechanism. It is the result of perceptual process. It includes attitude, opinions, feelings, values and behaviour The details of a particular situation affect the way a person perceives an object;

the same person may perceive the same object very differently in different situations. The processes through which a person's perceptions are altered by the situation include selection, organization, attribution, projection, stereotyping process, and the halo effect process. Among these, selective perception and stereotyping are particularly relevant to organizations.

Perceptual context

Sometimes visual stimuli will be completely meaningless without context. In organization, a pat on the back, a suggestive gesture, a raised eyebrow etc. will be meaningless without proper context.

They will be made more meaningful if an employee receives a pat on the back for enhancement of his performance and like that.

Perceptual defense

People often screen out perceptual stimuli that make them uncomfortable and dissatisfying people generally build defenses against stimuli or events that are either personally or culturally unacceptable or threatening. Perceptual defence is performed by

a. Denying the existence or importance of conflicting information.

b. Distorting the new information to match the old

c. Acknowledging the existence of new information but treating it as a non- representative exception.

Selective Perception

Selective perception is the process of screening out information that we are uncomfortable with or that contradicts our beliefs. For example, a manager has a very positive attitude about a particular

worker and one day he notices that the worker seems to be goofing up. Selective perception may make the manager to quickly disregard what he observed. For example, a manager who has formed a very negative attitude about a particular worker and he happens to observe a high performance from the same worker. In this case influenced by the selective perception process he too will disregard it.

In one sense, selective perception is beneficial because it allows us to disregard minor bits of information. But if selective perception causes managers to ignore important information, it can become quite detrimental.

Halo effect

It is the tendency of judging the person entirely on the basis of a single trait which may be favourable or unfavourable. We judge a person by our first impression about him or her. When we draw general impression about an individual based on single characteristics such as intelligence, sociability or appearance, a halo effect is operating. This phenomenon frequently occurs when students appraise their classroom teacher.

Stereotyping

Stereotyping is the process of categorizing or labeling people on the basis of a single attribute. Perceptions based on stereotypes about people's sex exist more or less in all work places. Typically, these perceptions lead to the belief that an individual's sex determines which tasks he or she will be able to perform. For example, if a woman is sitting behind the table in the office, she will be very often, perceived as a clerk and not an executive at first. But it would induce holding an exactly opposite assumption about a man. Stereotyping consists of three steps: identifying categories of people (like women, politician), associating certain

characteristics with those categories (like passivity, dishonesty respectively) and then assuming that anyone who fits a certain category must have those characteristics. For example, if dishonesty is associated with politicians, we are likely to assume that all politicians are dishonest.

Projection

It refers to the tendency of the people to see their on traits in other people. It means that when they make judgments about others, they project their own characteristics in others.eg. For a lazy supervisor, every worker is lazy or idle.

Attribution

Perception is also closely linked with another process called attribution. Attribution is a mechanism through which we observe behaviour and then attribute certain causes to it. According to Attribution theory, once we observe behaviour we evaluate it in terms of its consensus, consistency and distinctiveness. Consensus is the extent to which other people in the same situation behave in the same way. Consistency is the degree to which the same person behaves in the same way at different times. Distinctiveness is the extent to which the same person behaves in the same way in other situations. The forces within the person (internal) or outside the person (external) lead to the behaviour.

For instance, if you observe that an employee is much more motivated than the people around (low consensus), is consistently motivated (high consistency), and seems to work hard no matter what the task (low distinctiveness) you might conclude that internal factors are causing that particular behaviour. Another example is of a manager who observes that an employee is late for a meeting. He might realize that this employee is the only one

who-is laic (low consensus), recall that he is often late for other meetings (high consistency), and subsequently recall that the same employee is sometimes late for work (low distinctiveness). This pattern of attributions might cause the manager to decide that the individual's behaviour requires a change. At this point, the manager might meet the subordinate to establish some disciplinary consequences to avoid future delays.

Impression management

Social perception is concerned with how one individual perceives other individuals. Conversely, impression management is the process by which the general people attempt to manage or control the perceptions that others form about them. People often tend to present themselves in such a way so as to impress others in a socially desirable manner. Thus, impression management has considerable' implications for activities like determining the validity of performance appraisals. It serves as a pragmatic, political tool for someone to climb the ladder of success in organizations.

Factors Affecting perception

Perceptual selection is determined by two broad factors:

1. External factors

2. Internal factors

External factors

These factors relate the environment. They include:

A. **Size** – size determines the height or weight of an individual, object etc. bigger the size, higher will be the perception.

B. **Intensity**- intensity attracts to increase the selective perception. Eg. An illuminated shop attracts attention of the customers.

C. **Repetition**- repeated message and advertisement is more likely perceived than a single one.

D. **Movements** – moving objects are more likely to be perceived than a stationary object. A moving car is more perceived than a parked car.

F. **Status**- high status people can influence the perception of employees than low status people. An order from the Managing Director may be perceived by employees quickly.

G. **Contrast -** an object which contrasts with surrounding environment is more likely to be noticed.

E.g. "EXIT" sign in the cinema hall, Danger sign in transformers etc.

H. **Novelty and Familiarity**- this states that either the familiar or novel factor can serve as attention better. E.g. Face of a film star can be identified even in a crowd. Novel or new type of advertisement like DOCOMO…

I. **Nature** – perception level may be varied according to the nature of input or stimuli. Eg. A picture attracts more attention than a word.

J. **Order**- the order in which the objects or stimuli are presented is an important factor for attention.

E.g. Welcome speech at the beginning will attract more attention. Like that, in film, suspense will be revealed at last to heighten the curiosity and perceptive attention.

Internal factors

Internal or personal factors also influence the perception process. The important personal factors are:

1. **Learning**- A perceptual set is basically what a person expects from the stimuli on the basis

of experience and learning relative to same or similar stimuli. Eg. Perception on sign board will be different for those who learned driving and those who not.

2. Motivation- Motivation also plays an important role in influencing perception. E.g. A hungry person will be very sensitive to the smell or sight of food than a non-hungry one.

3. **Personality-** perception is also influenced by personality especially young and old, man to women etc**.**

4. **Experience-**a successful experience enhance and boost the perceptive ability and leads to accuracy in perception whereas failure erodes confidence.

LEARNING

Learning is an important psychological process that-determines human behavior. Simple way, "learning is something we did when we went to school "it is permanent changing behavior through education and training, practice and experience. Learning can be defined as *"relatively permanent change in behavior that occurs as a result of experience or reinforced practice".* There are four important points in the definition of learning:

1. Learning involves a change in behavior, though this change is not necessarily an improvement over previous behavior. Learning generally has the connotation of improved behavior, but bad habits, prejudices, stereotypes, and work restrictions are also learned.

2. The, behavioral change must be relatively permanent. Any temporary change in behavior is not a part of learning.

3. The behavioral change must be based on some form of practice or experience.

4. The practice or experience must be reinforced in order so as to facilitate learning to occur.

Components of the learning process

The components of learning process are: drive, cue stimuli, response, reinforcement and retention.

Drive

Learning frequently occurs in the presence of drive - any strong stimulus that impels action. Drives are basically of two types - primary (or physiological); and secondary (or psychological). These two categories of drives often interact with each other. Individuals operate under many drives at the same time. To predict a behavior, it is necessary to establish which drives are stimulating the most.

Cue Stimuli

Cue stimuli are those factors that exist in the environment as perceived by the individual. The idea is to discover the conditions under which stimulus will increase the probability of eliciting a specific response. There may be two types i of stimuli with respect to their results in terms of response concerned: generalization and discrimination.

Generalization occurs when a response is elicited by a similar but new stimulus. If two stimuli are exactly alike, they will have the same probability of evoking a specified response. The

principle of generalization has important implications for human learning. Because of generalization, a person does not have to 'completely relearn each of the new tasks. It allows the members to adapt to overall changing conditions and specific new assignments. The individual can borrow from past learning experiences to adjust more smoothly to new learning situations.

Discrimination is a procedure in which an organization learns to emit a response to a stimulus but avoids making the same response to a similar but somewhat different stimulus. Discrimination has wide applications in 'organizational behavior. For example, a supervisor can discriminate between two equally high producing workers, one with low quality and other with high quality.

Responses

The stimulus results in responses. Responses may be in the physical form or may be in terms of attitudes, familiarity, perception or other complex phenomena. In the above example, the supervisor discriminates between the worker producing low quality products and the worker producing high quality products, and positively responds only to the quality conscious worker.

Reinforcement

Reinforcement is a fundamental condition of learning. Without reinforcement, no measurable modification of behavior takes place. Reinforcement may be defined as the environmental event's affecting the probability of occurrence of responses with which they are associated.

Retention

The stability of learned behavior over time is defined as retention and its contrary is known as forgetting. Some of the learning is retained over a period of time while others may be forgotten.

LEARNING THEORIES

Classical Conditioning

The work of the famous Russian physiologist Ivan Pavlov demonstrated the classical conditioning process. When Pavlov presented a piece of meat to the dog in the experiment, Pavlov noticed a great deal of salivation. He termed the food an unconditioned stimulus and the salivation an unconditioned response. When the dog saw the meat, it salivated. On the other hand, when Pavlov merely rang a bell, the dog did not salivate. Pavlov subsequently introduced the sound of a bell each time the meat was given to the dog. The dog eventually learned to salivate in response to the ringing of the-bell-even when there was no meat. Pavlov had conditioned the dog to respond to a learned stimulus. Thorndike called this the "law of exercise" which states that behavior can be learned by repetitive association between a stimulus and a response.

Classical conditioning has a limited value in the study of organizational behavior. As pointed out by Skinner, classical conditioning represents an insignificant part of total human learning. Classical conditioning is passive. Something happens and we react in a specific or particular fashion. It is elicited in response to a specific, identifiable event. As such it explains simple and reflexive behaviors. But behavior of people in organizations is emitted rather than elicited, and it is voluntary rather than reflexive. The learning of these complex behaviors

can be explained or better understood by looking at operant conditioning.

Operant Conditioning

An operant is defined as a behavior that produces effects. Operant conditioning, basically a product of Skinnerian psychology, suggests that individuals emit responses that are either not rewarded or are punished. Operant conditioning is a voluntary behavior and it is determined, maintained and controlled by its consequences.

Operant conditioning is a powerful tool for managing people in organizations. Most behaviors in organizations are learned, controlled and altered by the consequences; i.e. operant behaviors. Management can use the operant conditioning process successfully to control and influence the behavior of employees by manipulating its reward system. Reinforcement is anything that both increases the strength of response and tends to induce repetitions of the behavior. Four types of reinforcement strategies can be employed by managers to influence the behavior of the employees, viz., positive reinforcement, negative reinforcement, extinction and punishment.

Positive Reinforcement

Positive reinforcement strengthens and increases behavior by the presentation of a desirable consequence (reward). In other words, a positive reinforce is a reward that follows behavior and is capable of increasing the frequency of that behavior. There are two types of positive: reinforces: primary and secondary. Primary rein forcers such as food, water and sex are of biological importance and have effects, which arc independent of past experiences. For instance, a primary reinforce like food satisfies hunger need and reinforced food-producing behavior. Secondary

reinforces like job advancement, recognition, praise and esteem result from previous association with a primary reinforce. Primary reinforces must be learned. In order to apply reinforcement procedures successfully, management must select reinforces that are sufficiently powerful and durable.

Negative Reinforcement

The threat of punishment is known as negative reinforcement. Negative reinforces also serve to strengthen desired behavior responses leading to their removal or termination.

Extinction

Extinction is an effective method of controlling undesirable behavior. It refers to nonreinforcement.

It is based on the principle that if a response is not reinforced, it will eventually disappear. Extinction is a behavioral strategy that does not promote desirable behaviors but can help to reduce undesirable behaviors.

Punishment

Punishment is a control device employed in organizations to discourage and reduce annoying behaviors of employees.

Observational learning

Observational learning results from watching the behavior of another person and appraising the consequences of that behavior. It does not require an overt response. When Mr. X observes that Y

is rewarded for superior performance, X learns the positive relationship between performance and rewards without actually

obtaining the reward himself. Observational learning plays a crucial role in altering behaviors in organizations.
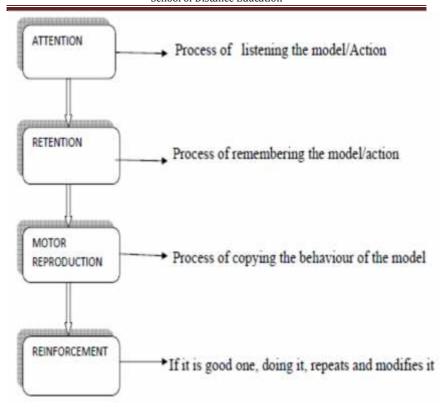
Cognitive Learning

Here the primary emphasis is on knowing how events and objects are related to each other. Most of the learning that takes place in the classroom is cognitive learning. Cognitive learning is important because it increases the change that the learner will do the right thing first, without going through a lengthy operant conditioning process.

Social Learning

Social learning integrates the cognitive and operant approaches of learning. It recognizes the learning doesn't take place only because of environmental stimuli (classical and operant views) and of individual stimulus (Cognitive approach), but it is a blend of both views. It also emphasizes that people acquire new behaviours by observing or imitating others in a social setting. Thus it is an interactive nature of cognitive, behavioural and environmental determinants.

Learning can be gained discipline and self control and an inner desire to acquire knowledge and skills irrespective of rewards or consequences. It is also possible by observing others. This is called **vicarious learning or modeling** or imitation in which another person acts as a role model, whose behaviour we tend to imitate.

E.g. Subordinates may observe their boss; students may observe their teachers and model them. The steps of modeling are:

ATTENTION → Process of listening the model/Action

RETENTION → Process of remembering the model/action

MOTOR REPRODUCTION → Process of copying the behaviour of the model

REINFORCEMENT → If it is good one, doing it, repeats and modifies it

Learning Curve

A **learning curve** is a graphical representation of the relationship between how proficient people are at a task and the amount of experience they have. Proficiency (measured on the vertical axis) usually increases with increased experience (the horizontal axis), that is to say, the more someone performs a task, the better he or she get at it.

Module III

GROUP

A group consists of a number of individuals working together for a common objective. Groups have significant influence on an organization and are inseparable from an organization. They are useful for the organization as they form foundation of human resources.

The study of group behavior is essential for an organization to achieve its goals. Individual and group behavior varies from each other. In 1920, Elton Mayo and his associates conducted the Hawthorne experiments and came to know that the group behavior has great impact on productivity. The importance of group behavior has been realized from time to time.

Human behavior consists of individuals, who move in groups. The knowledge of group behavior as well as individual behavior is necessary for a manager. He must understand group psychology and should also understand individual behavior in the context of group behavior. The group in which he moves influences individual work, job satisfaction and effective performance.

Definition of a group

A group is a two or more individual who interact regularly with each other to accomplish a common purpose or goal.

According to Marvin Shaw, "a group comprises, of two or more persons who interact with one another in such a manner that each person influences and is influenced by each other person'.

The key parts of this definition are the concepts of interaction and influence, which also limit the size of the group. It is difficult for members to interact sufficiently in a large group.

Groups or work teams are the primary tools used by managers. Managers need groups to coordinate individual behavior in order to reach the organizational goals. Groups can make a manager's job easier because by forming a group, he need not explain the task to each and every individual. A manager can easily coordinate with the work of an individual by giving the group a task and allow them to co-ordinate with each other. But for a group to work effectively, the interactions between its members should be productive. Therefore, managers must pay attention to the needs of individuals.

Need and importance for a Group

The reasons for the need, of groups are as follows:

- Management of modern organizations makes mutual efforts to introduce industrial democracy at workplace. They use project teams and work committees where workers get due recognition. They willingly participate in decision-making.

- The tasks in modern industries are becoming more complex, tedious arid of repetitive nature. Work committees, work groups and teams are formed to monitor the work. They also make the environment at workplace livelier.

- Groups help in making participative management more effective.

- Groups of all kinds and types help by cooperating in all the matters related to production and human relations to work effectively in the organization.

- An individual cannot perform each and every task. Group efforts are required for its completion. For example, building a ship, making of a movie, construction of a fly-over, etc. All these require coordinated and unified efforts of many individuals, working in a group.

- A group can judge in a better way as compared to an individual.

Types of Groups

In an organization, there are three types of groups, which are as follows:

• Functional or formal groups

Functional groups are the groups formed by the organization to accomplish different organizational purposes. According to A L Stencombe, "a formal group is said to be any social arrangement in which the activities of some persons are planned by others to achieve a common purpose". These groups are permanent in nature. They have to follow rules, regulations and policy of the organization. A formal organizational group includes departments such as the personnel department, the advertising department, the quality control department and the public relations department.

• Task group

Tasks groups are the groups formed by an organization to accomplish a narrow range of purposes within a specified time. These groups are temporary in nature. They also develop a solution to a problem or complete its purpose. Informal committees, task forces and work teams are included in task groups. The organization after specifying a group membership, assigns a narrow set of purposes such as developing a new product, evaluating a proposed grievance procedure, etc.

• Informal group

Informal groups are the groups formed for the purposes other than the organizational goals. Informal groups form when individuals are drawn together by friendship, by mutual interests or both. These groups are spontaneous. According to Keith David, "the network of persons and social relations which is not established or required forms an informal organization". These are the groups formed by the employees themselves at the workplace while working together. The organization does not take any active interest in their formation.

Informal groups are very effective and powerful. These groups work as an informal communication network forming a part of the grapevine to the organizations. They are also like a powerful force, which an organization cannot avoid. Some managers consider them to be harmful to the interest of an organization. They suspect their integrity and consider as a virtual threat.

Some managers do not consider them as threat and seek the help of group members in getting the organizational task accomplished. Informal groups are of following types:

o *Interest group:* Interest groups are the groups formed to attain a common purpose.

Employees coming together for payment of bonus, increase in salary, medical benefit and other facilities are the examples of interest groups

o *Membership group:* Membership groups are the groups of individuals' belonging to the same profession and knowing each other. For example, teachers of the same faculty in a university.

o *Friendship group:* Friendship groups are the groups of individuals belonging to same age group, having similar views, tastes and opinions. These groups can also be formed outside the plant or office and can be in the form of clubs and associations.

o *Reference group:* Reference groups are the group where individuals shape their ideas, beliefs, values etc. They want support from the group.

GROUP NORMS

Norms refer to group behavior standard, beliefs, attitudes, traditions and expectations shared by group members. According to Michael Argyle, "Group norms are rules or guidelines of accepted behavior which are established by a group and used to monitor the behavior of its members". They are framed to achieve objectives of the group. They can be social and fair in nature. Norms define boundaries between acceptable and unacceptable behavior. They make the members to identify themselves with the group. Norms play a significant role in disciplining the members of a group to make them to work regularly and properly. This reduces absenteeism and employee turnover. The members of the group are expected follow the norms strictly. This will make the group more organized.

Types of Group Norms

There are two types of group norms, which are as follows:

• *Behavior norms:* Behavior norms are rules that standardize how individuals act while working on a day-to-day basis. Examples are. "Do not come to committee meetings unless you have read the reports to be '"discussed"', "greet every customer with a smile", etc. These norms tend to reflect motivation, commitment to the organization and therefore result in high level of performance.

• *Performance norms:* Performance norms are rules that standardize employee output and number of hours worked.

Reasons for Strong Enforcement of Norms

Groups don't have the time or energy, to regulate each and every action of the group members.

Only those behaviors that sound to-be important by group members should be brought under control.

Groups, like individuals, try to operate in such a way that they maximize their chances of task success and minimize (heir chances of task failure. Groups want to facilitate their performance and overcome barriers to reach their goals. Moreover, groups want to increase morale and prevent any interpersonal discomfort to their members. Norms that will help groups meet these aims of performing successfully and keeping morale high are likely to be strongly enforced.

Conditions where group norms will be strongly enforced are as follows:

• If the norms facilitate group success or ensure group survival,

• If the norms simplify or predict regarding the behavior which is expected from group members.

• If the norms emphasize the roles of specific members within a group and • If the norms help the group to solve the inter-personal problems themselves.

Group Cohesiveness

According to Rcnsis Likert, *"cohesiveness is the attractiveness of the members towards the group or resistance of the members leaving it".* It refers to the attachment of members with the group.

According lo K. Aswalhappa, *"cohesiveness is understood as the extent of liking each member has towards others and how far everyone wants to remain as the member of the group".*

Attractiveness is the key to cohesiveness. Cohesiveness is the extent to which group members are loyal and committed lo the group and to each other. In a highly cohesive group, the members work well together, support and trust one another and are generally effective at achieving their chosen goals.

A group that lacks cohesiveness will not be very much coordinated. Its members will not support one another and they may face difficulty in reaching their goals.

Managers should develop an understanding of the factors that increase and reduce group cohesiveness.

Advantages of Group Cohesiveness

The advantages of group cohesiveness are as follows:

• The members of cohesive groups have high morale.

• The members don't have conflicting views, which decreases the chances of in clash among the views of group members at the workplace or elsewhere.

• Individuals of cohesive groups have no anxiety at the workplace.

• Members of cohesive groups are regular at their work.

• Cohesiveness increases productivity.

• Organizations gain from the members of cohesive group because they communicate better they share ideologies and respect opinions of fellow employees.

The following factors can increase group cohesiveness:

• Competitiveness with other groups.

• Inter-personal attraction.

• Favorable evaluation from outsiders.

• Agreement on goals.

•Frequent interaction. The following factors decrease cohesiveness:

• Large group size.

• Disagreement on goals.

• Competitiveness within group.

• Domination by one or more members.

• Unpleasant experiences.

TEAM

Team building has become one of the most popular and widely used interventions for improving the management of industrial and governmental organizations. Today's organizations are utilizing teams more and more to meet customer demands and stay competitive in a changing marketplace. Teams are replacing individuals as the basic building blocks of modern organizations. The corporate sector here and abroad is gradually realizing the tremendous potential of teams enabling companies to take more creative and informed decisions and effective coordination without the need for close supervision.

Team is a group of two or more people, who interact and influence each other but has some characteristics in greater degree than ordinary groups, including a higher commitment common goals and a high degree of interdependency and interaction. In Nut shell, A Team is a group organized to work together to accomplish a set of objectives that cannot be achieved effectively by individuals

Before proceeding further let us recall the difference between groups vs teams as discussed in the previous lesson. While a group is where two or more people having common interests and objectives are in constant interaction with each other, a team comprises of a group of people possessing complimentary skills and abilities which are put into practice for the achievement of the desired goals and objectives. Again it is important to remember that all the teams are groups but not all groups are work teams. There could be a number of work teams like a baseball team where members have set responsibilities, it could be like a football team where all the members work in absolute coordination with each other, or it could be like doubles tennis team , where members have primary yet flexible responsibilities.

Why Teams Work: Benefits To Organizations and Individuals

The basic premise behind working in teams is to en cash the collective energies efforts abilities knowledge and creativity of the individuals to achieve the tasks which cannot be performed alone, which are quite voluminous in nature, complicated complex and are interrelated to each other. It entails several benefits to the organizations and the individuals as outlined below;

Benefits to Organizations: Encouragement to Teamwork and Collaboration

The organizations tend to benefit from the collaborated efforts of its members who are dispersed throughout the organization in the form of empowered and collaborated workforce.

Benefits to Individuals: Psychological Intimacy, Integrated Involvement

Psychological intimacy: On the other hand the individuals tend to gain from the psychological intimacy that is the natural outcome of any team. The members share a warm and affectionate relationship with each other, resulting in the feeling of security and emotional support.

Integrated involvement: The second advantage to the individuals is with regard to integrated involvement of the individuals which is achieved through the closeness experienced during the course of activities undertaken together .it gives the members a sense of social identity where their abilities are valued and recognized by others. While psychological intimacy is more emotion based, integrated involvement is more behaviorally oriented.

THE WINNING TRAITS OF EFFECTIVE TEAMS

1. They should have strong top management support and an effective and efficient leadership, may be level five leadership which is replete with professional will and humility

2. Teams must be small in size, the ideal size being 6-8 members.

3. The team must specify its goals clearly in unambiguous terms before jumping into the fire (task)

4. They must have the capacity to work within limited resources and budgets.

5. The team members should have complementary skills.

6. They must have a distinct working style and methodology.

7. They must be trained to achieve what they are supposed to.

8. Last but not the least, teams must be rewarded and recognized for their performance and achievements.

TYPES OF TEAMS

In today's high tech age not all the teams work together physically, there has been an emergence of virtual teams which enables the organizations to have access to expertise scattered across the globe at the touch of a screen. Another phenomenon in team work which is gaining popularity is the self managed teams and cross functional teams and quality circles which will be discussed in this section

Figure 1 : Types Of Teams

1. Self Directed Or Self Managed Teams

Self directed or self Managed Teams can be defined in terms of interdependent individuals who can self regulate their behavior on relatively whole tasks. There are four foundations On which SMT'S's rests, these are :

1. Creation of self directed teams, giving them complete responsibility for the completion of the task.

2. Giving them complete autonomy to manage all the work related issues by themselves

3. They regulate and control the performance of their members and give them frequent feedbacks.

4. All this is possible with the implementation of the **socio technical systems**, which enables the team member to enjoy, enriched jobs.

Socio technical systems are based on the premise that the organization can experience higher bouts of productivity with the optimization of the social (human) and technical subsystems that are embedded in the work unit. Now it is important to remember that these SMT'S are sub units of the larger organization and their strategies should be linked to the organization only.

2. Virtual Teams

A virtual team can be defined in terms of a group of interdependent members who work together on a common task while they are located across the planet.

This is a newer smarter cheaper and faster way of accomplishing the tasks being used by global organizations in the information age. The virtual teams are proving to be quite a success as it enhances team productivity, efficiency, and effectiveness apart from proving vast experiences of the global and diversified workforce who apply their local and global exposures in taking the right decisions for the organizations.

The success of virtual teams however depend upon the presence of shared understanding between the team members which is conspicuous by its absence in the virtual teams. This is more so because of the diversified workforce who are not experiencing personal touch and communication with each other, besides they share lesser team spirit and information sharing. Thus it becomes imperative for the virtual teams to increase their shared

understanding by increasing their mode of communication by sharing quality and quantity of information which might be useful for the achievement of the goals.

3. Cross Functional Teams

A cross functional team is characterized by the presence of a group of people each possessing specialized skills which are applied for the achievement of the task with a high degree of interdependence.

CFT's are different from the regular teams in the sense that they are temporary in nature as they come into existence for the achievement of some specific objectives; the organization has high performance expectations from them. Here the members possess specialized skills only e. g marketing finance, production, IT etc. and they tend to identify themselves with those functions more strongly. The success of the CFT would depend upon top management support apart from high degree of coordination understanding and support amongst the team members who should have the ability to appreciate and listen to other persons viewpoint from a different specialized functional area. This also gives the members an opportunity to slip into the shoes of the other functional area expert and gets a better understanding of his function. This obviously leads to higher performance backed by rational and informed decisions on the part of the team members.

4. Quality Circles

Quality Circle is a small group activity where in a small group of employees on voluntary basis meet periodically to discuss work-related problem. Experience with quality Circle in Japan and elsewhere is very encouraging in terms of involvement of workers in the work-related matters and psychological satisfaction

- In a last few years, many companies, both in private sector and public sector have experimented with Quality Circle and the results are very encouraging.

- In fact, Quality Circle is an important HRD mechanism for the involvement of workers at the grass root levels.

- Organizations like JK Jute, Bharat Electronics, BHEL, HMT etc. and some service Organizations like banks have experimented with Quality Circles in recent years

TEAM WORK PROCESSES

The model of team effectiveness as exhibited above shows that team effectiveness can be achieved through effective management of these three team work processes which are interdependent on each other in the sense that engaging the team in setting up the team's mission , strategy and goals will result in higher tem effectiveness and also improved action processes in the form of better team monitoring and coordination, which will in turn reduce the level of conflict of any nature and will motivate and manage the emotional sides of the team members.

1. Team Defining Process: Engaging members in the articulation of teams mission, strategy and goals.

Setting Mission: Entails Clarifying The Reasons For The Team To Come Into Existence, Describing Its Raison d'etre (Reason For Being) And Its Core Activity.

Team Strategy: Outlining The Road Map Which Will Enable Them To Sail Through The Current State To The Desired State Of Existence.

Team Goals: Outlining The Specifications Of The Quantity, Quality And The Time Limits Within Which The Task Is To Be Accomplished.

2. Action Processes: Implementing team goals through regular reviews, continuous alignment of goals and coaching and guiding and directing the team Implementation: After the careful outlining of the teams mission and strategy, the next logical step is careful tracking which involves starting the implementation, coordination and having team support behaviors. It involves seeing through the tasks and ensuring that there are no deviations in the decided path and if any, corrective action should be taken immediately.

Coordinating: involves ensuring that the efforts of all the team members are directed in the same direction

Team monitoring and backup behaviors: involves that the members act as coaches to each other and assist each other in the completion of the tasks if required.

3. Interpersonal Processes; Actions taken by members to manage interpersonal relations at the workplace encompassing motivating, resolving conflicts and managing emotions of the team members.

Motivation: can be enhanced by the presence of top management support, absence of conflicts in team members, reducing the inequities in reward systems, right scheduling the tasks and completing the task on time. Apart from these, team motivation can be enhanced through introducing high levels of involvement, communication and trust of the members.

Conflict Management: Enhancing mutual understanding of the team members will lead to more creative and innovative environment in the organization.

Emotional Management: Encouraging the team members to be emotionally intelligent by being aware of the emotions of self and others at the workplace and managing destructive emotions will definitely enhance team effectiveness.

Moderators: There are two variables that impact the team effectiveness, these are Task Interdependence and Team Size.

1. Task Interdependence: is ensured done when the member's tasks are designed and lined up in the manner that the task of one member is dependent upon the other team members inputs.

2. Team Size: It is an established fact that small (3-4) and medium sized teams(5-7) perform better than the larger teams (8-14), hence an ideal team size should be maintained for maximum efficiency and outputs by the team members.

Team Effectiveness : The final outcome of all the above processes is team effectiveness which results in the output which meets the expectations with regard to the standards , quantity and quality while at the same time enhancing the members well being and satisfaction and also ensuring capacity building in the members.

1. Team Performance: The team's high performance is the result of effective and efficient teams which is clearly visible in the organizations performance in terms of sales, growth, profits, innovative and differentiated products by the company.

2. Employee Wellbeing Satisfaction: a workplace which aims at maximizing the integration of the employee goals of being

healthy and safe and the organization's objectives of profitability and productivity creates a psychologically healthy workplace, which in turn leads to a productive and committed workforce.

3. Job Satisfaction: research has established positive relationship between team work and job satisfaction which in turn is an outcome of well managed team processes encompassing well defined team processes action processes and interpersonal processes.

4. Capacity Building: working in interdependent teams also entails the benefits to the individuals in terms of their capacity building as team members tend to learn from each other in long associations during team work

Emergent states of team behavior

When the teams work together for a considerable period of time, there is every likelihood that there are three emergent states that appear in terms of increased team cohesiveness, increased team potency and the emergence of mental models.

Team cohesion: It can be understood in terms of increased cohesiveness and bonding amongst the team members which tends to develop naturally during their long interactions with each other.

Team potency: It can be understood in terms of increased belief of the team members that they can perform better as teams across various in the organization**.**

Team mental models: It can be understood in terms of increased and shared mutual understanding between the team members which are usually implicit in nature and enhances team's effectiveness.

Team Building

Team building is a collective term for various types of activities used to enhance social relations and define roles within teams, often involving collaborative tasks. It is distinct from team training, which is designed by a combine of business managers, learning and development/OD (Internal or external) and an HR Business Partner (if the role exists) to improve the efficiency, rather than interpersonal relations.

Team building is one of the foundations of organizational development that can be applied to groups such as sports teams, school classes, military units or flight crews. The formal definition of team-building includes:

- aligning around goals

- building effective working relationships

- reducing team members' role ambiguity

- finding solutions to team problems

Team member roles and responsibilities

Each team member has a role to play on the team, defined by skillset and experience. Some might be optimists, encouraging, innovative ideas and positivity, while others will be more pragmatic and encourage definable goals and structure. The point is that all roles have their own value in the collaboration of a team. Here are some general roles and responsibilities for a team member:

- Actively participate.

- Be an active listener

- Take notes.

- Complete tasks and assignments.

Team leader roles and responsibilities

The main role of a team leader is to provide the team with direction and support. They're also responsible for delegating tasks. To effectively lead a team, a team leader must outline not only the team's main objective but the tasks each employee is responsible for. An effective team leader should:

- Prepare material for the team.

- Maintain a team calendar or schedule

- Schedule and hold meetings.

- Facilitate discussion.

- Communicate with team members.

- Assign responsibilities.

- Draft and deliver correspondence.

- Supervise team members.

- Support team members.

Team Norms

Team norms are a set of rules or operating principles that shape team members' interactions. Team norms establish clear, agreed-upon behavior, how the work will get done, and what team members can expect of each other. This is a key way to build trust, which is critical for team success.

While establishing clear, agreed-upon norms for behavior is a good thing to do, setting team norms can feel like a joke in many organizations. Even if team members are well-intentioned, their day-to-day challenges can easily override norms that are unrealistic.

10 Steps for Establishing Team Norms

Early on, you'll want to get the group talking about team norms. Instead of scheduling an official "Team Norms Meeting," bring it up organically during one of your team's first gatherings.

Following these 10 steps, you can facilitate a productive discussion with your team and agree on a set of best practices and team norms.

Step 1. Ask each member to think of the *worst* team they've served on. Any group counts — a work team, a volunteer group, a sports team — as long as the members were dependent on each other to produce results.

Step 2. Have each team member spend 2 minutes writing down what made that experience so terrible. Direct them to be as specific as possible about their reasons.

Step 3. Ask team members to share their experiences with the whole group.

Step 4. Ask each member to think of their *best* team experience. As with the negative experience, each team member should spend 2 minutes writing down what made the experience so good.

Step 5. As before, encourage team members to share their experiences with the whole team.

Step 6. With these comments in mind, discuss as a group what makes for a good team experience and what makes for a bad one.

Step 7. Ask team members to suggest behaviors and team norms that would contribute to the current team's success. Pay attention to the most relevant issues or actions that could affect the team's biggest challenges. Be sure to keep track of suggestions on a screen or large sheet of paper that all team members can view.

Step 8. Discuss the suggestions as a group and decide as a group which ones the team can support and adhere to.

As part of this step, flag any concerns or challenges that the team thinks they may struggle with. Even if you can't identify a solid solution, doing this keeps reality in the forefront.

Step 9. Discuss how to respond to a team member who doesn't follow the norms. What is the mechanism for dealing with this situation? Ideally, the team members will take ownership of team norms, calling out inconsistencies and violations rather than expecting the team leader to police the process.

Step 10. Transfer the team's list of "must-do" behaviors into a document so all team members have access to it. Your team may choose to post the list of team norms electronically or in its regular meeting room for quick reference.

Finally, as new members join your team, bring them up to speed and get their input on team norms. Make it a point to discuss what is working and what isn't. Keep the team norms front-and-center, revisit them to update and add norms, and encourage meetings to address both the "what" and "how" of functioning as a team.

Setting team norms shouldn't be a one-time activity — in reality, it's just a way to start talking about how the team gets the job

done. It's one of several ways to improve team performance and collaboration.

Team Cohesion

Team cohesion is the strength and extent of interpersonal connection existing among the members of a group. It is this interpersonal bond that causes members to participate readily and remain motivated to accomplish the set goals. Cohesive teams have an attitude of "we-ness".

What Influences Team Cohesion?

Similarity of Attitudes and Values

One of the aspects that keep members of a group united is if they share similar values and attitudes. Employees and human beings, in general, always prefer the company of those who hold similar opinions, beliefs, and codes of conduct because they provide some form of social validation. For instance, if person A shares the same opinion as person B, then person A will get the feeling that he's right even if he's not.

However, it's important to note that similarity of interest or opinion is not the only factor that drives team cohesion. In some instances, the primary task that needs to be accomplished keeps the group members united. For example, when a military unit is sent on a mission, accomplishing the task at hand becomes the cohesive factor. Whether or not the soldiers have similar attitudes and values does not matter much.

Size of the Group

Small groups tend to be more cohesive that large groups for the following reasons:

With small groups, the members enjoy greater face-to-face contact. It means that there's a high degree of interaction and communication, which helps the members remain united. But with large groups, the possibility of interacting decreases.

As the size of a group increases, it becomes more challenging to agree on different issues. It's more difficult to get 30 members to agree on a common goal than it is to convince a group of just 10 members.

Another disadvantage of having a very large group is the possibility of smaller cliques developing within the group. This can lead to the dilution of the overall goal, hence increasing the extent of power politics.

Time

It stands to reason that the more time members of a group spend together, the stronger the bond between them. By interacting more often, the members are able to learn about each other's strengths, weaknesses, and skills. This way, the team leader can delegate tasks based on members' abilities, enabling tasks to be accomplished more efficiently.

Previous Successes and Shared Goals

When a team accomplishes a particular project, all members share in this victory and excitement as each contributed to the success. Being successful, even in small activities, increases the cohesion of team members.

Threat and Competition

A group will become more united when they encounter challenges. Members will be willing to put their differences aside

and work toward solving the issue at hand. For instance, if a hostile organization wants to take control of a particular company, the board of directors will present a united front to prevent the acquisition from happening. Similarly, management threats and competition are likely to unite an otherwise disarrayed team.

Module IV

MOTIVATION AND LEADERSHIP

MOTIVATION

The word motivation is derived from 'motive', which means an active form of a desire, craving or need that must be satisfied. Motivation is the key to organizational effectiveness. The manager in general has to get the work done through others. These 'others' are human resources who need to be motivated to attain organizational objectives.

Definition

According to George R. Terry, ″Motivation is the desire within an individual that stimulates him or her to action."

In the words of Robert Dublin, it is "the complex of forces starting and keeping a person at work in an organization". Viteles defines motivation as "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."

On the basis of above definitions, the following observations can be made regarding motivation:

• Motivation is an inner psychological force, which activates and compels the person to behave in a particular manner.

• The motivation process is influenced by personality traits, learning abilities, perception and competence of an individual.

• A highly motivated employee works more efficiently and his level of production tends to be higher than others.

• Motivation originates from the-needs and wants of an individual. It is a tension of lacking something in his mind, which forces him to work more efficiently.

• Motivation is also a process of stimulating and channelising the energy of an individual for achieving set goals.

• Motivation also plays a crucial role in determining the level of performance. Highly motivated employees get higher satisfaction, which may lead to higher efficiency.

• Motivating force and its degree, may differ from individual to individual depending on his personality, needs, competence and other factors.

Features of motivation
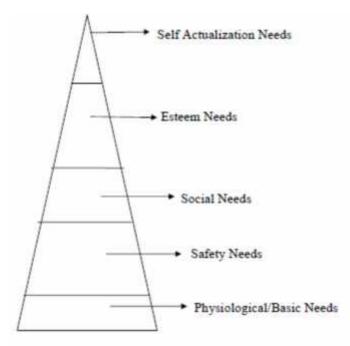
The following are the features of motivation:

• It is an internal feeling and forces a person to action.

• It is a continuous activity.

• It varies from person to person and from time to time.

• It may be positive or negative.

Need-based theories to motivation

Need-based theories try to answer the question, "what factor(s) motivate people to choose certain behaviors?" Some of the widely known need-based theories are as follows:

(a) Maslow's Hierarchy of Needs

Maslow Abraham proposed his theory in the 1940s. This theory, popularly known as the Hierarchy of Needs assumes that people are motivated to satisfy five levels of needs: physiological, security, belongingness, esteem and self-actualization needs. The following figure shows Maslow's hierarchy of needs

Maslow suggested that the five levels of needs are arranged in accordance with their importance, starting from the bottom of the hierarchy. An individual is motivated first and foremost to satisfy physiological needs. When these needs are satisfied, he is motivated and 'moves up' the hierarchy to satisfy security needs. This 'moving up process continues until the individual reaches the self-actualization level.

Physiological needs represent the basic issues of survival such as food, sex, water and air.

In organizational settings, most physiological needs are satisfied by adequate wages and by the work environment itself, which provides employees with rest rooms, adequate lighting, comfortable temperatures and ventilation.

Security or safety needs refer to the requirements for a secure physical and emotional environment. Examples include the desire for adequate housing and clothing, the need to be free from worry about money and job security and the desire for safe working conditions. Security needs are satisfied for people in the work place by job continuity, a grievance resolving system and an adequate insurance and retirement benefit package.

Belonging or social needs are related to the, social aspect of human life. They include the need for love and affection and the need to be accepted by one's peers. For most people these needs are satisfied by a combination of family and community relationships and friendships on the job.

Managers can help ensure the 'satisfaction of these important needs by allowing social interaction and by making employees feel like part of a team or work group.

Esteem needs actually comprise of two different sets of needs:

The need for a positive self-image and self-respect.

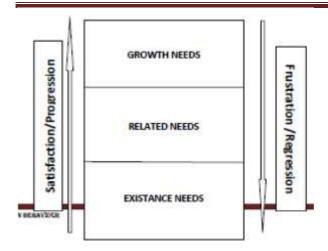**The need for recognition and respect from others.**

Organizations can help address esteem needs by providing a variety of external symbols of accomplishment such as job titles and spacious offices. At a more fundamental level, organizations can also help satisfy esteem needs by providing employees with challenging job assignments that can induce a sense of accomplishment.

At the top of the hierarchy are those needs, which Maslow defines the self-actualization needs. These needs involve realizing one's potential for continued: growth and individual development. Since these needs are highly individualized and personal, self-actualization needs are perhaps the most difficult for managers to address.

Maslow's concept of the need hierarchy possesses a certain intuitive logic and has been accepted universally by managers. But research has revealed several shortcomings of the theory such as some research has found that five levels of needs are not always present and that the order of the levels is not always the same as assumed by Maslow. Moreover, it is difficult for organizations to use the need hierarchy to enhance employee motivation.

(b) ERG Theory of Motivation

Clayton Alderfer has proposed an alternative hierarchy of needs - called the ERG Theory of Motivation. The letters E, R and G stand for Existence, Relatedness and Growth. The following figure shows ERG theory:

The existence needs in this theory refers to the physiological and security needs of Maslow.

Relatedness needs refers to belongingness and esteem needs.

Growth needs refers to both self-esteem and self-actualization needs.

Although ERG Theory assumes that motivated behavior follows a hierarchy in somewhat the same fashion as suggested by Maslow, there are two important differences.

• Firstly, ERG theory suggests that more than one kind of need might motivate a person at the same time. For example, it allows for the possibility that people can be motivated by a desire for money (existence); friendship (relatedness), and an opportunity to learn new skills (growth) all at the same time.

• Secondly, ERG theory has an element of frustrations-regression that is missing from Maslow's need hierarchy. Maslow maintained that one heed must be satisfied before an individual

can progress to needs at a higher level, for example, from security needs to belongingness. This is termed as satisfaction—progression process. Although the ERG theory includes this process, it also suggests that if needs remain unsatisfied at some higher level, the individual will become frustrated, regress to a lower level and will begin to pursue low level needs again. For" example, a workers previously motivated by money (existence needs) is awarded a pay rise to satisfy this needs. Then he attempts to establish more friendship to satisfy relatedness needs. If for some reason an employee finds that it is impossible to become better friends with others in the work place, he may eventually become frustrated and regress to being motivated to earn even more money. This is termed as 'frustration-regression' process.

The ERG theory emphasis on the following key points regarding needs:

- Some needs may be more important than others.

- People may change their behavior after any particular set of needs has been satisfied.

(c) The Dual-Structure Approach to Motivation (Two factor Theory)

Another popular need-based approach to motivation is the dual-structure approach developed by Frederick Herzberg. This is also known as Two-factor Theory. Herzberg developed this approach after interviewing 200 accountants and engineers in Pittsburg. He asked them to recall such occasions when they had been dissatisfied and less motivated. He found that entirely different sets of factors were associated with satisfaction and dissatisfaction. For instance, an individual who identified 'low pay' as causing dissatisfaction did not necessarily mention 'high

pay' as a cause of satisfaction. Instead, several other factors, such as recognition or accomplishment, were cited as causing satisfaction.

This finding suggests that satisfaction and dissatisfaction are at opposite ends of a single scale. Employees would, therefore, be satisfied, dissatisfied or somewhere in between.

Herzberg identified two sets of factors responsible for causing either satisfaction or dissatisfaction. The factors influencing satisfaction are called motivation factors or motivators, which are related specifically to the job itself and the factors causing dissatisfaction, are called hygiene factors, which are related to the work environment in which the job is performed.

Motivators

• Achievement

• Recognition

• Advancement

• The work itself

• The possibility of personal growth

• Responsibility

Hygiene or Maintenance Factors

• Company policies

• Technical supervision

• Interpersonal relations with supervisor

• Interpersonal relations with peers

• Interpersonal relations with subordinates

• Salary

• Job security

• Personal life

• Work conditions

• Status

Based on these findings, Herzberg recommended that managers seeking to motivate employees should first make sure that hygiene factors are taken care of and that employees are not dissatisfied with pay, security and working conditions. Once a manager has eliminated employee dissatisfaction, Hertzberg recommends focusing on a different set of factors to increase motivation, by improving opportunities for advancement, recognition, advancement and growth. Specifically, he recommends job enrichment as a means of enhancing the availability of motivation factors.

(d) 'X' and 'Y' theories of motivation

Douglas McGregor observed two diametrically opposing viewpoints of managers 'about their employees; one is negative called "Theory of X" and another is positive called "Theory of Y".

Theory of X

Following are the assumptions of managers who believe in the "Theory of X" regarding their employees.

• Employees dislike work.

• Employees must be coerced, controlled or threatened to do the work.

• Employees avoid responsibilities and seek formal direction.

• Most employees consider security of job, most important of all other factors in the job and have very little ambition.

Theory of Y

Following are the assumptions of managers who believe in the "Theory of Y" regarding their employees.

• Employees love work as play or rest.

• Employees are self-directed and self-controlled and committed to the organizational objectives.

• Employees accept and seek responsibilities.

• Innovative spirit is not confined to managers alone, some employees also possess it.

Applicability of Theories 'X' and 'Y'

Theory 'X' in its applicability, places exclusive reliance upon external control of human behavior, while theory 'Y', relies heavily on self-control -and self-direction.

Theory 'X' points to the traditional approach of management. Literally, this theory of behavior is related to organizations that lay hard and rigid standards of work-behavior. Some examples of such organizations are organizations that break down jobs into specialized elements; establish 'norms of production, design

equipment to control worker's pace of work, have rigid rules and regulations, that are sometimes very vigorously enforced.

Theory 'Y', on the other hand, secures the commitment of employees to organizational objectives. This motivational theory places emphasis on satisfaction of employees. While applying this theory, the use of authority, as an instrument of command and control is minimal. Employees exercise self-direction and self-control.

The concepts of **'Job' Enlargement'**, '**Participation**' and **'Management by Objectives**' are quite consistent with theory ' Y'.

McGregor supports the applicability of motivational theory 'Y', instead of theory 'X'.

Organization should keep in mind that once theory 'X' is employed for organizational working, it is difficult for the management to shift to theory ' Y', all of a sudden. However, with systematic, judicious and slow steps, shifting in the practical applicability of theory 'X' to theory ' Y' usually can be achieved.

(e) Mc-Cleland's Need Theory of Motivation

David C. McClelland and his associate Atkinson have contributed to an understanding of motivation by identifying three types of basic motivating needs. These needs have been classified as:

1. Need for Power

2. Need for Affiliation

3. Need for Achievement :

Need for Power

According to this theory the need for power, which might be defined as the desire to be influential in a group and to control one's environment is an important motivation factor. Research suggests that people with a strong need for power, are likely to be superior performers and occupy supervisory positions. Such types of individuals generally look for positions of leadership, they act effectively, are outspoken, have a stubborn character and exert authority.

Need for Affiliation

The need for affiliation means the desire for human companionship and acceptance. Those with a high need for affiliation often behave the way they think other people want them to, in an effort to maintain friendship. They prefer a job that entails a good deal of social interaction and offers opportunities to make friends. The principal characteristics of such peoples' traits are as follows:

• Desire to like and be liked.

• Enjoy company and friendship.

• Prefer cooperative situation.

• Excel in group task.

• Star attraction in gathering.

• Leadership qualities.

This need is closely associated with the "social-type" of personality, who are sociable, friendly, cooperative and

understanding. Persons with high motivation for power and affiliation have better chances of becoming good managers.

Need for Achievement

People with a high need for achievement, always feel ambitious to be successful; are ever prepared to face challenging situations and set arduous goals .for themselves. They are prone to take calculated risks; and possess a high sense of personal responsibility in getting jobs done. These people are concerned with their progress, and feel inclined to put in longer hours of work" Failures never dishearten them and they are always ready to put in their best efforts for excellent performance.

Process-based theories to motivation

Process-based theories to motivation are concerned with how motivation occurs. They focus on why people choose to enact certain behavioral options to fulfill their needs and how they evaluate their satisfaction after they have attained these goals. Two of the most useful processbased approaches to motivation arc expectancy theory and equity theory.

(a) Expectancy Theory of Motivation (Vroom's theory)

Expectancy theory of motivation was developed by- **Victor Vroom**. Basically, Vroom's expectancy theory views motivation as a- process of governing choices. The expectancy theory tries to explain how and why people choose a particular behavior over an alternative. The theory suggests that motivation depends on two things: how much an individual desires a particular goal and how likely he thinks he can get it. For instance, a person is looking for a job and reads an advertisement for a position of Assistant Manager with a starting salary of Rs. 3 lakh per year. Even though he might want the job, he probably does not apply because he is

aware that there is little chance of getting it. Next he sees an advertisement is for UD clerk for a salary of Re. 1 lakh per year. In this case he realizes that he .can probably get the job, but still doesn't apply simply because he doesn't want it. Then he comes across another advertisement for a Supervisor in a big organization with a starting salary of Rs. 2 lakh per year. He chooses to apply for this job because he wants it and also thinks that he has a reasonable chance of getting it.

The expectancy theory rests on four assumptions:

• The theory assumes that behavior is determined by a combination of forces in the individual and in the environment.

• It assumes that people make decisions about their own behavior in organizations.

• It assumes that different people have different types of needs, desires and goals.

• It assumes that people make choices from among alternative plans of behavior based on their perceptions of the extent to which a given behavior will lead to desired outcomes.

The above model suggests that motivation leads to efforts and that effort, when combined with individual ability and environmental factors, result in performance. Performance, in turn, leads to various outcomes—each of which has an associated value called its 'valence'. According to this model, individuals develop some sense of these expectations before they exhibit motivated or nonmotivated behavior.

Effort-to-Performance Expectancy

The effort-to-performance expectancy refers to an individual's perception of the probability that effort will result in high performance. When an individual believes that effort will lead directly to high performance, expectancy is quite strong For instance, if one feels sure that studying hard for an examination (effort) will result in scoring high marks (performance), then his effort-toperformance expectancy is high, that is close to 1.0. When an individual believes that effort and performance are unrelated, the effort-to-performance expectancy is very weak, that is close to 0.0.

Usually we are not sure about our expectations, so they fall somewhere between 0.0 and 1.0 with a moderate expectancy. ;

Performance-to-Outcome Expectancy

The performance-to-outcome expectancy means an individual's perception of the probability that performance will result in a specific outcome. For example, an individual who believes that high performance will lead to a pay raise has a high performance-to-outcome expectancy, approaching to 1.00. An individual who believes that high performance may possibly lead to a pay raise has a moderate expectancy between 1.00 and 0. And an individual who believes that performance has no relationship to rewards has a low performance-to-outcome expectancy that is close to 0.

Outcomes and Valences

Expectancy theory recognizes that an individual may experience a variety of outcomes as a consequence, of behavior in an organizational environment. A high performer, for example, may

get big pay raises, fast promotions and praise from the boss. However, he may also be subject to a lot of stress and incur resentment from co-workers. Each of these outcomes has an associated value or valence that is, an index of how much an individual desires a particular outcome. If an individual wants an outcome, its valence is positive. If an individual does not want an outcome, its valence is negative. If an individual is indifferent to an outcome, its valence is zero. It is this advantage of expectancy theory that goes beyond the need-based approaches to motivation.

Expectancy theory maintains that when all of these conditions are met, the individual is motivated to expand effort. The expectancy theory also has several other important practical implications, which managers should keep in mind. The managers can perform the following activities in relation to this -

• Determine what outcomes employees prefer.

• Define, communicate and clarify the level of performance that is desired.

• Establish attainable performance goals.

• Link desired outcomes to performance goal achievement.

(a-1)The Porter-Lawler Extension

Porter and Lawler have proposed an interesting extension to the expectancy theory. The human relation lists assumed that employee satisfaction causes good performance but research has not supported such relationship. Porter and Lawler suggest that there may indeed be a relationship between satisfaction and performance but that it goes in the opposite direction, that is, superior performance can lead to satisfaction.

Porter-Lawler Model

First, an individual's initial effort is influenced by his perception regarding the value of reward and the likelihood that the effort will yield a reward. The probability that increased effort will lead to improved performance is affected by an individual's traits, abilities and perception of his role in an organization. The model also distinguishes between intrinsic and extrinsic rewards. Finally, the

Porter-Lawler model borrows from equity theory the idea that the employee's satisfaction depends on the perceived equity of the rewards relative to the 'effort expended and the level of performance attained.

Implications for Managers

Expectancy theory can be useful for organizations attempting to improve the motivation of their employees. Nadler and Lawler suggest a series of steps for managers in applying the basic ideas of the theory.

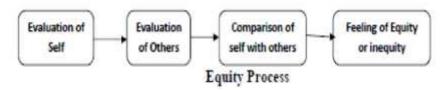1. They should determine the primary outcomes that each employee likely desires.

2. They should decide what kind and levels of performance are needed to meet organizational goals.

3. They should ascertain that the desired levels of performance are attainable.

4. They should ensure that desired outcomes and performance are linked.

5. They should also analyze the complete work situation for conflicting expectancies.

6. They should make sure that the rewards are large enough.

7. They should make sure that the overall system is equitable for everyone.

The expectancy theory has also its limitations. It is quite difficult to apply, for example, application of this theory in the work place would require to identify all the potential outcomes for each employee, to determine all relevant expectancies and then to balance everything somehow to maximize employee motivation. Expectancy theory also assumes that people are rational - therefore, they will systematically consider all the potential outcomes and their associated expectancies before selecting a particular behavior. However, few people actually make decisions in such a precise and rational manner.

(b) Equity Theory

J. Stacy Adams developed equity theory of motivation. The equity theory argues that motivations arise out of simple desire to be treated fairly. Equity can be defined as an individual's belief that he is being treated fairly relative to the treatment of others. The figure shows the equity process.

Equity Process

A person's perception of equity develops through a four-step process as shown below:

1. First an individual evaluates the way he is being treated by an organization.

2. The next step is for an individual to choose a co-worker who seems to be in a roughly similar situation and to observe how an organization treats him.

3. In the crucial step of equity theory an individual 'compares' the two treatments.

4. In the fourth step he evaluate a sense of equity to see if the two treatments seem similar or if they are different.

Adam suggests that employees make these comparisons by focusing on input and outcome ratios. An employee's contributions or input to an organization include time, education, effort, experience and loyalty. Outcomes are what an individual receives from an organization such as, pay, recognition and social relationships. The theory suggests that people view their outcomes and inputs as ratio and then- compare their ratio to the ratio of someone else. This other 'person' may be someone in the work group. The comparison may result in three types of attitudes:

• The individual may feel equitably rewarded,

• Under-rewarded.

• Over-rewarded.

An individual will experience a feeling of equity when the two ratios are equal. If an individual has the feeling of equity then he should maintain the status quo. If he has a feeling of inequity then he is likely to change the input.

Reinforcement Based Approaches to Motivation

A final approach to the motivation process focuses on why some behavior are maintained and changed overtime. Reinforcement-based approaches explain the role of those rewards as they cause behavior to change or remain the same over time. Specifically, reinforcement theory is based on the fairly simple assumption that behaviors that result in rewarding consequences are likely to be repeated, whereas behavior those results in punishing consequences are less likely to be repeated.

There arc similarities between expectancy theory and reinforcement theory. Both consider the processes by which an individual chooses behaviors in a particular situation. However, the expectancy theory focuses more on behavior choices and the latter is more concerned with the consequences of those choices.

Reinforcement Contingencies

Reinforcement contingencies are the possible outcomes that an individual may experience as a result of his or her behaviors. The four types of reinforcement contingencies that can affect individuals in an organizational setting are positive reinforcement, avoidance, punishment and extinction.

Positive Reinforcement is a method of strengthening behavior. It is a reward or a positive outcome after a desired behavior is performed. When a manager' observes an employee is doing a good job and offers praise then this praise helps in positive reinforcement of behavior. Other positive reinforces include pay, promotions and awards.

The other reinforcement, contingency that can strengthen desired behavior is avoidance. This occurs when an individual chooses certain behavior in order to avoid unpleasant consequences. For

instance, an employee may come to work on time to avoid criticism.

Punishment is used by some managers to weaken undesired behaviors. The logic is that the unpleasant, consequence will reduce an undesirable behavior again, for example, punishing with fine for coming late.

Extinction can also be used to weaken behavior especially that has previously been rewarded. When an employee tells a vulgar joke and the boss laughs, the laughter reinforces the behavior and the employee may continue to tell similar jokes. By simply ignoring this behavior and not reinforcing it, the boss can cause the behavior to subside which eventually becomes 'extinct'.

Positive reinforcement and punishment are the most common reinforcement contingencies practiced by organizations. Most managers prefer a judicious use of positive reinforcement and punishment. Avoidance and extinction are generally used only in specialized circumstances.

New approaches to motivation in organizations

New approaches are emerging to supplement the established models and theories of motivation. Two of the most promising are Goal-Setting Theory and the Japanese Approach.

(a) Goal-Setting Theory

This approach to motivation has been pioneered in the USA by Edwin Locke and his associates in 1960s and refined in 1980s. Goal-setting theory suggests that managers and subordinates should set goals for an individual on a regular basis, as suggested by MBO. These goals should be moderately difficult and very specific and of type that an employee will accept and make a

commitment to accomplishing them. Rewards should be tied directly to accomplished goals. When involved in goal-settings, employees see how their effort will lead to performance, rewards and personal satisfaction.

Salient features of this theory are as follows:

• Specific goal fixes the needs of resources and efforts.

• It increases performance.

• Difficult goals result higher performance than easy job.

• Better feedback of results leads to better performances than lack of feedback.

• Participation of employees in goal has mixed result.

• Participation of setting goal, however, increases acceptance of goal and involvements.

Goal setting theory has defined two factors,' which influences the performance. These are given below:

- Goal commitment

- Self-efficiency.

The mere act of goal setting does not ensure higher levels of motivation among employees. In fact, there seem to be three important criteria that goals must meet if they are to influence the behavior of organization members. They are goal specificity, goal difficulty and goal acceptance.

Goal Specificity

Goals must be stated in specific terms if they are to motivate effective performance. Goals must be set in terms of measurable criteria of work performance, i.e., number of units produced, new sales etc. and must specify a lime period within which the goal is to be attained. It also gives a sense of personal satisfaction and accomplishment to workers if he is able to meet the specific goal.

Goal Difficulty/Challenge

There exists a relationship between goal difficulty and work motivation. The more difficult- and challenging the goal is, the higher the level of motivation and performance. However, it is essential that goals are set at realistic levels. Goals that are very difficult to achieve are unable to motivate since it is beyond the capacity of the concerned individual.

Goal Acceptance

In order to influence motivation and performance, a goal must be internalized by an individual. In other words, the person has to feel some personal ownership of the goal and must have commitment to achieve it.

Goal Setting in Practice

The most obvious implication of goal-setting theory is that managers should be helping subordinates to set goals that are specific and reasonably difficult so that subordinates accept and internalize them as their own goals. Besides this, there are a number of issues that arise in implementing goal setting in practice.

• Though specificity of goal is essential and measurability is desirable, it should not affect in identifying meaningful and valid objective of goal attainment.

• The manager can stimulate goal acceptance in at least three ways:

- By involving subordinates in goal-setting process.

- By demonstrating a supportive attitude and approach toward his subordinates.

- By assigning various rewards to the achievement of goals.

Management by Objectives (MBO) is a managerial technique for improving motivation and performance using goal-setting principles.

Cognitive Evaluation Theory

A researcher 'Charms' reported in 1960 that extrinsic motivation like pay or rewards for a job, which has an intrinsic-motivation content, which is prior to such rewards. It tends to decrease overall level of motivation. This proposal is called cognitive Evaluation Theory" which has been supported by a large number of research studies conducted subsequently.

(b) Japanese Approach to Motivation

The Japanese approach to motivation has gained increasing popularity around the world during the past few years. This approach is rather a philosophy of management than a theory or model. The basic tenet of the Japanese approach is that managers and workers should perform together as partners. Since both of them see themselves as one group, ail members are committed and

motivated to work in the best interests of an organization. No one is called an employee; instead everyone is a team member, team leader or coach and everyone owns the 'share' of an organization.

Like goal-setting meow, the Japanese approach is likely to become more common in businesses throughout the world. By stepping along with the above concept, **Z-theory** was introduced by

William Ouchi in his book **"The Z Theory"**

Enhancing Motivation in Organizations

Managers trying to enhance the motivation of their employees can, of course, draw on any of the theories described above. They may in practice adopt specific interventions derived from one or

more theories or they may influence motivation through the organization's reward system. The organization can enhance motivation in following ways:

• **Humanize the work environment:** Respect the need to treat each employee as an individual.

• **Publicize both short and long-term organizational goals:** Encourage personal and departmental goal setting.

• **Promote from within:** It's great for morale and simplifies hiring procedures.

Use incentive programs: Inducing the feeling that 'if you're creative enough, you won't have to rely on expensive financial bonuses.'

• **Establish appropriate deadlines:** Every project should have a deadline.

• **Be liberal with praise:** It's almost impossible to over praise and easy to under praise.

• Be consistent in your own work and in your relations with others.

• **Show a personal interest in the people who work for you:** Relations are always smoother between people who know each other on a personal basis than relations between people who merely want something from each other.

• **Admit mistakes:** People will respect you for it and will be less likely to hide their own mistakes.

• **Don't whitewash unpleasant assignments:** Prepare subordinates for unpleasant assignments well in advance and offer what support you can.

Financial and Non- Financial Motivators

Every employer tries that the persons working in his organization should be highly motivated. To achieve the organizational goal, certain techniques to improve the employee's morale are there but these techniques may not be similarly useful in all types of organization. Motivational techniques classified into the following categories:

MOTIVATORS	
FINANCIAL	**NON-FINANCIAL**
• More wage and salary	• Recognition
• Profit Sharing	• Participation

• Leave with pay	• Status
• Medical aid and reimbursement	• Competition
• Company paid insurance	• Job enrichment
• Any other financial incentives and assistance	• job redesign
	• quality circle
	• Alternate work schedule.

LEADERSHIP

Leadership is an integral part of management and plays a vital role in managerial operations. It provides direction, guidance, and confidence to the employees and helps in the attainment of goals in much easier way. In business and industrial organizations, managers play the role of leader and acquire leadership of subordinates, their efforts towards the achievement of organizational goals and activate the individuals of an organization to make them work. Leadership influences behavior of the individuals. It has an ability to attract others and potential to make them follow the instructions. Individuals can be induced to contribute their optimum towards the attainment of organizational goals through effective leadership. Leadership acquires dominance and the followers accept the directives and control of a leader. Leadership provides direction and vision for future to an organization.

Definition

Leadership is the art of influencing and inspiring subordinates to perform their duties willingly, competently and enthusiastically for achievement of group's objectives.

Leadership is a function of the leader, the followers and other situational variables:

L=F (l, f, s)

According to Terry, *"Leadership is the ability of influencing people to strive willingly for mutual objectives"*

According to Keith Davis, *"Leadership is the process of encouraging and helping others to work enthusiastically towards objectives"*.

Thus, leaders are people who are able to influence the behavior of others without recourse to threats or other forms of force towards the individuals. Leaders are the people who are accepted by the other individuals, as a superior person to them.

Features of leadership

The features of leadership are as follows:

- Leadership is the process of influencing behavior of individuals of an organization.

- Leadership uses non-coercive methods to direct and coordinate the activities of the individuals of an organization.

- Leadership directs the individuals to attain the tasks assigned to them by following the instructions of their leaders.

- A leader possesses qualities to influence others.

- Leadership gives the individuals, a vision for future.

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

Importance of Leadership

The following points can analyze the need and importance of leadership:

• A leader should act as a friend of the people whom he is leading.

• A leader must have the capacity to recognize the potentials of the individuals and transform them into realities.

• A leader should have the confidence of the individuals of the organization.

• A leader must be able to unite the people as a team and build up team spirit.

• A leader should be able to maintain discipline among his group and develop a sense of responsibility.

• A leader must be able to build up a high morale among the individuals of the organization.

• A leader should motivate his people to achieve goals.

• A leader should try to raise the morale of the individuals and should maintain ethical standards among the individuals.

• A leader should act as a link between the work groups and the forces outside the organization.

Difference between Leadership and Management

Leading and managing go together but some differences exist between the two. The following are the differences between the leadership and the management:

• Management takes rational and logical decisions while leadership takes decision on expectations of the followers. Leadership has an emotional appeal while management acts on rationality.

• The management establishes relationship through a lawful authority while leadership establishes relationship through power.

• Managers have formal authority but the leaders have no such authority.

• All leaders are not managers and all managers are leaders.

• Management is a process of planning, organizing, directing and controlling the activities of others to attain the organizational objectives. Leadership on the other hand, is a process of influencing the behavior of the people to attain their assigned tasks. A successful manager must possess both the managerial and leadership qualities.

TYPES OF LEADERSHIP

Following are the main types of leadership:

Autocratic or Authoritarian

In this type of leadership, there is a complete centralization of authority in the leader, i.e., authority is centered in the leader himself. He has all the powers to make decisions. He uses

coercive measures and adopts, negative method of motivation. He wants immediate obedience of his orders and instructions. Any negligence on the part of subordinates results in punishment. There is no participation from the subordinates in decision making. A leader thinks that he is the only competent person in the organization. According to Edwin B. Filippo, there are following three types of leaders in autocratic:

1. *Hard Boiled or Strict Autocrat:* Leader, under such type uses negative influence and expects that the employees should obey his orders immediately. Non-compliance of his orders results in punishment. He makes all decisions and does not disclose anything to anyone. He is quite rigid on performance.

2. *Benevolent Autocrat:* Benevolent autocrat leader uses positive influences and develops effective human relations. He is known as paternalistic leader. He praises his employees if they follow his orders and invites them to get the solutions of the problems from him. He feels happy in controlling all the actions of his subordinates.

3. *Manipulative Autocrat:* Leader, under such type is manipulative in nature. He creates a feeling in the minds of his subordinates and workers that they are participating in decision-making processes. But he makes all decisions by himself. Non-compliance of his orders also results jn punishment.

Democratic or Participative

Democratic or Participative leadership is also known as group centered or consultative leadership. In this type of leadership, leaders consult their groups and consider their opinion in the decisionmaking process. Leaders encourage discussion among the group members on the problem under consideration and arrive at a decision depending on their consent. Participation or

involvement of the employees in the decision-making process is also rewarded. Exchange of ideas among subordinates and with the leader is given encouragement. Leaders give more freedom to their group members, who feel that, their opinions arc honored and they are given importance. It develops a sense of confidence among subordinates and they derive job satisfaction. It improves quality of decision as it is taken after due consideration of valued opinions of the talented group members.

The demerit of this type of leadership is that it takes more time to arrive at a decision, as a lot of time is wasted while taking the views from the employee. It is, therefore, very time consuming.

Laissez-faire or Free Rein

In this type of leadership, there is virtual absence of direct leadership. It is, therefore, known as "no leadership at all". There is complete delegation of authority to subordinates so that they can make decisions by themselves. Absence of leadership may have both positive and negative effects.

Free rein leadership may be effective if members of the group are highly committed to their work. The negative aspect shows that the leader is not competent enough to lead his group effectively. Members may feel insecure and develop frustration for lack of decision-making authority.

Bureaucratic

This type of leadership emphasizes the rules and regulations of an organization. The behavior of a leader is determined by the rules, regulations and procedure to be followed under his leadership.

The leader and the subordinates both follow these rules and regulations. Therefore, there is no difference between the

management and the administration in this type of leadership. The employees, themselves cannot do anything in this regard. It is the rules that determine their performance.

Manipulative

This type of leadership manipulates the employees to attain their assigned tasks. A manipulative leader is quite selfish and exploits the aspirations of the employees for his gains. He knows very well the needs and desires of the employees but he does very little to fulfill them. Due to such attitude, he has to face the hatred of the employees at times.

Paternalistic

The paternalistic leadership believes in the concept that the happy employees work better and harder. It maintains that the fatherly altitude is the right one for better relationship between the manager and the employees. Everyone within the organization should work together like a family.

Expert Leadership

The expert leadership emerged as a result of complex structure of modern organizations. This type of leadership is based on the ability, knowledge and competence of the leaders. He handles the situation skillfully with his talent. The employees feel relieved as they are working under a person who is expert and can handle the situation without any problem.

In modern organizations, human resources vary in terms of skill, knowledge and competences. They differ in quality, determination and their attitude towards the organization. They exhibit different behaviors as they differ in attitude and outlook

also. The leader must understand their behavior and accordingly can make use of the various types leaderships.

Leadership Skills

There is now recognition in both leadership theory and practice of the importance of skills, how leaders should behave and perform effectively. Although there are many skills, such as cultural flexibility, communication, HRD, creativity, and self-management of learning, the research-based skills identified by Whetten and Cameron seem to be most valuable. Their personal skills model, involving developing self-awareness, managing stress and solving problems creatively; the interpersonal skills model, involving communicating supportively, gaining power and influence, motivating others and managing conflict, are especially comprehensive and useful. Finally, the widely recognized organizational behavior .techniques such as, training, job design and leaders can also effectively use behavioral management.

Qualities of successful leader-

Qualities required for a successful leader are:

1. Intelligence

2. Maturity

3. Sound physic

4. Self confidence

5. Objectivity

6. Empathy

7. Foresightedness and Vision

8. Decisiveness

9. Human relation Approach.

10. Responsibility

Theories of leadership

Leadership is the process of influencing others towards the accomplishment of goals.

Recent efforts by behaviorists have shown a trend towards integrating the numerous theories of leadership. A number of theories and approaches to study leadership have been developed. There are broadly three theories of leadership.

• Trait Theory

• Behavior Theory

• Contingency Theory

(a) Trait Theory

This theory of studying leadership is taken into consideration to analyze the personal, psychological and physical traits of strong leaders. The assumption made in this theory was that some basic traits or set of traits differentiates leaders from non-leaders. For example, the leadership traits might include intelligence, assertiveness, above average height, self-confidence, initiative and understanding of interpersonal human relations. The existence of these traits determines the importance of leadership. Possession of these traits helps the individuals to gain possession

of leadership. Since all individuals do not have these qualities, only those who have them would be considered potential leaders.

Some of the weakness of this theory is:

• All the traits are not identical with regard to essential characteristics of a leader.

• Some traits may not be inherited, but can only be acquired by training.

• It does not identify the traits that are most important and that are least important for a successful leader.

• It does not explain the leadership failures, in spite of the required traits.

• It has been found that many traits exhibited by leaders are also found among followers without explaining as to why followers could not become leaders.

• It is difficult to define traits in absolute terms.

• Thus, the trait theory has been criticized for lack of conclusiveness and predictability.

(b) Behavior Theory

The behavioral theory assumed that effective leaders behaved differently from ineffective leaders.

It also identified the need of consistency of behavior of good leaders. This theory can be more clearly understood with the help of following case studies.

• *The Michigan Studies:* Researchers at the University of. Michigan, led by Rensis Likert, began studying leadership in the

late 1940s. Depending on broad discussions with both the managers and sub-ordinates, the Michigan studies identified two forms of leadership behavior.

They are discussed as below:

o *Job-centered leadership behavior :* The first was called job-centered leadership behavior, which focuses on performances and efficient completion of the assigned tasks. A job-centered leader interacts with group members to explain task procedures and oversee their work.

o *Employee centered leadership behavior:* The second behavior was identified as employee centered leader behavior, which focuses on, high performance standards to be accomplished. This can be done by developing a cohesive work group and ensuring that employees are satisfied with their jobs. Thus, the leader's primary concern is the welfare of the ordinates. The Michigan researchers thought a leader could show signs of one kind of behavior, but not both.

• *The Ohio State Studies:* At about the same time, a group of researchers at Ohio State also began studying leadership. The Ohio State leadership studies also identified two major kinds of leadership behaviors or styles, which are as follows:

o *Initiating-structure behavior:* In initiating-structure behavior, the leader clearly defines the leader-subordinate roles so that everyone knows what is expected. The leader also establishes formal lines of communication and determines how tasks will be performed.

o *Consideration behavior:* In consideration behavior, the leader shows concern for subordinates feelings' and ideas. He attempts to establish a warm, friendly and supportive.

The most obvious difference between Michigan and Ohio State studies is that the Ohio State researchers did not position their two forms of leader behavior at opposite ends of a single continuum. Rather, they assumed the behaviors to be independent variables, which means that a leader could exhibit varying degrees of initiating structure and consideration at the same time i.e. a particular leader could have higher ratings on both measures, low ratings on both or high ratings on one and low on the other.

The Ohio State researchers found that a leader's behavior remains consistent over a period of time, if the situation also remains same. But the researchers could not come up with one best combination of behavior suitable to all the situations. The researchers used to believe that the leaders in possession of both types of behavior are most effective. However, their studies at International Harvester found that leaders rated highly on initiating structure behavior have higher performing but dissatisfied sub-ordinates, whereas leaders rated highly on consideration structure had lower-performing sub-ordinates who showed signs of higher satisfaction.

Most experts now agree that no single set of traits or behaviors appears to be common to all good leaders. The universal approaches to leadership can help managers examine their own leadership characteristics and match them against the traits most commonly identified with good leaders. In order to understand the full complexity of leadership, contingency theory is to be studied.

(c) Contingency Theory

The main assumption of contingency theory is that the behavior of an appropriate leader varies from one situation to another. The motive of a contingency theory is to identify key situational

factors and to specify how they interact to determine appropriate behavior of a leader.

The three most important and widely accepted contingency theories of leadership are as follows:

• *The LPC theory:* The first contingency theory of leadership is Fred Fielder's Least Preferred Co-worker (LPC) Model. Fielder identified two types of leadership: task-oriented and relationship-oriented. Fielder believes that a leader's tendency to be task-oriented or relationship oriented remains constant. In- other words, a leader is either task-oriented or relationship-oriented while leading his group members. Fielder used the Least Preferred Coworker (LPC) scale to measure the type of leadership. A leader is asked to describe characteristics of the person with whom he or she is least comfortable while working. They can do this by marking in a set of sixteen scales at each end, by a positive or negative adjective. For example, three of the scales Fielder uses in the LPC are:

Helpful -------------------- Frustrating 8 7 6 5 4 3 2 1

Tense ------------------- Relaxed 1 2 3 4 5 6 7 8

Boring ------------------- Interesting 1 2 3 4 5 6 7 8

The leader's LPC score is then calculated by adding up the numbers below the line checked on each scale. A high total score is assumed to reflect a relationship orientation and a low score, a task orientation by the leader. The LPC measure is controversial because researchers disagree about its validity. This is because some of the LPC measures show whether the score is an index of behavior, personality or some other unknown factor.

According to Fielder, the contingency factor favours the situation from the leader's point of view. This factor is determined by leader-member relations, task-structure and position-power, which are discussed as below:

• *Leader-member relations: A* Leader-member relation refers to the nature of relationship between the leader and his work group. If the leader and the group enjoy mutual trust, respect, confidence and they like one another, relations will remain good. If there is little trust, respect or confidence and. if they do not like one another, relations will remain bad. Good relations are assumed to be favourable and bad relations unfavorable.

• *Task-structure:* Task-structure is the degree to which the group's task is clearly defined. When the task is routine, easily understood, and unambiguous and when the group has standard procedures, the structure is assumed to be high. When the task is non-routine, ambiguous, complex, with no standard procedures and precedents, structure is assumed to be low. High structure is more favourable for the leader and low structure is unfavorable. If the task structure is low, the leader will have to play a major role in guiding and directing the group's activities. If the task structure is high, the leader will not have to pay much attention.

• *Position-power:* Position-power is the power vested in the position of a leader in an organization. If the leader has the power to assign work, administer rewards and punishment, recommend employees for promotion or demotion, position-power is assumed to be strong. If the leader does not have required powers, the position-power is weak. From the leader's point of view, strong position power is favourable and weak position power is unfavorable.

Fielder and his associates conducted various studies highlighting if a situation favors the leadership and group effectiveness or not. When the situation includes good relations, high structure and strong power, a risk-oriented leader to lie most effective. However, when relations are good but task structure is low and position-power is weak, LI relationship-oriented leader is considered to be most effective.

• A final point about LPC theory is that, Fielder argues that any particular-type of leadership, which is measured by the LPC is inflexible and cannot be changed. In other words a leader cannot change his behavior to fit a particular situation. Fielder's contingency theory has been criticized on the ground that LPC measure lacks validity and that the assumption about the inflexibility of the leader's behavior is unrealistic.

(d) The Path-Goal theory

The path-goal model of leadership was introduced by Martin Evans and Robert House. Path-goal theory says that a leader can motivate subordinates by influencing their expectations. Leaders can motivate sub-ordinates by making clear what they have to do to get the reward they desire. The path-goal model assumes that leaders can change their style or behavior to meet the demands of a particular situation. This model identifies four kinds of leader behavior: directive, supportive, participative and achievement-oriented. According to this model managers can adjust their behavior to include any four kinds of leadership behavior mentioned above. For instance, while leading a new group of sub-ordinates, the leader may be directive in giving guidance and instructions to them. He may also adopt supportive behavior to encourage group cohesiveness, to look after their needs and ensuring that they get the rewards and benefits. As the group becomes more familiar with the task and as new problems are

taken into consideration, the leader may use participative behavior by which he can participate with employees in making decisions and take their suggestions as well. Finally, the leader may use achievement-oriented behavior to encourage continued high performance of sub-ordinates.

Environmental characteristics are factors, which are beyond the control of subordinates. It includes task structure, the primary work group and the formal authority system. For instance, when structure is high, directive leadership is less effective than when structure is low. Sub-ordinates do not usually need their boss to repeatedly tell them how to do a routine job. According to the pathgoal theory, these environmental factors can create uncertainty for employees. A leader who helps employees reduce such uncertainty can motivate them. The following figure shows the path goal model of leadership.

(e) The Vroom-Yetton-Jago Theory (VYJ)

The Vroom-Yetton-Jago model was first introduced by Vroom and Yetton in 1973 and was revised by Vroom and Jago in 1988, this model has a much less focus than the path-goal theory. It helps a leader to determine the extent, to which employees should participate in the decision-making processes,

The VYJ theory argues that decision-effectiveness is best judged by the quality of decision and by the acceptance of that decision on the part of employees. Decision acceptance is the extents to which employees accept and are loyal to their decisions. To

maximize decision effectiveness; the VYJ theory suggests that leaders adopt one of five decision-making leaderships. The appropriate leadership depends on the situation. As summarized in the following table, there are two autocratic types of leadership, which are AI and All, two consultative types of leadership, which are CI and CII and the other one is group GII.

Decision-Making Styles in the VYJ model

Decision Style	*Description*
A1	Manager makes the decision alone.
A11	Manager asks for information from subordinates but makes (he decision alone. Subordinates may or may mil be informed about what the situation is.
C1	Manager shares the situation with individual subordinates and asks for information and evaluation. Subordinates do not meet as a group and the manager alone makes the decision.
C 11	Manager and subordinates meet as a group to discuss the situation but the manager makes the decision.

G11	Manager and subordinates meet as a group to discuss thesituation and the group makes the decision.

A = Autocratic; C= Consultative; G = Group

The situation is defined by a series of questions about the characteristics or attributes of the problem under consideration. To address the questions, the leader uses one of the four decisions.

Two of them are used when the problem affects the entire group. For example, a decision about the facilities to be given to employees in a new office affects the entire group and the other two are appropriate when the decision affects a single individual only. e.g. a new office for that individual only.

Moreover, one of each is to be used when the decision has to be made quickly because of some urgency and the others arc to be used when the decision can be made more slowly and the leaders wants to use the opportunity to develop subordinates' decision-making abilities.

The VYJ model was criticized because of its complexity. Computer software has been developed to aid leaders in defining the situation, answering the questions about the problem attributes and developing a strategy for decision-making participation.

Although the VYJ model is too new to have been thoroughly tested, evidence so far indicates that this model can help leaders to choose the most effective way to include the subordinates in decision-making.

Other contingency approaches

In addition to these three major theories, there are other contingency models or theories developed in recent years. The other models are as follows:

• *Vertical Dyad Linkage Model:* This model stresses the .fact that leaders actually have different kinds of working relationship with different subordinates. Each managersubordinate relationship represents one vertical dyad. The Vertical Dyad Linkage model suggests that leaders establish special working relationships with some subordinates based on some combination of respect, trust and liking. These people constitute the 'in-group'.

Other subordinates remain in the 'out-group's, who receive less of leader's time and attention. Those in the 'in-group' receive more of the manager's time and attention and are better performers. Research shows that people in the 'in-group' are more productive and more satisfied with their work than 'out group' members.

• *Life Cycle Model:* The life cycle model suggests-that appropriate leader behavior depends on the maturity of the followers. In this context, maturity includes motivation, competence and experience. The model suggests that as followers become more mature, the leader needs to move gradually from high to low task orientation. Simultaneously, the leader's employeeoriented behavior should start low, increase at a moderate rate and then decline again.

Many leaders are familiar with the life cycle theory because it is both simple and logical.

However, it has received little scientific support from researchers.

RECENT LEADERSHIP THEORIES

A. Leader Member Exchange Theory

B. Inspirational Leadership

1. Transformational leadership

2. Charismatic leadership

3. Authentic leadership

Some new developments on the leadership front have given rise to the newer theories which are directed towards leader member relations, inspiring leaders who are charismatic authentic and transformational which are discussed below

Leader Member Exchange Theory

Popularly called the LMX theory maintains that leaders usually form varying relationships with their followers, where some of them become a part of their in group who enjoy more attention and are given higher levels of authority and responsibility than the followers who are in the out group and do not enjoy the attention of the leader. This also determines the citizenship behavior of the followers which is more visible in the members of the in group than the out group.

Inspirational Leadership

Some new research has shown inclination towards inspirational leadership, which has been identified as Transformational Leadership, charismatic leadership and authentic leadership which are discussed below.

1 Transactional vs. Transformational Leaderships

According to James Burns there are two types of leaders: transformational and transactional.

Transformational leaders are those who recognize, exploit and satisfy the needs of followers while elevating them into high levels of motivation and morality. Transformational leadership elevates the goals of subordinates and inspires them to give their best to an organization. Transformational leadership, primarily, consists of four dimensions: charisma, Inspirational motivation individualized consideration and intellectual stimulation.

- **Charisma or individualized influence:** Provides vision and sense of mission, instills pride, gains respect trust.

- **Inspirational motivation:** Communicates high expectations, uses symbols to focus efforts, and expresses important purposes in simple ways.

- **Intellectual Stimulations**: Promotes intelligence, rationality, and careful problem solving.

- **Individualized consideration:** Gives personal attention, treats each employee individually, coaches, and advises**.**

In Transactional leadership, the leader exercises influence during daily leader subordinate exchanges without any special emotional inputs or considerations. The leader offers rewards to subordinates who achieve the tasks assigned to them (or, for showing appropriate behavior). His focus is on achieving results in a practical way, clarifying things to

subordinates. He is hardworking, tolerant and fair minded. He generally takes pride in keeping things running smoothly and efficiently. He often emphasizes the importance of impersonal aspects of performance such as plans, schedules and budgets. He has a sense of commitment to the organization and conforms to organizational norms and values.

2. Charismatic leadership

This leadership style is visible when the leader displays exceptional personal abilities, knowledge skills and certain behaviors which gives him an edge over others , and is able to influence the decisions of the groups or individual by the sheer virtue of the combined effect of all the personality traits which distinguishes leaders' from non leaders which is called charismatic leadership.

The Key Characteristics of Charismatic leaders

1. **Self Confidence-** They have complete confidence in their judgment and ability.

2. **A vision-** This is an idealized goal that proposes a future better than the status quo. The greater the disparity between idealized goal and the status quo, the more likely that followers will attribute extraordinary vision to the leader.

3. **Ability to articulate the vision-** They are able to clarify and state the vision in terms that are understandable to others. This articulation demonstrates an understanding of the followers' needs and, hence acts as a motivating force.

4. **Strong convictions about vision-** Charismatic leaders are perceived as being strongly committed, and willing to take on

high personal risk, incur high costs, and engage in self-sacrifice to achieve their vision.

5. **Behavior that is out of the ordinary-** Those with charisma engage in behavior that is perceived as being novel, unconventional, and counter to norms. When successful, these behaviors evoke surprise and admiration in followers.

6. **Perceived as being a change agent-** Charismatic leaders are perceived as agents of radical change rather than as caretakers of the status quo.

7. **Environmental sensitivity-** These leaders are able to make realistic assessments of the environmental constraints and resources needed to bring about change.

3Authentic/ ethical and moral leadership

This type of leadership has been much in demand these days owing to the fall in the ethical standards of the top leadership as witnessed in the various scandals rocking the business world. The Volkswagen scandal being the latest to hit the corporate world. There is an increasing emphasis on the top leadership who hold high moral values and ethics and can lead the organizations without falling prey to the greed of making fast bucks. The ability of the leaders to act in the right way as differentiated from the wrong is called moral quotient.MQ determines the ability to appreciate and understand the difference between Knowing Vs Doing the right thing. It enables you to distinguish the RIGHT from the WRONG. Nevertheless moral competency is making its presence felt on the corporate landscape owing to a powerful correlation between strong moral values and business success. Research also shows that, it is by no accident that the most successful leaders attribute their accomplishments to a

combination of business savvy practices and strict adherence to moral code.

The sagas of some of the iconic and legendary organizations like The Enron's, The Mitsubishis; The Lucent Technologies was still fresh, when the greed of the Lehman brothers and our very own Satyam shook the business world. AND one fine morning, our cricket crazy nation was aghast at the match fixing scandal at the IPL which made everybody raise their eyebrows in astonishment and being betrayed by the few greedy people who took away the sanctity of the game in a few seconds. These are examples of some of the great organizations whose Global identities have been brought to naught, thanks to the fiasco of moral leadership at the top. This bears ample testimony to the freewheeling of the moral compass of its leaders which saw these organizations crashing at the stock markets.

Module V

STRESS MANAGEMENT

Stress is the general term applied to the pressures people feel in life. The presence of stress at work is almost inevitable in many jobs. The nature of stress has been studied by scholars in a wide range of academic disciplines. Physicians, psychiatrists, and researchers in management have all studied its causes and its symptoms, and have defined the term in a variety of different ways.

Stress is defined as "*the reactions of individuals to new or threatening factors in their work environments"*.

Stress can be either positive or negative. Some new work situations can bring us positive challenges and excitement. For example, promotions to new jobs present employees with positive stress. Employees may feel anxious about their new work assignments; they also anticipate them eagerly and look forward to the additional challenges, rewards, and excitement. In these cases, the new and uncertain job situations create positive stress. The positive stress is also called the Eustress. However, there are certain other types of work that are very threatening and anxietyarousing.

For example, depression in the economy can create negative stress for sales personnel, because they will be much more anxious about making sales commissions and sales quotas.

For every individual there is an optimum level of stress under which he or she may perform to full capacity. If the stress experienced is below this optimum level, then the individual gets

bored, the motivational level to work reaches a low, point, and apathy sets in. If one operates in a very low stress environment and constantly experiences boredom, the person is likely to psychologically or physically withdraw from work. Psychological withdrawal will result in careless mistakes being frequently made, forgetting to do things, and thinking of things other than work during work hours. Physical withdrawal will manifest itself in increased rates of tardiness and absenteeism, which may ultimately lead to turnover. Though the optimum stress level is different form different individuals, each individual can sense and determine how much stress is functional for an individual to operate in a productive manner.

Sources of stress

Stress is a reality of our everyday life. There are both positive and negative stresses that come from our work and non-work lives. As pointed out by Near. Rice, and Hunt (1980) and Sckaran (1986), among others, the work and non-work domains of one's life are closely interrelated. The stresses and strains experienced in one domain are carried over to the other. Thus, if one experiences stress at work, that stress will be carried over to the home.

One major source of job stress is the job itself. The way the job is designed, the amount of time pressure an individual faces and the amount of expectations others have of a person at work can all lead to job stress. Interpersonal relationships are a second source of job stress. How much contact an individual has with coworkers and managers, how much time he or she deals with clients or consumers, and how pleasant those interactions are all influences of how much stress an individual experiences at work. Third source is problems in personal lives, which can spill over into the

work environment, adding further tension to an already stressful work situation.

Sources of job stress

• **Job Characteristics**

- Role ambiguity

- Role conflict

- Role overload

- Ethical dilemmas

• **Interpersonal Relationships**

- Amount of contact with others

- Dealing with people in other departments

- Organizational climate

• **Organizational Factors**

- Task demand

- Role demand

- Satisfaction

- Organisation structure

- Organisation leadership

- Organisation life stage

• **Personal Factors**

- Career concerns

- Geographical mobility

- Rate of life change

Job Characteristics

A major source of job stress is a person's role in the organization. A role is simply the set of expectations that other people in the organization have for an individual, For example, supervisors, coworkers, customers and suppliers expect an employee to behave in certain predictable ways. The expectations others have of an employee arc sometimes unclear, in conflict, or too high for the employee to meet within the time allotted, and he or she experiences stress.

• *Role Ambiguity:* When there is a lot of uncertainty surrounding job definitions or job expectations, people experience role ambiguity. With the recent increase in mergers and acquisitions among major organizations, more and more employees arc experiencing job stress as a result of role ambiguity. Role ambiguity is anxiety arousing among employees that leads to job stress.

• *Role Conflict:* Often employees discover that different groups of people in an organization have widely varying expectations of them, and that they cannot meet all those expectations.

This inconsistency of expectations associated with a role is called role conflict, which results in stress.

• *Role Overload:* Role overload is a situation in which employees feel they are being asked to do more than time or ability permits. Working under time pressure is especially stressful.

• *Role Under load:* Role Under load is the condition in which employees have too little work to do or too little variety -in their work. For example, salespeople in a store with no customer, standing around all day with nothing to do, could be said to experience role under load. Ironically, role under load leads to low self-esteem, increased frequency of nervous symptoms and increased health problems.

• *Ethical Dilemmas:* Ethical dilemmas such as whether or not one should report the observed unethical behaviors of another person can cause extreme levels of stress in individuals. This will be especially true for those who have strong moral values of right and wrong and a deep sense of personal and corporate social responsibility. Tensions arise because one might have to contend against one's own colleagues who might be close friends, and may fear of reprisal and other undesirable consequences.

Interpersonal Relationships

Another major source of stress in organization is poor interpersonal relationships with supervisors, subordinates, coworkers. or clients. When interpersonal relationships at work are unpleasant, employees develop a generalized anxiety, a diffuse feeling of dread about upcoming meetings and interactions. Three aspects of interpersonal relationships at work, which have a negative impact on job stress, are as follows:

• *Amount of contact with others:* Jobs vary in terms of how much interpersonal contact is built into them. Too much prolonged contact with other people can cause stress.

• *Amount of contact with people in other departments:* Having contacts with people outside one's own department creates a special sort of stress. People in other departments do not always have an adequate understanding of jobs outside their own areas, which can cause stress.

• *Organizational climate:* The overall psychological climate of the organization can create stress. When day-to-day life in an organization is marked by unfriendly, distant, or hostile exchanges, employees are continually tense and this causes stress.

Organizational Factors

Following are the organizational factors that cause stress in individuals:

• Work environment factors such as noise, heal, poor lighting, radiation and smoke are stressinducing agents.

• Insufficient resources such as time, budget, raw materials, space or manpower also induce stress in the work environment. When one has to produce and perform with inadequate resources on a long-term basis, this naturally imposes stresses and strains on the individuals who are responsible for getting the job done.

• Structural factors in the organizational setting such as staff rules and' regulations and reward systems, may cause stress.

• Lack of career promotion in organizations may be sometime cause stress.

• Environmental factors of stress include sudden and unanticipated changes in the marketplace, technology, the financial market and so on.

Personal Factors

Employees' personal lives have a marked effect on their lives at work. If things are going well personally, they are more likely to be upbeat and optimistic. They have more energy and patience for dealing with problems at work. On the other hand, if employees are having some personal problems, they might be more tense or distracted when they go to work.

Factors that influence how much stress people bring from their persona! Lives to the work setting are as follows:

• *Career Concerns:* One major career concern that can cause stress is lack of job security. A second career concern that can cause employees stress is status incongruity, i.e., having jobs with less status, power and prestige than they think they deserve.

• *Geographical Mobility:* Geographical moves create stress because they disrupt the routines of daily life. When geographical moves arc undertaken as part of a job transfer, the moves can be even more stressful. The transferred employees are likely to feel out of control at work, too, and experience their new work environments as unpredictable.

Effects or consequences of job stress

Negative stress has unpleasant consequences for them, their families and for the organizations they serve.

Effects on the Individual

The impacts of distress on individuals are of following types:

• The subjective or intrapersonal effects of stress are feelings of anxiety, boredom, apathy, nervousness, depression, fatigue, and

anger. Sometimes experiencing the stress may cause aggressive behaviors on the part of the individual.

• The cognitive effects include poor concentration, short attention span, mental blocks and inability to make decisions.

• The physiological effects can be seen in increased heart and pulse rate, high blood pressure, dryness of throat, and excessive sweating.

• The behavioral effects arc manifest in such things as accident proneness, drinking, excessive eating, smoking, impulsive behaviors, depression, and withdrawal behaviors.

• The manifest health effects could be stomach disorders, asthma, eczema, and other psychosomatic disorders. In addition, the mental health, i.e. the ability lo function effectively in one's daily life, will also decline as excessive stress is experienced.

Consequences for the Family

Negative stress, which is handled by individuals in dysfunctional ways, such as drinking or withdrawal behaviors, will have an adverse effect on their home life. Spouse abuse, child abuse, alienation from family members, and even divorce could result from dysfunctional coping mechanisms.

Consequences to Organizations

The adverse consequences on an organization include low performance and productivity, high rates of absenteeism and poor decision-making. It also leads to lost of customers because of poor worker attitudes, increased alienation of the worker from the job, and even destructive and aggressive behaviors resulting in strikes and sabotage. The stresses experienced by employees who

take on critical roles and are responsible for safety can sometimes be detrimental to the public. For instance, the stresses experienced by a train driver or railway guard, or that of an airline pilot, navigator, or air traffic controller may result in serious accidents. Needless to say that the costs of employee stress to the organization in terms of lost profits, poor image and loss of future business are enormous.

Methods of managing stress

Stress is a factor that everybody has to contend with on a daily basis both in the work and non-work spheres of life. Since the body has only a limited capacity to respond to stress, it is important for individuals to optimally manage their stress level to operate as fully functioning human beings.

There are several ways in which stress can be handled so that the dysfunctional consequences of stress can be reduced. Some of them are:

Role Analysis Technique (RAT)

The Role Analysis Technique helps both the manager and the employee to analyze the requirements and expectations from the job. Breaking-down the job into various components clarifies the role of the job for the entire system. This also helps to eliminate reduction of work and thus lowering down the stress level.

Job Relocation

Job relocation assistance is offered to employees who are transferred, by finding alternative employment for the spouses of the transferred employees and getting admissions in schools for their children in the new place. These arrangements help to reduce the anxiety and stress for the moving family.

Recreational Program

Providing recreational facilities, arranging group meditation programs, help to reduce the stress levels of the employees.

Employee Assistance Program

Another widely used strategy is the employee assistance Programs, which offer a variety of assistance to employees. These include counseling employees who seek assistance on how to deal with alcohol and drug abuse, handling conflicts at the work place, dealing with marital and other family problems.

Career Counseling

Career Counseling helps the employee to obtain professional advice regarding career that would help the individual to achieve personal goals. It also makes the employees aware of what additional educational qualifications or specialized technical training, if any, (hat they should acquire. By becoming knowledgeable about the possible avenues for advancement, the employees who consider their careers to be important can reduce their stress levels by becoming more realistic about their options and can start preparing themselves for it.

Time Management

Another way of coping with stress is to manage time more effectively. People can learn to get better organized so that they can do their work more efficiently.

Delegation

Another way of coping with job stress is to delegate some responsibilities to others. Delegation can directly decrease workload upon the manager and helps to reduce the stress. !

More Information and Help

Some new employees have to spend more time on a job than necessary because they are not sure what they are doing. So it is necessary that some help should be provided before doing the work that would lead to much efficient, effective work. It would also reduce anxiety and stress among the employees.

Health Maintenance

Probably the most frequently used organizational stress management program is health maintenance. Many companies invest large sum of money in gym and sport facilities for maintaining the health of the employees.

Supervisor Training

Another type of stress management Program that organizations are experimenting with is supervisor training. The emphasis on supervisory training Program is how to prevent job stress.

Managers are trained to give better performance appraisals, to listen to employees' problems more effectively, and to communicate job assignments and instructions more clearly.

Individual Stress Reduction Workshops

Some organizations have also sponsored individual stress reduction workshops for their employees. These programs include biofeedback, meditation to career counseling, time management and interpersonal skills workshops. In lectures and seminars, participants are given a basic understanding of the causes of stress and its consequences. Then, participants are given materials to help them identify the major sources of stress in their

own lives, and some strategies for dealing with that stress more effectively.

ORGANISATIONAL CONFLICT

Conflict arises from difference of opinion between the group members while attaining the organizational goals. An organization is an interlocking network of groups, departments, sections or work teams. In organizations everywhere, conflict among groups of different interests is unavoidable. According to one survey, managers spend an estimated 20 percent of their time dealing with group conflicts. The success of an organization depends upon the harmonious relations among all independent groups. Managers may either directly resolve the conflicts or they may act as mediators between two or more employees. In either case, knowledge and understanding of conflict and the methods of resolving it are important.

Inter-group conflicts result from the ways in which organizations co-ordinate the work of different groups and distribute rewards among those groups.

Types of conflict

The levels of group conflict are as follows:

• *Personal conflict:* Are the conflicts that arise among employees, individuals because of their competitive roles.

• *Group conflict: Are* the conflicts arising within two or more groups due to difference in their attitudes and behavior.

• *Infra-organizational conflict:* Are the conflict arising between levels of an organization, which are of two types. Vertical conflict

arises between higher and lower level of management. Horizontal conflict arises among the employees at same level.

Reasons for conflict

There are many reasons for conflicts among groups and its members. Some of them are related to limited resources, communication problems, differences in interests and goals, different perceptions, attitudes and lack of clarity about responsibilities. The reasons for group conflicts are as follows:

• *Communication problems:* Groups often become very involved with their own areas of responsibility. They tend to develop their own unique vocabulary. Paying attention to an area of responsibility is a worthy Endeavour, but it can result in communication problems.

The receiver of information should be considered when a group communicates an idea, a proposal, or a decision. Misinformed receivers often become irritated and then hostile.

• *Incompatible goals:* Inter-group conflict arises because of goal incompatibility. In other words, goal attainment by one group may reduce the level of goal attainment by other groups. This may be due to horizontal differentiation and task specialization. The conflict between production and marketing departments, line and staff departments, union and management are few examples of inter-group conflicts that arise because of incompatibility of goals.

• *Task interdependence:* Task interdependence means to what extent a work, group relies on other organizational groups to complete its tasks. In simple words, it refers to the dependence of one group on another for resources or information. It can be said

in general that as interdependence increases, the potential for conflict increases.

According to J. Thompson, there are three types of interdependence among groups, which are as follows:

o *Pooled interdependence:* It arises when groups have little interaction with each other but are affected by each other's activities. For example, a branch in Delhi does not need to interact with a branch in Chennai. The only linkage between the two is that they share financial resources from a common pool and the success of each branch contributes to the success of the organization.

o *Sequential task interdependence:* It arises when one group is unable to commence its work until the work of other group gets completed. In sequential task interdependence, the output of one group becomes the input of another group. In such situations, the potential for conflict is greater. Life and staff groups often have conflicts resulting from this type of interdependence.

o *Reciprocal interdependence:* It arises between the groups, which depend on each other for their respective task such as production department and quality department. The production department provides the goods to the marketing department to sell

and the marketing department prepares the orders and estimates on the basis of the volume produced by the production department. Inter-group conflict arises from reciprocal task interdependence over difference in performance expectations. Each group is dissatisfied will the quality or quantity of work received; from the other group.

o *Task ambiguity:* The lack of clarity over job responsibilities is called task ambiguity and it frequently leads to aggression

between groups. Inter-group conflict also arises when it is not clear which group is responsible for certain activities. Task ambiguity often arises where the organization is growing quickly or the organization's environment is changing rapidly. A good example of task ambiguity is inter-group conflict arising in the recruitment of new employees. It may be the responsibility of either the personnel department or any of the functional departments such as marketing, finance. The confusion may also arise regarding who has the final authority to execute the final decisions.

o *Resource sharing:* The relation between two groups can be affected by the degree to which they make use of a common pool of resources and the degree to which this common pool of resources is adequate to meet the demands of both the groups.

Thus, conflict of this nature; arises because of the differences between aggregate demand of a group and available resources to meet them. Each party of the conflict competes with each other to get a larger share. The conflict between management and the labor union-is the best example. Such conflicts take place in the quantum of wages, amenities, working conditions and other related matters

o *Difference in work orientation:* The ways in which employees do their work and deal with others vary widely with the functional areas of an organization. First, functional groups differ in their time perspectives. For example, R&D scientists have a longer-range of goals than manufacturing groups. The range of work of manufacturing group is evaluated on how quickly it can manufacture high-quality products while the range of R&D scientists can be evaluated on the basis of product development and testing after a long period of time. Second, the goals of different functional groups vary to a large extent. The goals of

manufacturing groups are more specific and clear-cut than the goals of R&D groups.

o *Conflicting reward systems:* Sometimes the ways in which reward systems in organizations arc designed create a situation in which one group can only.

Accomplish its goal at the expense of other groups. For example, staff departments may be rewarded for cutting costs and personnel while line departments are rewarded for increasing the amount of products sold or services provided. To increase the amount of products sold, the line group may have to depend even more heavily on staff groups such as advertising. However the staff groups are being rewarded for cutting costs and personnel provided the types of services asked for by line groups can prevent them from meeting their own goals. Conflicting reward systems inevitably result in poor inter-group relations.

o *Different perceptions and attitudes:* The attitudes, values and perceptions of members of various groups towards each other can be a cause and a consequence of the nature of their relationship. If the group relations begin with the attitudes of distrust, competitiveness, secrecy and closed communications, there is a possibility of conflicts, disagreements in their views and among themselves. This can affect the success of a group to accomplish their work in an effective manner.

Conflict Resolution

Methods to Solve Inter-group Conflict Indirectly

The various methods to solve inter-group conflicts indirectly are as follows:

• *Avoidance:* It is an indirect method often used by the managers. It includes avoidance of direct approaches on the part of managers to solve among groups.

• *Encouragement:* This is another indirect method to solve the group conflicts. It includes encouragement on the part of managers to the groups so that they will be able to meet and discuss their differences.

• *Bargaining:* This is the indirect method, in which the groups agree as to what each of them will get and give others regarding their work. This makes the accomplishment of the assigned task much easier. For example, one group may agree to give the other, a quick turnaround time on the repairs of needed equipment only if the Second group agrees to bring complaints about the quality of repairs to it before going to management.

• *Persuasion:* This is the indirect method, in which the groups find the areas of common interests among themselves. The groups try to find out those interests levels where they have the same say. Afterwards', the groups try to show how important it is to each of them in attaining organizational goals.

Methods to Solve Inter-Group Conflict

The various methods to solve inter-group conflicts directly are as follows:

• *Ignoring the conflict:* This is a direct method used by (he managers to solve inter-group conflicts. Ignoring the conflict is characterized by the absence of behavior wherein the members of the groups avoids dealing with the dysfunctional aspects of the conflict. In this, a, group simply refuses to attack the other group. But the disadvantage of this method is that it ignores the causes

of conflicts and as a result, the conflict situation frequently continues or gets worse over time.

• *Domination by the management:* This method of solving inter-group conflicts emphasizes on improving the inter-group relations. To improve the inter-group relations, greater integration or collaboration among groups is needed. Management can use domination to minimize the conflicts by exercising its authority and power over the groups and their members.

• *Removing the key figures in the conflict:* This is another direct method to solve the intergroup conflicts. If a conflict arises because of personality differences between two individuals, removing them is a possible solution. It includes the removal of the key figures in the conflict. The key figures that are to be removed may be leaders of the groups and removing them could lead to greater conflict. It is also difficult to pinpoint accurately the individuals who are the root-cause of conflicts.

• *Problem solving:* Management can also establish a task force with representatives from groups in conflict to work on problems. The task force develops the ideas 'and procedures for improving group interaction and thereby attempt to solve the conflicts arising between the groups.

o Appealing to super-ordinate goals. The final method to minimize the conflicts is to find super-ordinate goals. For example, a wide profit-sharing plan of a company may encourage groups to work together. If the profits of a company are distributed among employees at the end of the year, the conflicts among groups can reduce. The super ordinate goals are as follows: The assignment and co-ordination of work among

groups should be clarified so that the daily disputes over minor issues can be avoided.

o Managers should monitor reward systems to eliminate any win-lose conflicts among groups.

o The use of co-operative approaches among groups in organizations often leads to more positive results than does the use of competitive approaches.

o Managers can establish rules and standard procedures to regulate conflict in more constructive and effective ways.

ORGANISATIONAL DEVELOPMENT

Organizational Development (OD) is the most significant innovative and integrated process of achieving organizational efficiency and effectiveness. The term Organizational Development (OD) refers to a broad range of behavioral science based strategies used to diagnose the need for change in organizations and to implement changes when necessary. OD can be defined as "*a technique for bringing change in the entire organization, rather man focusing attention on individuals to bring change easily in the entire organization.*"

Nature of OD

OD is a general strategy or approach to organizational change mat is employed to analyze and diagnose the sources of organizational problems and to develop and implement action plans for their solution. According to Bennis, OD has the following characteristics;

• It is an educational strategy for bringing planned change.

• It relates to real problems of an organization.

• Laboratory training methods based on experienced behavior are primarily used to bring change.

• Change agent applying OD technique for change is external to the forms of consultants.

• There is a close working relationship between change agents and the people who are being changed. The relationships involve mutual trust, joint goals, means, and mutual influence.

• The change agents share social philosophy about human value. They are humanists seeking to get a humanistic philosophy in organization.

Objectives of OD

1. To increase interpersonal trust among employees

2. To increase employees level of satisfaction and commitment

3. To increase openness of communication

4. To confront problems instead of sweeping the under the rug

5. To effectively manage the conflict

6. To increase co-operation and collaboration among the employees

7. To improve organization's problem solving and self renewal capabilities.

Benefits of OD programmes

1. It tries to create an environment in which exciting and challenging work can be found

2. It treats each human being as a person with a complex set of needs, all of which are important in his work and life.

3. It gives each member of the organization opportunities to develop to his full potential.

4. It seeks to make the organization more effective in meeting all its goal

5. It gives people in an organization the chance to influence how they relate to work, the organization and the work environment.
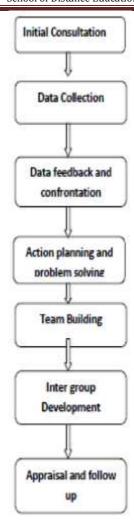
Limitations of the OD programmes

1. OD requires use of certain persons who can take initiative to bring about change.

Complacement people cannot be helpful in implementing OD

2. OD cannot be applied with giving the consideration to the circumstances existing within the organization. The local circumstances may pose a problem in adopting to change.

3. OD is heavily based on the behavioral science concepts. Behavioral sciences have many limitations which are applicable to OD also.

4. It ignores circumstances and their influence in organization.

Organizational Development Process

The procedure of organizational development programme involves the following steps

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│ Initial Consultation │
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┌─────────────────────┐
│   Data Collection    │
└─────────────────────┘
          ↓
┌─────────────────────┐
│  Data feedback and   │
│    confrontation     │
└─────────────────────┘
          ↓
┌─────────────────────┐
│ Action planning and  │
│   problem solving    │
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┌─────────────────────┐
│    Team Building     │
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┌─────────────────────┐
│     Inter group      │
│     Development      │
└─────────────────────┘
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┌─────────────────────┐
│ Appraisal and follow │
│         up           │
└─────────────────────┘
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1. Initial consultation: the first step in OD process is to approach the organizational development consultant to determine the type of OD programme to be developed.

Consultant may internal staff or external agency. For the purpose of OD, they will conduct interview with needed parties.

2. Data collection: the consultant meets various groups away from the workplace in order to collect data to determine organizational climate and behavioral problem faced by the organization.

3. **Data feedback and confrontation:** data collected are made known to work groups concerned and are asked to review the data collected and to provide required feedback

4. Action Planning and Problem solving: data are used by the group to suggest the specific recommendations for change. They discuss the problem faced by the organization and sketch needed plans.

5. **Team building:** consultant encourages team building through organizing meeting with managers and their immediate subordinates and so they can improve the functioning of workgroup.

6. Inter group development: with the development of natural team (managers and their immediate subordinates), the larger group comprising several teams may be developed.

In this way it will include the whole organization.

7. Appraisal and follow up: the consultant further helps the organization in making an appraisal of the programme and find out deficiency, if any. He can develop additional programmes in areas where the original programme if felt ineffective and the result are poor. The consultant advises follow up for better understanding.

OD offers some very attractive methodologies and philosophies to practicing managers and academicians. William Halal is right when he says "OD in future includes any method for modifying the behavior in the organization, hereby, encompassing the entire spectrum of applied behavioral science". There also have been experiences of failure in OD but these are being recorded and collected to be reviewed. In general, OD shows a promising future, since there are no rigid sets of procedures in OD work and different strategies have to be evolved for different types of organizations.

ORGANISATIONAL CHANGE

Change simply refers to alteration in the existing conditions of an organization. Even in most stable organizations change is necessary to maintain stability. The economic and social environment is so dynamic that without adapting to such change even the most successful organizations cannot survive in the changed environment. Therefore, management must continuously monitor the outside environment and be sufficiently innovative and creative to implement these changes effectively.

Organizations encounter different forces for change. These forces come from external and internal sources of the organization.

External forces

External forces for change originate outside an organization. There are four key external forces for change:

Demographic Characteristics: These include age, education, skill level and gender of employees. Organizations need to effectively manage these characteristics in order to receive maximum contribution and commitment from their employees.

Technological Advancements: Both manufacturing and service organizations are increasingly using technology as a means to improve productivity and market competitiveness.

Market Changes: The emergence of a global economy is forcing Indian organizations to change the way they do business. Organizations are entering into new partnerships with their suppliers in order to deliver higher quality products at lower prices.

Social and Political Pressures: These forces are created by social and political events. Personal values affect employees' needs, priorities and motivation. Therefore, managers need to adjust their managerial style according to the changing employee values. Political events also create substantial change in an organization. Although it is difficult for organizations to predict changes in political forces, many organizations hire lobbyists and consultants to help them detect and respond to social and political changes.

Internal forces

Internal forces for change come from inside the organization. This may come from both human resource problems and managerial behavior.

Human Resource Problems

These problems stem from em ployee perceptions about their work environment and conflict between an employee and organization needs. Organizations might respond to these problems by using the various approaches to job design by implementing realistic job previews and by reducing employees' role conflict, stress, work overload and ambiguity.

Managerial Behaviour

Excessive interpersonal conflict between managers and their subordinates is a sign of implementing an immediate change. Inappropriate leader behavior such as inadequate direction and support are the cause of conflict between managers and their subordinates.

Nature of Change

Organizations introduce changes through people. Unless the people arc willing to accept the need and responsibility for organizational change, intended changes can never be translated into reality.

In addition, individuals have to learn to adapt their attitudes and behavioral patterns to constantly changing environments.

Management of change involves both individual and organizational change. Individual change is behavioral change, which is determined by individual characteristics of members such as their knowledge, attitudes, beliefs, needs, expectations and skills. It is possible to bring about a total change in an organization by changing behaviors of individual members through participative and educative strategies. Although, the degree of difficulty involved in the change and the time taken to bring about the change will depend on the target of change.

The attitudes towards change are largely dependent on the nature of the situation and the manner in .which changes are initiated and executed.

Changing individual behavior is more time consuming and a difficult task. The linkage between attitude and behavior is not direct and therefore changing behavior is more difficult than

changing attitudes. One's attitude does not necessarily get reflected in one's behavior. For example, we know that honesty is the best policy and we have favorable altitudes towards people-who are honest but in certain situations, we may still act in a less honest way.

Bringing total behavioral change in all the groups and members of an organization involves difficult long-range effort. More often than not, it is a slow painful process to usher a total cultural change in an organization.

It is possible to change total organization without focusing at the level of individual's change of knowledge, attitude and behavior. Modification in the organization's structures, policies, procedures and techniques leads to total organizational change. These types of changes alter prescribed relationships and roles assigned to members and eventually modify the individual members' behavior and attitudes. As these two kinds of changes are interdependent, the complexity of managing change increases manifold.

Approaches to organizational change

As organizational change is a complex process, therefore managers must approach it systematically and logically. Some organizational changes are planned whereas other changes are reactive.

Planned change is designed and implemented by an organization in an orderly and timely fashion in the anticipation of future change. Reactive change results from a reaction of an organization to unexpected events. In contrast to planned change, it is a piece-meal response to circumstances as they develop. External forces that the organization has failed to anticipate or interpret always bring about reactive change. Since reactive

change may have to be carried out hastily, it increases the likelihood of a poorly conceived and poorly executed Program.

Planned change is always preferable to reactive change. Managers who sit back and respond to change only when they can no longer avoid it are likely to waste a lot of time and money trying to patch together a last-minute solution. The more effective approach is to anticipate the significant forces for change working in an organization and plan ways to address them. To accomplish this, managers must understand the steps needed for effective change.

A comprehensive model of change

The comprehensive model of change shown in the following figure shows seven steps that can lead to effective change. This model is useful for both planned and reactive change.

The seven steps of comprehensive model of change are as follows:

Recognize need for change

The first step in this model is recognizing need for change. For marketing managers who anticipate needed. Change, recognition is likely to come much earlier, as a result of marketing forecasts indicating new market potential, expert indications about impending socio-economic change or a perceived opportunity to capitalize on a key technological breakthrough. These managers tend to 'initiate change because they expect it to be necessary in the near future in any case'.

Establish goals for change

The manager must then set goals for the proposed change. It is important for the manager to specify goals that the change is supposed to accomplish. The goals can be set to maintain or increase the market standing, to enter new markets, to restore employee morale, to reduce turnover, to settle a strike and to identify good investment opportunities.

Diagnose relevant variables

An important next step is diagnosing organizational variables that have brought about the need for change. Turnover, for example, may be caused by a variety of factors such as low pay, poor working conditions, poor supervision, better alternatives in the job market or employee job dissatisfaction etc. Thus, if turnover is the recognized stimulus for change, the manager must understand what has caused it in a particular situation in order to make the right changes. To carry out this diagnosis, the manager may discuss the situation with employees and other managers.

Select change intervention

After the manager has developed an understanding of the problem and its causes then he must select a change intervention that will accomplish the intended goal. An intervention is a specific change induced in an organization with the intention of solving a particular problem or accomplishing a specific objective. For example, if turnover is caused by low pay, then a new reward system is required and if the cause is poor supervision then interpersonal skills and training for supervisors is required.

Plan implementation of change

The manager must then carefully plan the implementation of change. Planning the implementation of change involves consideration of the cost of the change, how the change will affect other areas of the organization and the degree to which employees should participate in bringing about the change. Hastily implemented change can result in more harm than benefit. For example, if the change involves the use of new equipment, the manager should not make any changes that rely on the use of new equipment until it has arrived and been installed and workers know how to use it. Moreover, if change is thrust upon them too quickly, their resistance may stiffen.

Implement change

A systematically implemented change is more likely to proceed smoothly and to encounter fewer obstacles than is a change that is implemented too quickly and without adequate preparation.

Evaluate implementation

Finally, after the change has been implemented, the manager should verify that it has accomplished its intended goals. A change may fail to bring about the intended results. This may be due to inappropriate goals or inaccurate diagnosis of the situation or wrong selection of intervention.

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