

ಕರ್ನಾಟಕ ರಾಜ್ಯ  
ಮುಕ್ತ ವಿಶ್ವವಿದ್ಯಾನಿಲಯ  
ಮುಕ್ತಗಂಗೋತ್ರಿ, ಮೈಸೂರು - 570 006



**KARNATAKA STATE  
OPEN UNIVERSITY**  
MUKTHA GANGOTRI, MYSORE-570006

**M.Com (Final)**



**COURSE-10**

**BLOCK:1-6**

**ORGANISATIONAL BEHAVIOUR**

**DEPARTMENT OF STUDIES AND RESEARCH  
IN COMMERCE**

# KSOU NATIONAL INTERNATIONAL RECOGNITION



Karnataka State Open University (KSOU) was established on 1<sup>st</sup> June 1996 with the assent of H.E. Governor of Karnataka as a full fledged University in the Academic year 1996 vide Government notification No./EDI/UOV/dated 12<sup>th</sup> February 1996 (Karnataka State Open University Act – 1992). The Act was promulgated with the object to incorporate an Open University at the State Level for the introduction and promotion of Open University and Distance Education Systems in the education pattern of the State and the Country for the Co-ordination and determination of standard of such systems.

- ❖ With the virtue of KSOU Act of 1992, Karnataka State Open University is empowered to establish, maintain or recognize Institutions, Colleges, Regional Centres and Study Centres at such places in Karnataka and also open outside Karnataka at such places as it deems fit.
- ❖ All Academic Programmes offered by Karnataka State Open University are recognized by the Distance Education Council (DEC), Ministry of Human Resource Development (MHRD), New Delhi.
- ❖ Karnataka State Open University is a regular member of the Association of Indian Universities (AIU), New Delhi, since 1999.
- ❖ Karnataka State Open University is a permanent member of Association of Commonwealth Universities (ACU), London, United Kingdom since 1999. Its member code number: ZKASOPENUINI.
- ❖ Karnataka State Open University is a permanent member of Asian Association of Open Universities (AAOU), Beijing, CHINA, since 1999.
- ❖ Karnataka State Open University has association with Commonwealth of Learning (COL), Vancouver, CANADA, since 2003. COL is an intergovernmental organization created by commonwealth Heads of Government to encourage the development and sharing of open learning distance education knowledge, resources and technologies.

**Higher Education To Everyone Everywhere**



## PREFACE

Dear Student,

As you know, any organization whether private, public, government, non-govt., multinational are established for achieving the well defined objectives. The objectives are chalked out as per their own constitution, charter and memorandum of association. The objectives so chalked out are to be implemented for which employees are imperative. It may be noted that the behaviour of the employees largely varies. The behaviour is linked with psychological factors. Behaviour reflects the attitude which will be positive or negative, demography, cultural diversity and so on. Further individual, team, group spirit, participatory decision making, interpersonal relation, flexible work structure, etc., reflects on the productivity. Further more, fatigue, boredom and monotony impede work performance. The manager who is an expert in a behavioural science understands the problems of the employees' diagonalize their problem and overcome them. Employees are to be motivated properly by the higher ups; otherwise the organization will become malfunctioned. The behaviour of the employee would enhance proper culture, therefore good behaviour promotes efficiency and better prosperity in the organization. The behaviour of the employee like TATA, Honda, Hyundai, etc., is excellent therefore they have registered commendable growth continuously. Whereas the efficiency in the government organization is not up to the mark, therefore the efficiency level is not optimistic.

You have an opportunity of studying the behaviour of the employees' who are working in organization, for which the Department has introduced Organization Behaviour as part of M.Com (Final) year study. The study material in interactive mode gives you an insight of "Organizational Behaviour". You may write to the Department to strengthen the quality of the material.

With best wishes

Truly Yours

**Prof. Jagadeesha**

Chairman

DoS&R in Commerce

Karnataka State Open University

Mukthagangothri, Mysore – 06.

---

**Course Design and Editorial Committee**

---

**Prof. M.G. Krishnan**

Vice-Chancellor & Chairperson  
Karnataka State Open University  
Mukthagangotri, Mysore – 570 006

**Prof. Vikram Raje Urs**

Dean (Academic) & Convenor  
Karnataka State Open University  
Mukthagangotri, Mysore – 570 006

---

**Chairman**

---

**Prof. Jagadeesha**

Chairman, DOS & R in Commerce  
Karnataka State Open University  
Mukthagangotri, Mysore – 570 006

**Course Editor**

---

**Course Co-ordinator**

---

**Prof. Jagadeesha**

Chairman, DOS & R in Commerce  
Karnataka State Open University  
Mukthagangotri, Mysore – 570 006

---

**Course Writer****Course-X**

---

**Dr. M.S. Yathish Chandra**, Assistant Professor,  
DoS&R in Management, KSOU, Mysore

**Block-I & II**

**Dr. C.K.Hebbar**, Professor, Department of Commerce,  
University College, Mangalore University, Mangalore

**Block-III & VI**

**Dr. G.T. Govindappa**, Professor and Dean,  
Department of Commerce, Davangere University, Davangere

**Block-IV**

**Sri. Srinivas. D. Akki**, Lecturer,  
DoS&R in Commerce, KSOU, Mysore

**Block-V**

---

**Publisher**

---

**Registrar**

Karnataka State Open University  
Mukthagangotri, Mysore – 570 006

---

**Developed by Academic Section,**

Karnataka State Open University, Mysore. 2014

All rights reserved. No part of this work may be reproduced in any form, by mimeograph or any other means, without permission in writing from the Karnataka State Open University.

Further information on the Karnataka State Open University Programmes may be obtained from the University's office at Mukthagangotri, Mysore – 570 006

Printed and Published on behalf of Karnataka State Open University, Mysore-6 by **Registrar (Administration)**





## SYLLABUS

### COURSE – X ORGANISATIONAL BEHAVIOUR

#### **Block – 1 Introduction to Organisation:**

Evolution, Definition, Characteristics, Components and significance of organization – Concepts of organisational goals-Types of organisational goals- Determination of organisational goal-Goal displacement – Goal distortion- Goal succession.

#### **Block – 2 Introduction to Organisational Behaviours :**

Origin – Contributing disciplines to the OB field – Concepts and determinates – OB and other similar fields of studies – OB and Behavioural Science – OB and human relations – OB and organisation theory- OB and Human resource management- Hawthorne experiments.

#### **Block – 3 Individual and Group Behaviours**

Personality – determinants of personality – Modelman- Work ethics- Learning- Classical and Operant Conditioning – perception-perpetual process-perpetual distortion-Attitude formation and attitude change.

Groups-concepts-Features of groups – Theories of group formation – Types of groups in organisation – Characteristics of groups – Group Cohesiveness – Factors influencing group norms – Groups think, Group loafing, and Groups decision making process.

#### **Block – 4 Motivation and Leadership:**

Concept – Importance – Defence Mechanism – Theories, Maslow theory – Herzberg Theory – McClelland's theory – Chris Argyris theory – J.S. Adams theory – Vroom's theory – Porter and Lawler theory – Theory 'X' and 'Y' – Role of money as motivator Leadership concept – Importance – Trait theories – Behavioural theories – Tanenbaum and schmidts – Ohio State University studies – Managerial grid theories – Tridimensional theory – path – goal theory – Life Cycle theory – Indian leadership theories.

#### **Block – 5 Internal Environment of organization :**

Culture – Meaning nature and importance – strong and weak, positive and negative cultures – Culture and structure – Culture and Leadership – Theory 'Z' - Climate : Meaning – Factors Affecting Measurement – Concept of morale factors affecting Quantity of work life.

#### **Block – 6 Organization change and Conflict:**

Meaning – importance, process, factors contributing to organisational change – Resistance to change – Overcoming resistance to change.

Conflict : Meaning – Features – Causes – Stages of conflict episode – Types of conflict Goal Conflict, Role Conflict, Inter personal conflict, Inter group conflict, Line staff conflict, Inter organisational conflict – Managing conflict – Conflict resolution methods.

#### **Suggested Reading:**

1. Robbins P. Stephen: "Organisational Behaviour" Concept controversies and Applications Prentice Hall of Indian New Delhi.
2. Hagh J. Arnold and Daniel C. Field man: "Organisational behaviour "McGraw Hill International edition Singapore.
3. Uma Sekaran: "Organisational Behaviour – Text and cases"Mc Graw Hill, New Delhi.
4. Prasad.L.M. "Organisational Theory and Behaviour" Sultan cand and saw, New Delhi.
5. Rao VSO and Naryana .P.S: "Organisation on Theory and Behaviour" Konark Publishers, New Delhi.
6. Herbert G. Hicks and Ray Gullet: "Organisation: Theory and Behavior" – Tata Mc Graw Hill, New Delhi.
7. Peter F. Drucker: "Management" Allied Publishers.
8. Sharma. R.A: "Organisation theory and Behaviour" Tata Mc Graw Hill.
9. George F. Wieland & Robert A. Ulwrich: "Organisation Behaviour, design and change" - Richard D. Irwin & Co.



**M.Com (Final)**  
**Course – X**  
**ORGANISATIONAL BEHAVIOUR**

<b>BLOCK - I :</b>		<b>Page No.</b>
<b>Unit - 1 :</b>	Organisation	01 – 08
<b>Unit - 2 :</b>	Organisation Structure	09 – 19
<b>Unit - 3 :</b>	Organisational Goals	20 – 30
<b>BLOCK - II :</b>		
<b>Unit - 4 :</b>	Organisational Behaviour Concepts and Determinants	31 – 41
<b>Unit - 5 :</b>	Scope of Organisational Behaviour	42 – 50
<b>BLOCK - III :</b>		
<b>Unit - 6 :</b>	Individual and Group Behaviour Personality	51 – 66
<b>Unit - 7 :</b>	Perception and Learning Structure	67 – 86
<b>Unit - 8 :</b>	Group Organisation Concept	87 – 106
<b>Unit - 9 :</b>	Group Dynamics	107 – 123
<b>Unit - 10 :</b>	Group Thinking and Group Cohensiveness	124 – 136
<b>BLOCK - IV :</b>		
<b>Unit - 11 :</b>	Concept -importance of Motivation, Theories of Motivation, Maslow's Theory	137 – 145
<b>Unit - 12 :</b>	Herzeberg's Theory, J.S.Adam's Theory, Vroom's Theory	146 – 159
<b>Unit - 13 :</b>	Porter and Lawler's Theory, Theory X and Y	160 – 166
<b>Unit - 14 :</b>	Leadership concept importance trait theories, Behavioural Theories, Tanennboun and Schmidt's theory	167 – 176
<b>Unit - 15 :</b>	Ohio University Studies, Managerial Grid Tri-Dimensional Theory, Pathgoal Theory, Life Cycle Theory	177 – 189
<b>Unit - 16 :</b>	Indian Leadership Styles	190 – 196
<b>BLOCK - V :</b>		
<b>Unit - 17 :</b>	Orgnaisational Culture	197 – 203
<b>Unit - 18 :</b>	Orgnaisational Climate	204 – 212
<b>BLOCK - VI :</b>		
<b>Unit - 19 :</b>	Change	213 – 229
<b>Unit - 20 :</b>	Conflict	230 – 249
<b>Unit - 21 :</b>	Levels of Conflict	250 – 268



---

---

## UNIT 1 : ORGANIZATION

---

---

### Structure

- 1.0 Objectives
- 1.1 Introduction
- 1.2 Meaning of Organization
- 1.3 Concept of Organization
- 1.4 Organization process
- 1.5 Features of Organization
- 1.6 Check your progress
- 1.7 Let Us Sum Up
- 1.8 Keywords
- 1.9 Self-Study Questions
- 1.10 Books for References

---

## 1.0 OBJECTIVES

---

After studying this unit, you should be able to

- Discuss the meaning of organization
  - Explain the concept of organization
  - Differentiate between the traditional and modern approach
  - Describe the various features of organization
  - Speak about the essence of organization
- 

## 1.1 INTRODUCTION

---

Today we live in the midst of organization. *Etizoni* says that we are born in organizations, educated by organizations and most of the time, most of us spend much of our lives in working for an organization. If we open up and observe we can see that we are invaded by organization from different quarters, large ones small ones, formal and informal, groups that are primarily, economic, religious, military governments, educational, social or political. Organizations affect us enormously. In simple we lead organizational lives whether it is the workplace or the society in which we live.

Organization involves various components viz. men, material, machine, whose activities have to be directed to achieve organizational objectives, by grouping them into various departments, sections so that these activities can be assigned to various individuals and delegating them appropriate authority so that they can carry on their work properly.

A well-managed organization can survive and even prosper during the most difficult economic times, whereas, business history is full of incidences where badly managed declare bankruptcy in the volatile market conditions. Thus, the organization success is directly dependent on the performance of employees. This gives us a lead to understand the significance of organizational behaviour. Now, let us try to understand what is an organization? Why did the organizations emerge? What are the features of organization? in this unit.

---

## 1.2 MEANING OF AN ORGANIZATION

---

The term 'organization' is a word that can be used in a number of ways. We can speak of organization as the activity that is an important function of management. We may speak of organization the things; people who are united for a common purpose. In simple, organization is association of people working together for achieving a common goal.



Organization can also be viewed as a process; the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives. The outcome of this process will be an organization structure which provides members a place to be and to work for achieving organizational goals. As rightly pointed out by *Litterer* organizations are intervening elements between wants and their satisfactors and must be established before the wants are satisfied.

Management is commonly defined as “getting work done through other people”. This simple definition explains the role of the people. The work will not be done unless “people” want to do this work and if the work is not accomplished then there will be no organization. Thus, we can summate that, it is the understanding workers which is crucial to the success or failure of the organization.

---

### 1.3 CONCEPT OF ORGANIZATION

---

As we have observed in the present business scenario, corporate development depends on the speed of organizational behaviour, and organizational behaviour is affected by the behaviour of individual employees, their group and structure.

An organization is a social system wherein its members try to achieve their private goals while achieving the organizational goals. The seemingly contradictory goals are resolved by effective organizational behaviour. The organization namely a unit, a business house, a government, an army, a charitable institution or any association of persons, has some objectives which are attained by organizing the activities of their member.

An organization for a business purpose is known as a corporate body or a corporation or a company or formally established business unit. An organization is the foundation upon which corporate management is built and developed. An organization is a structure, a process and a relationship to achieve corporate objectives under the given environment. An organization is not static. It is always a dynamic and ever changing as per the needs of society, its members, corporate objectives and environmental changes. The organizations are formed and developed by men because they are unable to achieve the desired goals individually. An organization is a composition of people having different alternatives and responsibilities to utilize existing resources for achieving the organizational objectives. According to *Mooney* and *Riley* “organization is the form of human association for attaining common objectives”.

*Gary Johns* defines organization as “social inventions for accomplishing goals through group efforts”.

The authority, responsibility and the relationships between and amongst the members of an organization are also a part of organizational functions. The definition of an organization cannot include all the nature and functions of the organization. But then, few attempts have been made to define “organization” as “the process of identifying and grouping the work to be performed defining and delegating responsibility and authority, and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives”.

An organization is established for achieving certain well-defined objectives. However, when once the objectives has been formulated, suitable plans or course of actions are prepared, appropriate structures and arrangements are decided upon, and the behaviour of individuals and groups of people should be moulded to achieve the objectives.

#### 1.4 ORGANIZATION PROCESS

As we have observed the traditional concept of organizing process is task-oriented and emphasized the work to be performed by individuals who are a part of the organization. Organizations are viewed as a closed system, enclosed and sealed off from outside the world. The organization has all the energy it needs and there is no need to look into the environmental changes. The environment, it is assumed, would be stable, predictable and would not pose problems. The essential objective of management should be to provide a sound organization. structure that promised efficient goal accomplishment. Employees in an organization are viewed as inert instrument in the production process as part of a complex organizational machine.

The traditional approach had lot of inadequacies which were observed by the behavioural scientists. Open system approach was suggested by *Thompson* in order to develop an accurate picture of an organizational life. The open-systems approach accepts the environment as an integral part of organizational reality. Organizations are complex, goal-seeking units, as they are focused on achieving the objectives, they must also adapt to and shape the external environment.

The contrasting views are depicted in the following table:

**Table - 1**

Classical organizations	Modern organizations
Closed system	Open system
Stable environment	Dynamic environment
Division of labour and specialization	Job enlargement and job enrich
Centralization	Decentralization
Use of authority to achieve coordination	Free form of organization structures
Authority	Consensus
Rigid rules, precise role experiments	Flexibility and adaptability
Command to exact obedience	Participation to achieve ends
Communication - one way	Communication open & multi dimensional
Maintenance needs	Motivational needs
Tight control; emphasis on positions to achieve goals	Emphasis on goals ; Management by objectives
Autocratic approach	Democratic approach
Negative environment : Robs employee of freedom and motivation to work	Positive work environment is supportive of the feelings, beliefs and values of people.



---

## 1.5 FEATURES OF ORGANIZATION

---

An organization in simple is like a human body, with inter-related organs. It has some essential features like structure, relationships, authority and responsibility, performance and behaviour of individuals and groups.

Let us try to understand each of the features one by one.

### Structure

An organization is a structure which is used to prepare with specific relations and authority. People work to achieve the desired objectives within the structure of an organization. The structure is like a skeleton around which an organization is built. Structure is methodical and has a formal character. It is an arrangement that describes relationships, power, roles, functions and objectives. The structure is well-defined and formulated for grouping tasks, jobs, delegating authority, allocating responsibility and accountability, along with the number of persons involved in the managerial hierarchy and at the shop floor level.

The structure concentrates on the division of work, specialization, departmental delegation, formal relations, authority and responsibility, co-ordination of work, job-design, grouping of jobs and work allocation. We can observe in practice that a flexible organizational framework is formulated so that at the time of need for development and growth, the basic structure need not be changed.

The structure of framework of an organization should be adaptable, flexible, problem solving and professional. The many levels or forms of structure must be interlinked in order to facilitate performing jobs effectively and efficiently. Structure in itself is not a solution, it requires people and their related activities. The structure should be framed considering the nature of the job and the characteristics of people who will use it. Structures are developed for people to work collectively, and not to fit individual personalities.

### Process

An organization is an operation within the structure. It is just like a body structure where the functions of each organ of the body are defined and specially performed. An organization is like a human body is an on going process of structure. In simple it is a process of managerial functions. Process focuses at organizing work, arranging people and systems developing communication and providing an organizational climate.

The organization is countered with the organizing process, including the decision of the course of action, division of various activities, assignment of tasks to proper persons, delegation of authority and responsibility, co-ordination of the various tasks and the decisions of management. The organizational process includes breaking up the entire work into different segments, assigning a definite role to each person, and co-ordinating and integrating the different functions to achieve the corporate objective with minimum efforts and resources.

Many of the authors have therefore defined organization as “a process of division of labour and function, co-ordination through authority and responsibility and putting people at place to work.”

### **Relationship**

The organizations sets up certain forms of relationship to enable workers to perform their jobs harmoniously. Relationships are defined and designed as per the needs of the organization. Functional relationships are developed to perform the activities of the organization. An established relationship is useful for training and development of human resources. The organizational relationship is established on the basis of process, geography, department and product. The relationship is developed in such a way that there is scope of adaptability to the changing environment to avoid complacency, stagnation and inefficiency.

An organization is a group wherein people work. Thus, person-to-person relationships need to be defined clearly. Superior – subordinate relations, the superior – superior relations and subordinate – subordinate relations are established for the smooth functioning of organizational activities.

### **Authority and Responsibility**

Organizational structure should have well-defined authority and responsibility, explicit or implicit. Organizational rank and cadres are developed to delegate authority and responsibility; based on seniority, title, status and so on, to provide adequate administrative leverage. This is done to ensure clear delineation of authority and responsibility. In the absence of clear delineation, internal conflicts will develop. Also, there should be enough scope for human relationships while delegating authority and responsibility.

The organizational authority and responsibility have been exercised in different forms from the ‘herd’ concept to the ‘group’ concept from time to time. The herd concept placed exclusive power with leader and enforced unquestioning obedience on the sub-ordinates. Organizational evolution took the shape of person-to-person concept thereafter, where the sub-ordinate performs his functions in terms of a direct relationship with his superior. This involves delegation of authority and responsibility from superior to sub ordinate. The modern concept of organization believes in the development of mutual and harmonial relationships between sub-ordinates and subordinates and superior.

### **Performance**

The organization, by its performance, tries to achieve synergic results which infers that the whole organization is greater than the sum of its parts. The organizational structure and process are designed to achieve the goals and objectives through effective performance which is possible with human resource development. Organizational development programmes maximize work motivations and creativity. Job enrichment, job enlargement and job satisfaction also come under organizational performance. Discipline, unity of command, giving direction, scalar chain decentralization and co-ordination need to be properly exercised to achieve good job performance in an organization.



## Behaviour of a group

An organization is a composition of people. The success of an organization depends upon the behaviour of the people and the group. Individual groups and structures are the bases of group behaviour. Relationships on a person-to-person level and subordinate-to-subordinate as well as with the superior are established in a group. Team spirit, team programme, team rewards and team motivation have achieved new dimensions in big organizations in the present context. The concept of family has been implanted into organizations. Groups in an organization have more effective behaviour.

These are few features of organization and which are very much essential to be assessed properly to achieve the desired results.

---

### 1.6 CHECK YOUR PROGRESS

---

1. Define organization.

---

---

2. Purpose, interdependent and inter related relations.

---

---

3. Differentiate between human relations and organizational behaviour.

---

---

4. Difference between traditional approach v/s modern approach

---

---

### 1.7 LET US SUM UP

This unit gives an introduction to the organisation so as to make students understand the essence of organisation. The meaning of an organisation, concept of organisation is described with the help of few definitions. It clearly states the importance of authority and responsibility in an organisation. It also highlights the organisation process differentially between classical organisation and modern organisation.

Few of the important features like structure of an organisation, process, relationships, authority and responsibility in relation with accountability has been discussed. Also the importance of performance and behaviour of a group on the outcome of organisational efficiency is elaborated in detail.

---

## 1.8 KEY WORDS

---

Complacence  
Delieneation  
Explicit  
Hierarchy  
Implicit  
Inert  
Infer  
Leverage  
Stagnation  
Synergic

---

## 1.9 SELF-STUDY QUESTIONS

---

1. Define 'organisation' and explain the pervasiveness of organisation.
  2. Explain the concept of organisation.
  3. Briefly explain the organisation process.
  4. Differentiate between classical and modern organisation.
  5. Describe the feature of organisation in detail.
  6. Write a note on:
    - Relationships      • Performance
    - Behaviour of group   • Structure
- 

## 1.10 BOOKS FOR REFERENCE

---

Organization theory and behaviour –	V.S.P. Rao and PS Narayan
Organizational behaviour	- L.M. Prasad
Organizational behaviour	- K. Ashwathappa
Organizational behaviour	- Jit S. Chandan
Organizational behaviour	- Fred Luthans
Organizational behaviour	- Stephen.P.Robbins



---

---

## UNIT 2: ORGANIZATION STRUCTURE

---

---

### Structure

- 2.0 Objectives
- 2.1 Introduction
- 2.2 Role of organization structure
- 2.3 Types of organizations
- 2.4 Forms of organizations
- 2.5 Significance of organizations
- 2.6 Check Your Progress
- 2.7 Let Us Sum Up
- 2.8 Keywords
- 2.9 Self-Study Questions
- 2.10 Books for Reference

---

## 2.0 OBJECTIVES

---

After studying this unit you should be able to

- Explain the role of organization structure in designing an efficient organization
- Discuss the various types of organizations that are in practice
- Differentiate between formal and informal organizations.
- Highlight the significance of organization in the present context.

---

## 2.1 INTRODUCTION

---

The previous unit has given us introduction about what is an organization? why it has been formed? What are the features of organization? This unit tries to give you an insight into the various aspects to be considered while designing the organization. It speaks about the importance of organization structure the objectives of an organization.

Organization structure is a basic framework within which the manager's decision-making behaviour takes, structure basically deals with the relationships. It is an important scientific concept. In management, we need to understand how. Organization are structured and how these structures are created and maintained.

In a simple term, we can say that structure is the pattern in which various parts or components are interrelated or interconnected. In a social system it is very difficult to separate the organization structure and its functioning. This is because the organization structure prescribes the relationships among various activities and positions *Katz* and *Kahn* in relation with the above fact state that

“A social system is a structuring of events or happenings rather than of physiological parts and it, therefore has no structure apart from its functioning”.

---

## 2.3 ROLE OF ORGANIZATION STRUCTURE

---

Organization structure is capable of serving many functions at the same time but cannot serve all functions equally well over unlimited time. Structure created for one purpose may not serve other purpose well. Therefore, it is important for managers to determine the outcomes desired from organizations structure, and to match the organization with changing needs with multiples needs or roles of organization with changing needs. With multiple need or roles of organization structure, a balance will have to be struck and priorities established in the operation of the organizational mechanism. In general, there can be following roles of organization structure (i) facilitating managements action, ii) encouraging efficiency, iii) communication, iv) optimum use of organizational resources, v) stimulating creativity and vi) job satisfaction.



i) **Facilitating Management Action:** when a large number of people work together, some sort of formal structuring is required to place them according to interdependent and interrelated. As such, there must be plan for systematic completion of the work of each specialized job so that total activities accomplish way. Organization structure is the mechanism through which management directs, coordinates, and controls the organizational activities it is indeed the foundation of management. A properly – designed organization structure facilitates both management and operation of an organization. Management actions takes place with certainty and continuity only if appropriate functional groups are provided to help managers. The grouping and arrangements or overlooked or subordinated, the results would be detrimental to the organization. Need for updated organization structure can be gauged from the fact that many organizations create separate units for organizational analysis which looks after the various aspects affected. The organization structure such as delegation of authority, communication, control, coordination etc tries to find ways for improving them to make suitable for organizational needs.

ii) **Encouraging Efficiency:** - Organization structure is the frame work within which an organization functions. In this functioning efficiency is the major criterion. Therefore, organizational members try to maximize the output of goods or services resulting from a given input of resources, or at least make a respectable showing in that direction. Since chaos or disorganization work against the ideal efficiency, there is pressure to develop some measure of systematic, orderly, rational and coordinated effort, and to control waste and loss in fact, various models of organizational design try to achieve efficiency in organizational operations.

iii) **Communication:** - Organization structure provides the pathways for communication among organizational members as well as between the organization and its environment. In fact, when we say that organization structure establishes relationships, we mean that it creates reporting relationships, that is, who will communicate with whom. Similarly, when the organization interacts with its environment, a communication process is involved. Thus structure serves the purpose of communication within organizational boundary, communication is required in horizontal, vertical, and lateral directions, and organization structure, is designed properly provides lines of communication in all these directions.

iv) **Optimum use of organizational resources:** - Organization structure tries to make optimum use of organizational resources by ensuring their allocation to points where these are needed. Organization structure gives higher place to activities which are more important to the achievement of organizational objectives. Thus placing of activities according to their importance provides guidelines for resource allocation while efficiency in the use of organizational resources is necessary for organizational growth and vitality, optimum allocation of resources to various organizational units is equally important.

v) **Stimulating Creativity:** - A sound organization structure based on specialization stimulates creative thinking by providing well defined area of work with provision of development of new and improved ways of working. For creativity, it is essential that one is well conversant with the problem on hand. Organization structure tries to put people at places where they are required. When they work on

a job for considerably long time, they are in a position to suggest something new. Many practitioners have contributed to the development of management thinking which show the results of their creativity which has come because of organization structure itself.

vi) **Job Satisfaction:** - Organization structure is a source of satisfaction to people. Since organization provides relatedness among tasks and responsibilities among people, who work for an organization sooner or later come to evaluate the nature of those relationships and of their own relationships to the organizations to their jobs. Organization structure provides for each person a place of status which confers a certain standing among his fellows. This works as motivating factor for them. Most of the people spend a large part of their lives at work associated with organization. They expect their jobs and work to provide a reasonable degree of job satisfaction, and the framework for this is in the structure of the organization itself.

The above roles of organization structure are important. All these roles can be performed by the structure only when it is properly designed. Further, organization structure should be viewed as a means towards specific ends. As such, it can be used as a tool, results depend on the skill with which it is used. Managers need not go out of their way to equip themselves. With out-of-date or inadequate organizational tools.

---

## 2.3 TYPES OF ORGANIZATIONS

---

The various types of organizational structure and processes depend on the social setup of the country and the objectives of the business. Various jobs of the enterprise are integrated into an effective operational system. The functional and divisionalised types of organizations are generally prevalent in a company organization. Like, line and staff, staff and committee type of organization are well known in public administration and military organization.

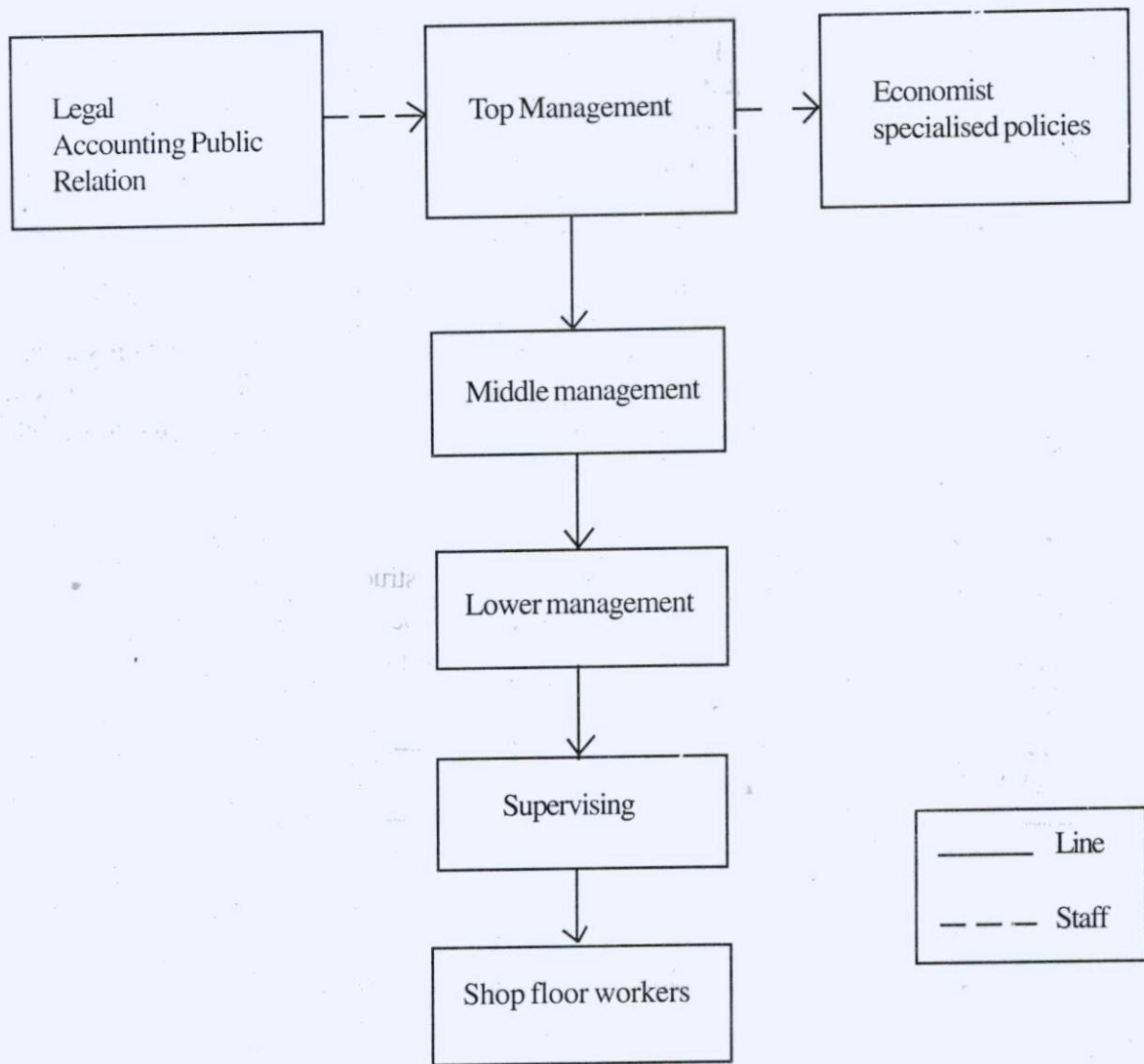
Let us try to understand few types of business organizations that are prevalent.

### **Line and Staff organization: -**

A line and staff organization is a mixture of the line as well as staff organization. Line organization points out direct vertical relationships, i.e. superior subordinate relationship connecting the positions at each level. A line relationship is simply known as a relationship of authority between the superior and subordinates in a hierarchical arrangement.

Staff organization is a specialized organization. They are purely, advising, having no authority of functions. They help the line organization in the effective and efficient performance of business. Staff provides technical or special advice to line organization in the form of personal assistants, personal secretaries etc. There will be staff pertaining to law, accounting, research and development, quality control etc.

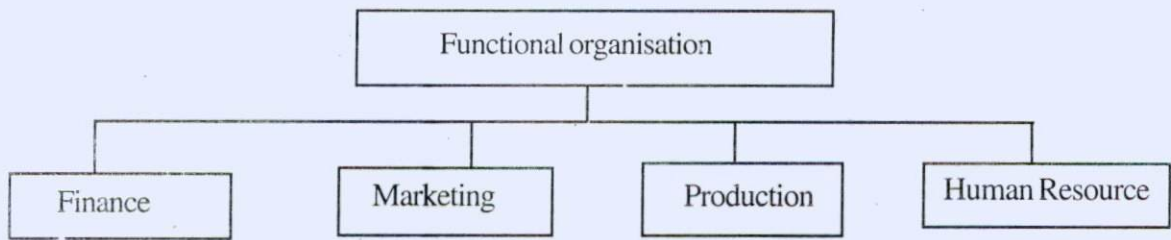




**Fig. 1.1 depicts the line and staff organization**

**Functional organization: -**

Functional organization is technically called functional foremanship because the function itself becomes a supervisor and the employees automatically perform their respective duties. Here, the emphasis is mainly on the operation rather than on management. We can observe that functional type of organization is most common in business. Functional areas like marketing, finance, production and human resource are grouped systematically. Departments and sub departments are developed according to the requirements of the business.



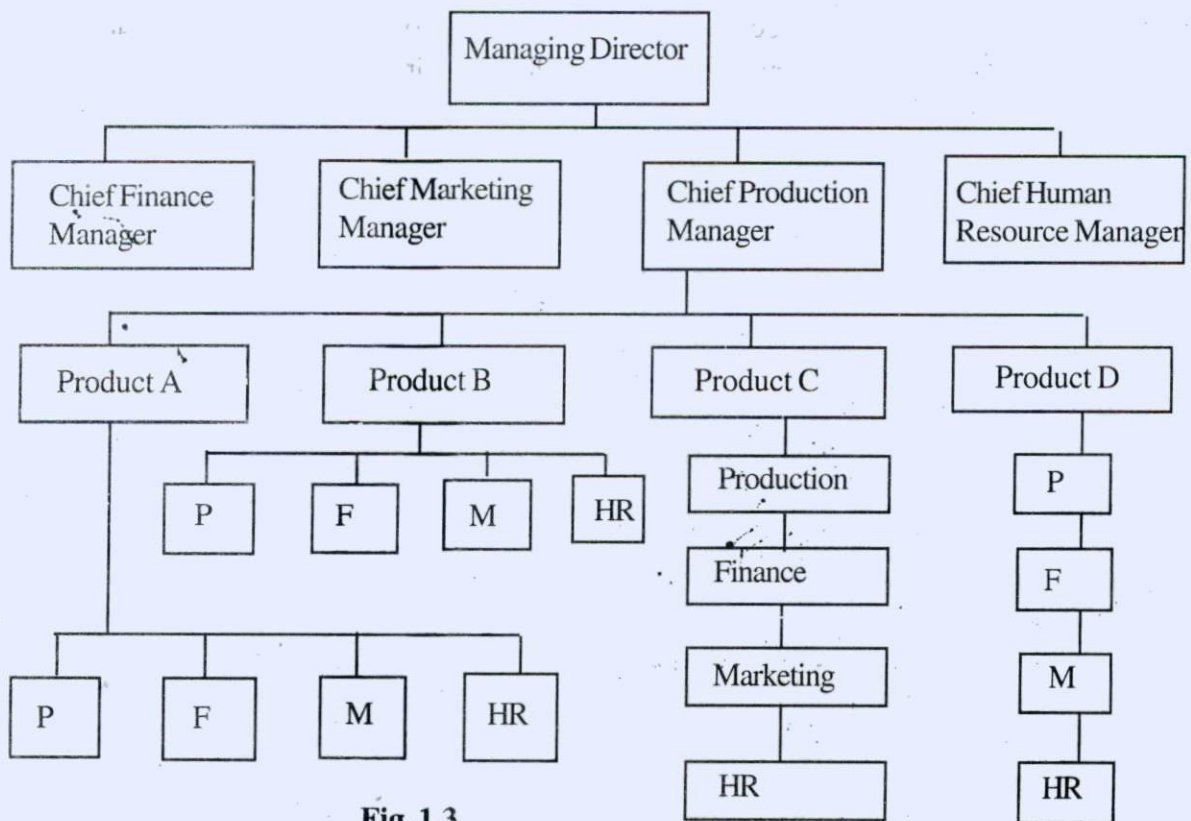
**Fig. 1.2 shows functional organization**

Functional organizations have advantages in the form of specialization, coordination, suitability, skill development, economics of scale and flexibility. The specialization helps in economic use of physical human resources increase in quantity and quality and diversification of product functions. The top executives control the activities of all the departments which are allowed to function on specialization.

**Product Functional Organization: -**

Product functional organization establishes each product or group of related products as an autonomous unit in the framework of organization.

**Fig 1.3 shows product functional organization**



**Fig. 1.3**



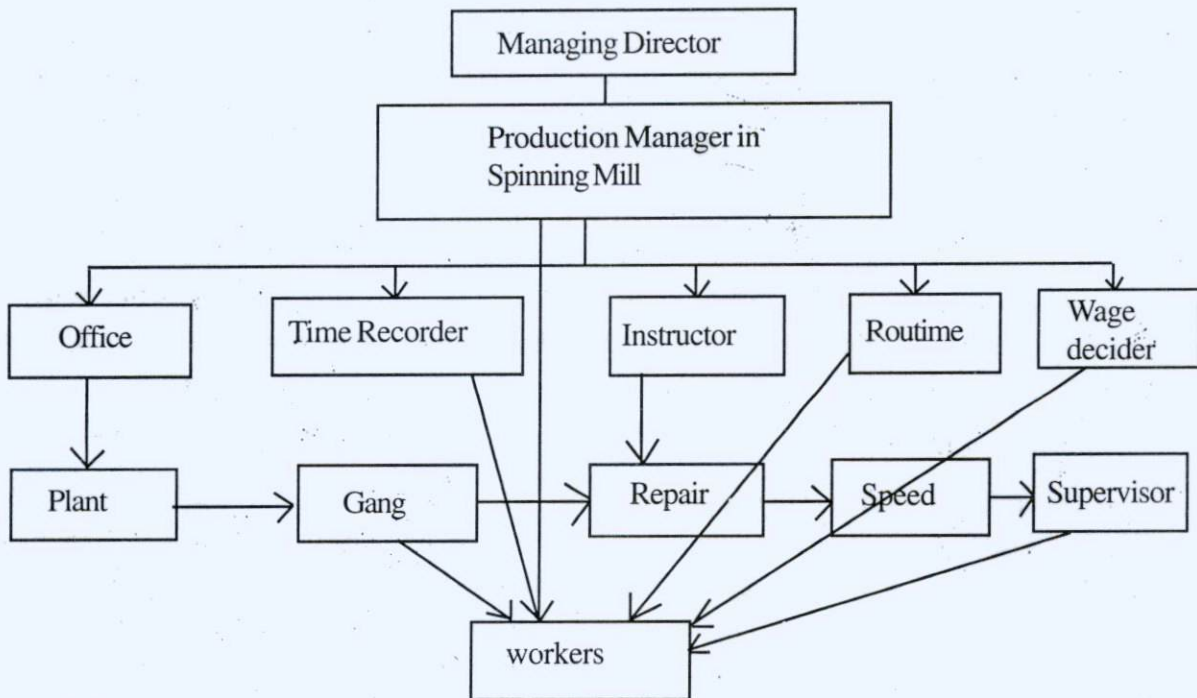
We can observe from fig 1.3 that various product functional organizations exist within a functional organization. There may be changes in the structure as per the needs of the company.

Product functional organization necessitates finding out the economic viability of each product. These products are required for image building. Let us consider the example of Tata Company. Tata is famous for steel although it has entered consumer markets. The Tata's are today into automobile, machine tools, hospitality etc. and many other markets. Thus there is a need for constant watch and evaluation of the performance of each product. The products should be related to the main product of the organization for the organization to be considered as product functional organization.

**Process Functional Organization: -**

Process functional organizations are very much essential for each process of production to provide autonomy and independence. The nature of production helps decide process organization. Let us consider an example of Textile Company, which has several departments based on process viz. spinning, weaving, dyeing and so on. Each department is looked after by the expert of the area. The experts are given the functional foremanship based on process functional organization. The office work is separated from shop or plant functions and each of these processes forms the base of the organization.

Fig 1.4 demonstrates the process functional organization of a spinning mill. Similar to this the weaving, dyeing, inventory and other areas of process will have their respective organization.



**Fig. 1.4 Process functional organization**

### **Committee Organization: -**

A committee organization is an association of people set up to arrive at solutions to common problems. In line organization, people are given opportunities to discuss their problems in the committee.

Committees perform function similar to that of staff organizations. Committees are formed as a formal part of the organizational structure wherein the members are specifically selected.

Let us consider an example of The Finance Committee of an organization. This includes all the functional managers viz. marketing managers, production manager, HR managers etc as members and the Managing Director as the Chairman. This committee will decide the financial requirements of each and every department.

---

## **2.4 FORMS OF ORGANIZATION**

---

The organizations are formed with certain objectives and specific characteristics. As they are association of persons the manner of forming and the objectives of the association decide the form of organization. In simple there are two forms of organizations. They are

- i) Formal organization
- ii) Informal organization

### **i) Formal organization: -**

A formal organizations is one which has a well-defined system and has specific properties. It has definite measures of authority, responsibility for attaining the specific objective of the organization. A formal organization has certain special features such as a definite objective, specialized function , unified command and other specific properties.

The formal organizations are characterized by the specific objectives for which the organizations are formed. They have specialized functions based on which departmentation is made. They always have a formal structure which dictates about the hierarchy in the organization. Continuous functions are performed which are related with other activities. Co-ordination is another feature and unity of direction is very much existing in an formal organization.

### **ii) Informal organization:**

An informal organization is an association of persons without any formality and have no binding rules. Basically, persons who have common, interests and motives form such organization. The common interests or characteristics may be viz. sports, language, profession, region, caste, creed etc. An informal organization may or may not have legal identity, but its force is much more useful. An informal organization is spontaneous and its people do not need formality and well-defined activities for organizing such an association. We can observe that informal organization do exist within a formal organization based on the activities, interest and opinion of the employees. The informal organization can function effectively by honouring the sentiments of the employees.



---

## 2.5 SIGNIFICANCE OF ORGANIZATION

---

An organization is essential for the continuity of the mission and objective for which it is formed. The organizational structure and process guides, coordinates and controls human activities. Organization which are designed erroneously makes management function difficult and inefficient. An organization helps its management to perform its activities effectively, in the optimum use of technological improvement, growth and classification, creating, effective use of physical resources and development of human resources.

### **Management Function: -**

Management functions viz. planning, organizing activating and controlling, are performed effectively and efficiently. Sound organization helps perform all the activities smoothly. Inadequate organization may discourage managerial activities, coordination and control. Therefore, there is a need to develop a sound organization for effective administration with certainty and continuity. Different activities are clearly divided and defined for performance, and most suitable persons are appointed to manage the respective activities. Research and development, production, transportation, marketing and finance etc are the distinctive functions of management which are performed separately with coordinated efforts. Sound organization helps proper delegation of authority and responsibility. Division of work helps employees in performing their activities easily and satisfactorily.

### **Optimum use of technology:-**

Organization helps in the optimum use of technology, since it is flexible and structured to accommodate improvement, extensions and so on. Automatic control and data processing becomes feasible under a sound organization. The scope for decentralization makes it possible to incorporate several technological developments and increase efficiency. A centralized management group takes decisions immediately to augment effectiveness and economy because it uses new methods, new knowledge and new materials. Automation and the widespread use of computers are important facets of the technological factor. Organization solves the corporate problems by creative and intelligent application of technology.

### **Growth and diversification:-**

Organization is the base on which the company grows and diversifies its activities. The organizational structure is developed in such a way that expansion and diversification are feasible without wastage. The organization while facilitating day to day functions and effective management of all the activities, anticipates the need for change and helps the growth of the corporate body, the branch offices, divisional offices and regional sub heads. Offices have immense scope for incorporating growth and diversification of activities. Departmentalisation has further increased the scope of inclusion of management activities, meeting of local demands and helps in exploiting the existing resources. Divisionalization develops an intercompetitive zeal for excellence. The life insurance corporation has successfully used the organizational setup for increasing its business and providing expansion of the functions. Many private organizations have developed on the lines of expansion and growth.

## Human Resource Development: -

Enterprises work in a knowledge society and have to function by caring for the labour force. Human resources has demonstrated outstanding ingenuity and adaptability for the survival and growth of the company. Specialization has increased the speed of production, although it has resulted in monotony and frustration to employees. Therefore, there is need for developing human resource skill. Improvement of the morale and capacity of the employees will enhance productivity.

These are few of the aspects which can be observed in terms why the need for a good and effective organization. The ultimate objective of any organization would be to achieve success or to fulfill the desired goal, may be in terms of profit making or in terms of providing a better service to the community.

---

### 2.6 CHECK YOUR PROGRESS

---

1. List out the role of organization structure.

-----  
-----  
-----

2. Mention few types of organization.

-----  
-----  
-----

3. Identify the difference between formal and informal organisation.

-----  
-----  
-----

4. Highlight the significance of organization.

-----  
-----  
-----

---

### 2.7 LET US SUM UP

---

This unit speaks about the essence of designing the organisation for effectiveness. We can really assess the role of organisation structure for carrying out the objectives efficiently. Here we can also observe that various types of organisation exist. Few of the important types of organisation which are prevalent have been discussed to give an insight for the students for better understanding. Still there is no hard and fast rule that the organisation should be designed in a specific manner, which ultimately depend on the nature of a activity to be performed.



Also two important forms of organisations has been discussed like the formal and informal. The significance of organisation has been stressed for fulfilling various activities as we have known activities cannot be performed individually. This fact emphasises the existence of organisation for the achieving a predetermined objectives.

---

## 2.8 KEY WORDS

---

Augmented

Chaos

Conversant

Detrimental

Diversification

Monotony

Prevalent

Spontaneous

Stimulating

Zeal

---

## 2.9 SELF-STUDY QUESTIONS

---

1. Discuss the briefly the role of organisation structure .
2. Explain the various types of organisation with relevant example.
3. Discuss the various forms of organisation.
4. Describe the significance of organisation in the performance.
5. Write a note on.
  - a. Functional organisation.
  - b. Product Functional Organisational
  - c. Process Functional Organisation
  - d. Committe organisation

---

## 2.10 BOOKS FOR REFERENCE

---

- |                                     |   |                           |
|-------------------------------------|---|---------------------------|
| Organizational theory and behaviour | - | V.S.P. Rao and PS Narayan |
| Organizational behaviour            | - | L.M. Prasad               |
| Organizational behaviour            | - | K. Ashwathappa            |
| Organizational behaviour            | - | Jit S. Chandan            |
| Organizational behaviour            | - | Fred Luthans              |
| Organizational behaviour            | - | Stephen.P.Robbins         |



---

---

## UNIT 3 : ORGANIZATION GOALS

---

---

### Structure

- 3.0 Objectives
- 3.1 Introduction
- 3.2 Concept of Organizational Goals
- 3.3 Types of Organizational Goals
- 3.4 Determination of Organizational Goals
- 3.5 Goal Changes – Types
- 3.6 Check Your Progress
- 3.7 Let Us Sum Up
- 3.8 Keywords
- 3.9 Self-study Questions
- 3.10 Books for reference

---

### 3.0 OBJECTIVES

---

After studying the unit one should be in a position to

- Explain the concept of organizational goals.
- Discuss the various types of organizational goals.
- Evaluate the various factors which are detrimental in deciding upon the organizational goals.
- Discuss the reasons for goal changes.
- Describe the various types of goal changes.
- Assess the significance of organizational goal.

---

### 3.1 INTRODUCTION

---

The previous unit has given us a brief insight into what is an organization structure? The various types of organization and their significance. Now let us try to understand that any organization will not be complete without having a goal. Basically, we discuss that the organizations are formed with some specific objectives. We can view objective as the short-term ideology of an organization, whereas the goal is the long-term one. In simple to say organizational goals are the long-term objectives or the extended objectives.

Many of the authors have been using the terms objectives and goals interchangeably. Though objectives and goals differ on conceptual level, often in practice they are used interchangeably.

Few authors like *Mc Farland* state that 'objectives are the goals, aims or purposes that organizations wish to achieve over a varying period of time. The goals of an organization reflect the reason for its existence. Goal setting specifies the purposes of the organization and its desired future state. Thus, we can summate as all organizations are goal-seeking, they exist for the purpose of achieving some goals efficiently.

---

### 3.2 CONCEPT OF GOALS

---

The brief introduction about the organizational goals would really enable us to understand the concept better. Goals in simple are the desired ends of the organizational activity *Etizoni* states that

“An organizational goal is a desired state of affairs which the organizations attempts to realize”.



The desired state of affairs may include several things, that is managers might be interested in achieving a reasonable rate of return on investment, in maintaining a fair market share, in attracting quality employees etc. Thus goals include objectives, purpose targets standards, quotas and even deadlines. An organization has many goals and it is the primary responsibility of every manager to formulate revise and implement appropriate goals to achieve a desired state of affairs.

### **Goal setting process: -**

The organizational goal setting process is not a perfectly rational activity. Perfect rationality implies full knowledge of opportunities and constraints, capacity and willingness to focus attention on the entire goal setting process. But it is hard to satisfy these conditions and most of the organizations must be happy with an imperfectly rationalized process. As people get involved in the means – ends chain, goals must accommodate a variety of needs and motives that are not always in complete harmony. Many a times most of the goals are the results are compromises only. Thus, goals are the results of a continuous bargaining learning process. Actual goals come about from a constant series of negotiations among both internal and external groups. Almost every group in the organization has an interest in the operational goals of the organization, and each strives to be in the goal-setting process. Thus, conditions are formed seeking influence over goals for security, for autonomy and for prestige.

---

### **3.3 TYPES OF ORGANIZATIONAL GOALS – STATED AND OPERATIONAL**

---

Stated or official goals are simply statement about desired results. They reflect what the organizations should be doing. They are normally expressed in writing and communicated to all the employees by the Top Management (formal documents, New releases). Operational goals are the 'real' goals of an organization. They designate the ends sought through the actual operating policies of the organization; they tell us what the organization actually is trying to do, regardless of what the official goals guide the actual behaviour of the organizations members. They are behaviourally supported goals.

How to account for differences between stated and operational goals? Official goals are often public relations gimmicks, obviously worded with the company's environment in mind. If top management defines official goals in such colourful terms as achieving 'sufficient profits' or 'market leadership' these abstract phrases have to be turned into real terms by some measure. These philosophical ideals of management are turned into operational terms as the goals filter down through the organization. At each level managers assign (real) meaning to the goals, and interpret the same accordingly. Operational goals specify the manner in which certain formal goals are to be attained; for example, profit goals can be met through the pursuit of operative goals such as market penetration, emphasis on quantity or quality, employee morale, competitive pricing etc. operational goals reflect choices among competing values; they indicate alternative means of attaining formal goals where the official goals are too vague, too difficult to pursue. Managers at each organization level assign different meanings leading to the spontaneous development of unofficial goals. It is quite possible that the stated goals may be out dated in a dynamic environment.

*Perrow* combines these forces in the term 'operational goals'. The study of operational goals helps in understanding.

- (i) The criteria against which subsequent organizational performance is measured.
- (ii) The reasons for sub optimization (functioning at a less than optional level).
- (iii) The reasons for individual or group preference to subvert the stated goals.

### **Types of Operative Goals: -**

The following are the broad categories of operative goals identified by *Charles Perrow*:

- 1) **Environmental Goals:** - These goals satisfy the people and organization in the external environment of the organization. For example in profit making organizations, goals like customer satisfaction, social responsibilities may be important environment goals.
- 2) **Output Goals:** - These are related to the identification of customer needs. Question like what markets should be entered, which product lines must be emphasized or lopped off etc. are looked into while formulating output goals.
- 3) **System Goals:** - These are concerned with the maintenance of the organization itself. Characteristics like growth, profitability, stability and efficiency are included in this category.
- 4) **Product Goals:** - Product goals emphasize the nature of the product delivered to customers. They define quantity, quality, variety, styling, availability or innovativeness of products.
- 5) **Derived Goals:** - These goals refer to the utilization of an organizations power in secondary or delivered areas like contributions to political activities, recruiting handicapped persons, promoting social service institutions etc.

---

## **3.5 DETERMINATION OF ORGANIZATIONAL GOALS**

---

There are many factors which are detrimental in determining the organizational goals. Let us discuss few of them in detail

### **Environmental Influence**

An organization is mainly affected or influenced by its environment. Environmental factors influence an organization in two ways, they set limits, and they provide opportunities and challenges. The effective organization tries to be as compatible as possible with its environment. Managers try to formulate organizational goals in such a way as to permit necessary revision and adjustment from time to time.



Let us consider an example, a manager wants to choose maximization of sales as an objective. They will have to modify this goal because of governmental restrictions regarding excess profits, consumer resistance etc. Trade unions may demand higher than market wage rate, fringe benefits and more leaves, all of which may leave an adverse effect on the sales and lead to higher costs. Competitions may sell other products at unrealistically low prices and spend enormous sum on advertising and sales promotion. Suppliers may become monopolized and charge excessive prices. If the organization is more dependent on suppliers than on any other stakeholders, the operative goal will be limited by the availability and cost of suppliers. Thus, the political-behavioral realities in the environment influence the choice of specific organizational goals. In order to come to terms with the environmental complexity, the organization may consider following strategies.

### **Competition: -**

Organizational goal setting is not an arbitrary or unilateral process. It is influenced, through indirectly by the forces in the environment through 'competition'. Organizations compete for limited resources available in the environment. Organizations endanger their survival once their products are rejected by the society. In the long run those organizations that are able to satisfy outside groups serve and prosper. Competition forces organization to employ their resources judiciously, and pursue goals that are socially blessed.

### **Bargaining: -**

Bargaining places restrictions on the goal-setting process by forcing participants to arrive at a "negotiated consequences" over resources, goods or services. Bargaining is the process of arriving at an agreement between two or more parties for the exchange of goods and services. It is a give and take process that is both rational and irrational, logical & illogical. Goals reflect compromises reached after negotiations with elements in the environment, i.e. creditors, suppliers, unions and so on. In general, the bargaining process evolves to a point at which the dominant party has the most influence over goals.

### **Co-optation:**

Some times organization co-opts certain elements in the environment so as to avoid potential threats to its stability or existence. Co-optation acts like "safety valve" realizing managers from the pressures of centralized power. It is the process by which the elements in the environment are given a places of importance in policy-making structure of the organization. Thus, co-optation provides overlapping memberships, helps integrate the multifarious interests of heterogeneous elements in the environment.

### **Coalition:**

Coalition refers to a temporary alliance between two or more persons, groups, departments for the purpose of promoting a common interest. Participation in a coalition empowers each member to

evaluate his bargaining strength. Coalitions generally such influence over goals for security and autonomy and for prestige. It always helps to ensure support for mutually agreed goals.

These are few aspects which have to be considered for goal-setting process.

---

### 3.5 GOAL CHANGES - TYPES

---

Organizational goals are not inflexible guides to behaviour. Though organization tend towards stability, goals change over time; they change continuously. Goal changes means that goal properties are periodically re-evaluated and revised in the light of new information or any changes in the environment either informal or formal. We can identify few reasons on to why objectives might change viz.

- i) The aspiration levels of managers could change goal orientations. Managers may begin to extrapolate success stories and say that enterprise can do more. They may also look at what relevant competitions or other organizations have achieved and decide to match or exceed those levels. Further, internal environmental changes in personnel turnover (Labour turnover) may also leave an impact on goals selected for attention. For example, new managers from outside who are not committed to past ideology are likely to alter goals of the organization.
- ii) The mission can change in a crisis. For example the Foundation for Infantile Paralysis even committed to the objective of developing a cure for polio and it succeeded. It not longer had a legitimate goal for its operations. Now the efforts of the foundation were directed towards a new goal, fighting birth defects and arthritis.
- iii) Demands from coalition groups that makeup the enterprise can change. For example, new government or labour leaders or new competitors can change the way a business sets its goal priorities.
- iv) Normal life-cycle changes may occur which alter goal orientations. Organizational development is analogous to human resource development. After knowing the reasons for goal changes, let us discuss few of the types of goal changes.

Goals are subject to re-evaluation and change just like everything else in the organization. Goal changes are a response to internal and external forces. Normally goal changes are expressed in two forms they are Goal Succession and Goal Displacement.

#### **Goal Displacement:**

Goal displacement is a type of goal change in which organizational means and ends get inverted in a way "that makes the means a goal and goals a means". In general goal displacement occurs. When the official goals are expressed in idealistic and ambiguous terms.



As stated by *Mc. Farland*

“Goal displacement in a business organization occurs when decision makers substitute tangible goals for broader, riskier, more uncertain, long range goals”.

Based on the past experience managers insist on following rules and regulations at the cost of risky but creative and innovative activities. Thus instead of focusing on the actual goals the managers “play for record” and become number – oriented (statistics oriented).

Goal displacement is an unfortunate tendency because the organization neglects its stated, goals in favour of goals associated with maintaining the organization. For example, when a foreign cricket team arrives in India to play the test match and one day cricket series, disproportionately dominates the total environment of universities and colleges because most of the students are glued to television and radio commentaries rather than attending their academic work.

Goal displacement takes place when

- i) Existing goals are too vague, abstract and almost impossible to measure.
- ii) There is over commitment to a particular goal or set of goals.
- iii) Difficulty in understanding groups and organizations in terms of goal directed behaviour.

### **Goal Succession:**

Goal succession is simply the introduction of new goals, when old goals have been achieved or discarded. Organizations try to acquire new and additional goals as soon as the old goals are realized or dispensed with. The keep the old goals which have less utility will be disastrous for organizations. The organizations will be confronted with declining sales, cut-throat competition, shortage of funds, and the only way to survive is to find out new goals which can inject fresh lease of life to an otherwise decaying institution. The results of failures in goal succession can be observed in terms of bankruptcy, takeover, lease outs etc.

### **Goal Distortions:**

Many of the successful people in organizations do not accomplish all their goals all the time because of several reasons. The stated goals may be in conflict with one another. They might be intangible, idealistic or even ambiguous and there is the likelihood of generating expectations that cannot be achieved, leading to frustration and disillusionment, creating anxiety and stress because of contradicting commands and so on. Therefore to reduce the ambiguity, participants at each level supply operational meaning to goals. Clarity and specificity is accomplished by each manager applying his own set of interpretations and biases leading to goal distortions. Goal distortion results when there is misunderstanding or misapplication of stated goals. When goals are distorted to an extreme level, the organization is forced to displace them. The reasons for goal distortions can be observed as under:

**a) Organizational distance:**

People at lower levels cannot see the "big picture"; every piece of information has to travel a distance in most of the present day organizations. As a result participants at each level indulge in filtering, short circuiting and window-dressing of messages received depending on their professional preferences.

**b) Sub-unit goal internalization:**

Departments constantly for power and influence in organizations. The long-run interests of the organization are scarified in an attempt to build empires, create enclaves of powers and influence and thus, sub-unit goals take precedence over organizational goals.

**c) Over commitment: -**

It is possible for managers to be over committed to a particular goal or set of goals, seriously the performance in other areas. Over commitment binds the managers to the need of new goals. Non-performance or insufficient performance frustrates managers and they either turn apathetic toward old goals or they try to twist them to suit their short run personal interests.

---

**3.6 CHECK YOUR PROGRESS**

---

1. Define organizational goal.

---

---

2. Name few operational goals.

---

---

3. List out the factors to be considered for goal setting.

---

---

4. High light the reasons for goal-changes

---

---

5. Name few types of Goal-changes

---

---



---

### 3.7 LET US SUM UP

---

This unit highlights the significance of organisational goals without which the very existence of organisation will not have any meaning. Goal setting process should always be rational as major decisions depends upon the ultimate goal. We find that there are few types of organisational goals like the stated and operational goals which have been discussed in detail.

Also we can observe that there are few factors are detrimental for in determining the organisational goal. Sometimes goal changes occurs and the organisation should be prepared to face changes. Goal displacement and Goal distortions should be taken care of meticulously, so as they will not affect the functioning of organisation.

---

### 3.8 KEY WORDS

---

Ambiguity  
Arbitrary  
Bankruptcy  
Bargaining  
Coalition  
Disillusion  
Displacement  
Distortion  
Fringe benefits  
Heterogeneous  
Pursuit  
Succession  
Unilateral

---

### 3.9 SELF-STUDY QUESTIONS

---

1. Briefly explain the importance of goals in organization.
2. Elaborate the goal-setting process in an organization.
3. Differentiate between the stated goal and operational goal.

- Discuss few types of operational goals.
5. Describe the factors to be considered in the goal-setting process.
  6. What do you mean by goal changes?
  7. Discuss in detail various types of goal-changes.
  8. Explain the terms
    - a) Goal Succession
    - b) Goal Displacement
    - c) Goal Distortion
  9. All organizations are purposeful. Do you agree?

---

### 3.10 BOOKS FOR REFERENCE

---

Organizational theory and behaviour –	V.S.P. Rao and PS Narayan
Organizational behaviour	- L.M. Prasad
Organizational behaviour	- K. Ashwathappa
Organizational behaviour	- Jit S. Chandan
Organizational behaviour	- Fred Luthans
Organizational behaviour	- Stephen.P.Robbins



## **BLOCK - II :**

# **UNIT 4 : ORGANIZATIONAL BEHAVIOUR CONCEPTS & DETERMINANTS**

### **Structure**

- 4.0 Objectives
- 4.1 Introduction
- 4.2 Origin of organisational behaviour definition & meaning
- 4.3 Contributing disciplines to organisational behaviour
- 4.4 Concepts & determinants of organisational behaviour
- 4.5 Check your progress
- 4.6 Let us sum up
- 4.7 Key us sum up
- 4.8 Self study Questions
- 4.9 Books for Reference

---

## 4.0 OBJECTIVES

---

After studying this unit, one should be able to

- Highlight the origin of organisational behaviour
  - Discuss about various disciplines that have contributed to the development organisational behaviour
  - Explain the concepts and determinants of organisational behaviour
  - Assess the significance of organisational behaviour
- 

## 4.1 INTRODUCTION

---

In the previous block various aspects of organization and its significance has been covered. This unit speaks about the extension activities related to organization. Organizational behaviour. As we have tried to understand the nature, relevance and significance of organizations, it is very essential to know the behaviour of the workers at the work place. This need has led to the emergence of a discipline known as organizational behaviour, which had a connotation earlier as Industrial psychology.

The field of organisational behaviour focuses the study and research on human behaviour in the work environment. Organisational behaviour is the study of individual and group behaviour in work settings. However the study is complex as its is has acquired new dimensions with dynamic social and technological changes for the past two decades. Changing demographics, cultural diversity, more educated work force and awareness of rights and privileges has promoted a new look at the entire organizational structure and systems.

The traditional authority structure is giving way to employee involvement, work teams, group spirit, participative decision making, lateral relations, flexible work structures and the likes. High productivity and high quality of work life have become order of the day. The management is becoming more and more aware that an organization, has no life, but for the people in it. As people are considered the most important asset of an organization, there is an increased emphasis in the need for understanding people in an work environment.

---

## 4.2 ORIGIN, MEANING & DEFINITION OF ORGANIZATIONAL BEHAVIOUR

---

Organizational behaviour emerged as a distinct field of study in the late 1950s and early 1960s, on the basis of the belief that all managerial and organizational problem are not technical in nature and an understanding and predictability of human behaviour can help managers make their organizations more effective.



The study of human behaviour, being a part of general management can be traced back to 4000 BC, when Egyptian pyramids were built or when the dawn of mankind when people hunted in groups for livelihood and protected their families against hostile environment forces. An organized development of economic science and management as distinct disciplines began around the early 18<sup>th</sup> century when there was shift from cottage industry to the factory system, which gave birth to the industrial revolution in Europe, specifically in England (UK). The Industrial revolution changed the entire behaviour of the civilized world. *Adam Smith* a famous economist was the person who advocated management principles, in the area of division of labour and specialization in 1776.

Over the years many scholars and practitioners have contributed towards an organized study of human behaviour within organizational environment with special consideration goint to Prof. *Elton Mayo* and his Hawthorne experiments. These experiments focused upon an understanding of human needs and desires and their relationship with motivation and performance.

*Abraham Maslow* in support with *Elton Mayo's* contention and findings presented a theory of individual needs, which is popularly known as need hierarchy. The basic aim of this approach is to increase the organizational effectiveness of its common resources, which could be achieved properly by taking care of human needs. In general, the lower level needs must be satisfied before the higher level needs arise. A manager should be aware of all these needs and use different methods to motivate workers. This is critical and very significant because the fact that complexity of Man's nature. The management must try to assess what motivates people towards better performance and the necessary steps to create an environment which induces positive and strong motivation.

The behavioral approach had a major impact on management thinkers right through the 1970s and indeed changed the structure of the organization from the bureaucratic to participative in which the workers have more freedom to participate in the affairs of the organization. However, some serious questions have to be answered, as to whether a workers is entirely 'social man' or an 'economic man' This is because of the fact that not all employees seek self actualization as their ultimate goal. Where as some professionals may be motivated by recognition and feeling of self-fulfillment, it may be different incase of blue collar workers for whom increased economic benefits are the only motivators. Considering the above observation and the fact that human behaviour is complex, there is a need to study as to know how does an employee behaves in a group or as an individual in the work environment and also as to study what is the motivating factor that increases performance of an employee. The present day challenging business environment and cut-throat competition has given more scope for the study of organisational behaviour.

After knowing the origin of organisational behaviour, let us try to define organisational behaviour and understand the meaning.

“Organisational behaviour is the study and application of knowledge about how people act within organizations. It is a tool for human benefit. It applies broadly to the behaviour of people in all types of organizations. Such as business, government, schools and science organization.

Another definition states that “Organisational behaviour means that study of the behaviour of individuals and groups in organizations and organizations themselves, as they interact to attain desired outcomes”.

“Organisational behaviour is directly concerned with the understanding, prediction and control of human behaviour in an organization.

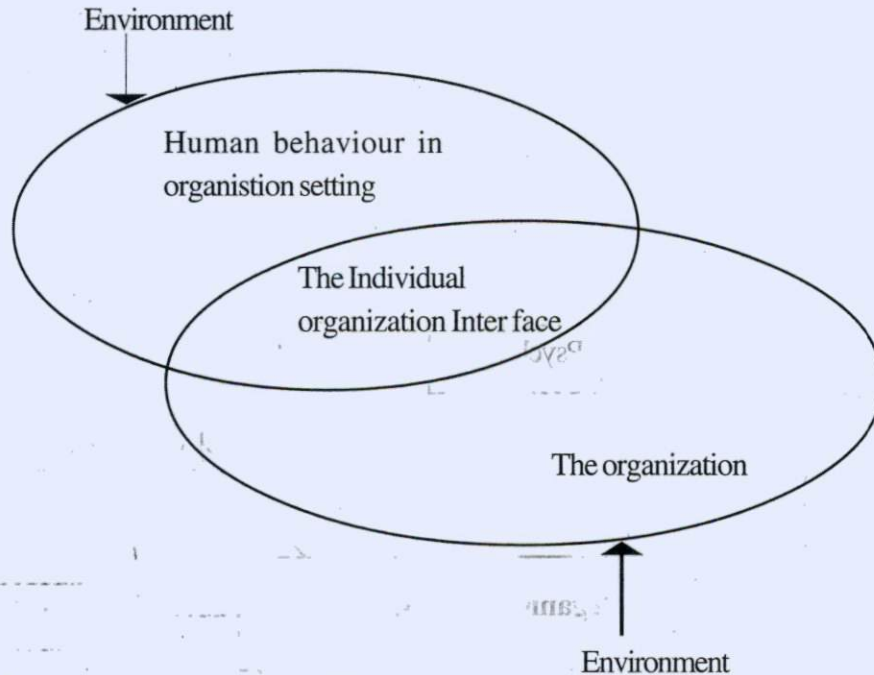


Figure 1.1 Organisational Behaviour – Nature

From the definitions we can assess that the study of human behaviour in work environment is the interface between human behaviour and the organization, and organization itself study of the individual behaviour alone is incomplete because the action of the employee influences and are influenced by the organization where they work. The influence of the environment on the interface between the individual and the organization cannot be overlooked. Fig 1.1 depicts the integrative study of Organisational Behaviour.

---

### 4.3 CONTRIBUTING DISCIPLINES TO ORGANIZATIONAL BEHAVIOUR

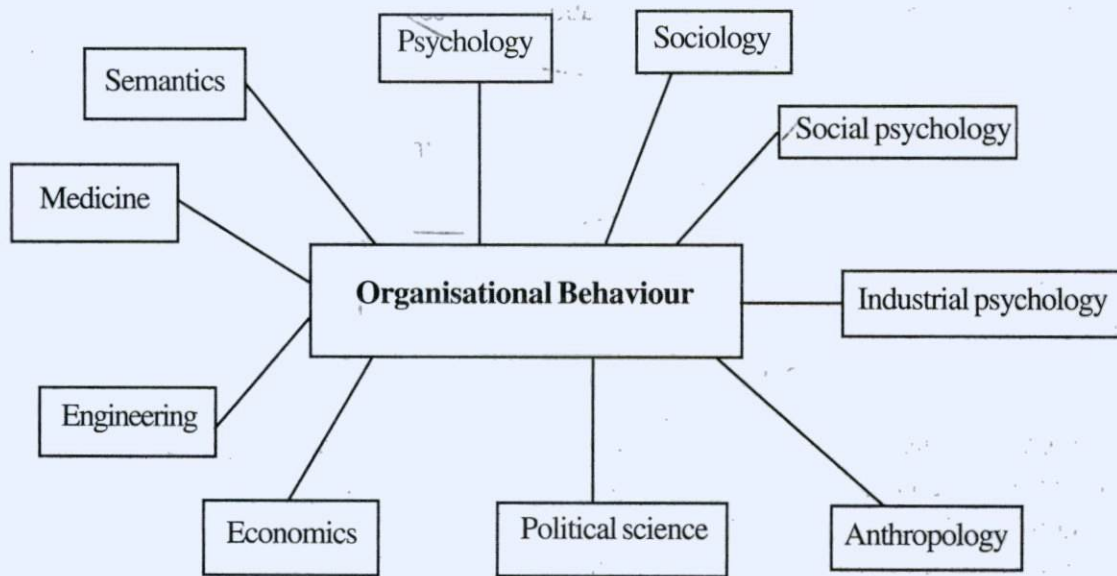
---

The study and understanding of human behaviour has posed a strong challenge to both the scientific thinkers as well as behaviours. Many of them have been concentrating to identify the causes of human behaviour. Science has always been involved in the “cause” and “effect” phenomenon and the relationship between them as to how a “cause” induces “effect”. Likewise, the behavioural scientists want to find out why people behave the way they do. They want to find a common denominator of human behaviour which can be generalized and classified into standard causes which result into identifiable and functionally dependent patterns of behaviour. Thus, by discovering and analyzing these causes, the behaviour can be predicted, manipulated and controlled.



OB is concerned with people's thoughts feelings, emotion and actions in a work environment. To understand an individuals behaviour is in itself a challenge and understanding group behaviour in an organisational environment would be a Herculean managerial task.

The organizational behaviour is specifically concerned with work related behaviour, which takes place in an organization. Organisational behaviour is the synthesis of many other fields of study and is built upon contribution from a number of behavioural disciplines. The predominant area of psychology is concerned with the study of individual behaviour. Also, other behavioural disciplines affect the group dynamics and organizational system. The contributing disciplines to organisational behaviour field are shown in fig 1.2 and a brief discription of each field is essential to understand better.



Source : Organisational Behaviour by Jit S. Chandan

### **Psychology**

Psychology is a science that seeks to study, understand, measure, explain and possibly change the behaviour of humans. Relative to organizational environment, it assists in understanding motivation at work, individual and interpersonal perceptions, functioning of personality, effects of training, leadership effectiveness, job satisfaction and attitude measurement. Psychology also studies such behaviour patterns as fatigue, boredom and monotony which impede efficient work performance. This discipline is considered as fundamental for the study of organisational behaviour.

## **Sociology**

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

## **Social Psychology**

As we have observed that psychology deals with individual behaviour, and sociology deals with group behaviour, the social psychology examines interpersonal behaviour. The social psychologists are concerned with intergroup collaboration, group decision making and integration of individual needs with group activities. Another area under investigation by social scientists is the effect of “change” on individuals and how people adjust to “change” both as individuals and in group context.

## **Industrial Psychology**

Industrial psychology helps to understand the individual reactions to industrial environment. It involves selection and placement of individual into particular jobs through psychological tests, study of mental health as affected by physical industrial environment, impact of organizational structure on human performance and the types of job affecting, safety and morale of workers. Organisational behaviour is an extension of Industrial psychology and in the present situation both the terms have become synonymous.

## **Anthropology**

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

## **Political Science**

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

## **Economics**

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



## **Engineering**

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

## **Medicine**

Medicine is the latest discipline to contribute for organisational behaviour. The primary area of interest is work related stress; tension, fatigue and depression. The study of cause and consequences of stress, fatigue and use of individual drugs, physiotherapy, physical exercise, meditation, yoga to reduce stress is fast becoming an area of study with in the organizational environment.

## **Semantics**

Semantics is one of the more recent disciplines, helps in the study of communication within the organization. Misinterpreted and mis directed communication or simply lack of proper communication creates many behavioural problems. Communication as such, is the life line of an organization and flow of information at all levels is very essential for the success of an organization. This study tries to sort out differences in individual interpretations of words and symbols.

---

## **4.4 CONCEPTS AND DETERMINANTS OF ORGANISATIONAL BEHAVIOUR**

---

The discipline of organisational behaviour is based on a few fundamental concepts, which revolve around the nature of people and organizations. Every discipline be it a social science or physical science, will flourish on definite assumptions.

Let us discuss few of the assumptions which are detrimental for organisational behaviour.

### **Individual differences**

People have much in common but each person in the world is also individually different. Each individual is different from others in several ways. Whether it is intelligence, physique, personality or any such trait one can really find striking differences.

Individual differences mean that management can get the greatest motivation among employees by treating them differently. If it were not for individual differences, some standard, across the boardway of dealing with employees could be adopted and minimum judgement would be required to maintain the employees.

As we can assess because of the individual differences organisational behaviour begins with the individual. Only a person can take responsibility and make decisions; where as a group by nature cannot do so. A group is powerless until one individual takes the lead of it.

## **A whole person**

When an individual is appointed his / her skill alone is not hired, his / her likes & dislikes, pride and prejudices are also hired. A person's family life cannot be separated from factory life. This is the reason because of which a manager tries to relate the factory or the working place to home. A manager not only strives hard to develop a better employee out of a worker, but also a better person in terms of growth & fulfillment.

## **Caused behaviour**

We have come to know that the behaviour of an employee is caused and not random. The behaviour is directed towards some end that the employees believe rightly or wrongly, in their best interest. Thus, when a worker comes late to work, or irritates the supervisor, there is a cause behind it. The manager must realize this basic principle and to solve the problem of late coming or indifferent behaviour with the co-workers, he must discover the causes behind the behaviour & tackle it.

## **Human dignity**

This concept is of a different order from the other three because, it is more an ethical philosophy than a scientific conclusion. This confirms the fact that human beings are to be treated differently from the other factors of production because they are of higher order (i.e. human resource asset). This recognizes human dignity because people are of a higher order, they want to be treated with respect and dignity. Every job, however simple, entitles the people who do it to proper respect and recognition of their unique aspirations and abilities. This concept rejects the old idea of using employees as an economic tool or as a mere factor of production.

## **Organizations are social systems**

We have learnt from sociology that organizations are nothing but social systems; consequently there in are governed by social laws as well as psychological laws. Just as people have psychological needs, they also have social roles and status. Their behaviour is influenced by their group as well as by their individual drives. Thus we can outline that there exists two system one is the formal social system and other is informal social system.

The existence of a social system implies that the organizational environment is one of dynamic nature, rather than a static set of relations as revealed in an organization chart. All the elements of a system are inter-dependent and inter-related and are subject to be influenced by any other part.

## **Mutuality of Interest**

This concept is represented by the statement that "organizations need people and people also need organizations". Organisations have a human purpose. They are formed and maintained on the basis of some mutuality of interest among their participants. People see organization as means to help them reach their goals, while at the same time, organizations need people to help reach organizational objectives.



If mutuality is lacking it makes no sense in trying to assemble a group and develop co-operation, because there is no common base on which to build. Mutual interest provides a super ordinate goal that unites the variety of needs that people bring to organizations. The result is that people are encouraged to solve the organizational problems rather than finding fault in each other.

### Holistic concept

Holistic concept is the assortment of all the six fundamental concept of organisational behaviour. This concept interprets people organization relationships in terms of the whole whole person, whole group, whole organization and whole system. It tries to have a broader view of people in organizations in an effort to understand as many as possible factors that influence their behaviour. The Holistic concept tries to analyse the issues in terms of the total situation affecting them rather than an isolated event or problem.

These are the concepts that form the base for organizational behaviour as a discipline.

---

#### 4.5 CHECK YOUR PROGRESS

---

1. Define organisational behaviour.

---

---

---

---

---

---

---

---

2. Name few contributing disciplines to organisational behaviour

---

---

---

---

---

---

---

---

3. List out the factors that determine organisational behaviour.

---

---

---

---

---

---

---

---

---

#### 4.6 LET US SUM UP

---

Organisational behaviour is the study of human behaviour in organizations knowledge about human behaviour is useful to improve organizational effectiveness.

Organisational Behaviour is an inter disciplinary subject. It draws heavily from behavioural disciplines, prominent among them are psychology, sociology, anthropology, industrial psychology and engineering. While psychology and anthropology have contributed to the study of individual behaviour, sociology is responsible for the study of group behaviour and of organization. The discipline like OB like any other discipline is based on the fundamental, concepts. The most important amongst them have been discussed to enable the students to have a broader view. The growth and development of OB as an important discipline is based on the concepts and determinants.

---

#### 4.7 KEY WORDS

---

Aspiration -

Coalition -

Herculean -

Holistic -

Hostile -

Interface –

Privilege –

Synthesis -

---

#### 4.8 SELF STUDY QUESTIONS

---

1. What do you understand by organisational behaviour?
2. Define organisational behaviour.
3. Discuss the origin and nature of organisational behaviour.
4. Discuss briefly various contributing disciplines to organisational behaviour.
5. Explain the concepts and determinants of organisational behaviour.



6. Write a note on:

- i) Human dignity
- ii) Mutuality of Interest
- iii) Holistic concept

---

#### 4.9 BOOKS FOR REFERENCE

---

Organizational Behaviour	-	By Stephen P. Robbins-Pearson Education Publication
Organizational Behaviour	-	By Fred luthans
Organizational Behaviour	-	By Jit. S. Chandan
Organizational Behaviour	-	By K. Ashwathappa
Organizational Behaviour	-	By Keith Davis

---

---

## UNIT 5 : SCOPE OF ORGANIZATIONAL BEHAVIOUR

---

---

### Structure

- 5.0 Objectives
- 5.1 Introduction
- 5.2 Scope of organizational behaviour
- 5.3 Behavioural approach to organizational behaviour
- 5.4 Research in the discipline of organizational behaviour
- 5.5 Organizational behaviour model
- 5.6 Check your progress
- 5.7 Let us sum up
- 5.8 Key words
- 5.9 Self study Questions
- 5.10 Books for Reference



---

## 5.0 OBJECTIVES

---

After studying this unit, you should be able to

- Explain the scope of organizational behaviour
  - Discuss the Behavioural approach to organizational behaviour
  - Highlight the findings of research on organizational behaviour
  - Describe the organizational behaviour model
- 

## 5.1 INTRODUCTION

---

The previous unit gives the introductory aspects related to the field of organizational behaviour, covering the concepts and determinants of organizational behaviour. These concepts give the base for the emergence of organizational behaviour as a prominent discipline and for the success of organizations. The growing awareness that all managerial problems were not technical in nature and that productivity and organizational effectiveness did not depend entirely on the mechanical processes. The awareness focused on the philosophy that behavioural and social processes have significant impact on the workers in the work place and that an understanding and predictability of human behaviour could help managers make their organizations more effective. Thus the emphasis shifted to social sciences as well as to psychologists, sociologists, anthropologists and others who have been studying management problems from behavioural perspective and trying to develop a valid and unified body of knowledge, concerning organizational behaviour.

We have understood that the technical analytical & conceptual skills are primarily knowledge based and can be learnt and predictably applied, whereas human skills which pose the greatest challenges to management due to complexity of human psychological process and unpredictability of human behaviour. Human skills require effective interacting with others and the quality of this interaction determines the team spirit and dedication within the organization. Thus, the discipline of organizational behaviour tries to extend its research to assess human behaviour as an individual and also in the group.

---

## 5.2 SCOPE OF ORGANIZATIONAL BEHAVIOUR

---

Organizational behaviour, as mentioned earlier, is the study of human behaviour in organizations. The subject encompasses the study of individual behaviour, inter-individual behaviour, and the behaviour of organizations themselves.

Intra-personal behaviour covers such aspects as personality, attitude, perception, learning, opinion, motivation and job satisfaction.

Inter personal behaviour includes group dynamics, inter group conflict, leadership, communication transactional analysis and the like.

About organizations, the study covers such aspects as their formation, structures, effectiveness and formal and informal organizations.

These three levels of analysis are not necessarily mutually exclusive. The field of organizational behaviour embraces them as being complementary. In the past, the three levels were pursued with little coordination by behavioural scientists. Now however, a major contribution of those interested in the organizational behaviour field is the attempt to integrate these three levels of analyses, although this will require much more effort. The individual focus is no more important or valuable to the manager within an organization than is the group or formal organization focus. There is no need to choose one level of analysis and exclude the others. The managers in business, health care, education government, and religious organizations have problems in common that require an inter disciplinary approach. This can be provided by organizational behaviour because it emphasizes all these levels of analysis the individual the group and the formal organization.

It may be emphasized that though the subject of organizational behaviour applies to all types of organizations, the focus here is towards business establishments only. This is so because, the paper is primarily addressed so the management students preparing themselves for occupying important positions in industrial and business enterprises.

---

### 5.3 BEHAVIOURAL APPROACH TO ORGANIZATIONAL BEHAVIOUR

---

The behavioural approach is also known as the human relations approach, is based on the premise of increase in productivity and managerial efficiency through an understanding of people. The growth and popularity of this approach is attributable to professor *Elton mayo* who along with his associates from Harvard business school, USA, carried out the famous "Haw thorne studies". These studies were conducted at Western Electric Company's Hawthorne plant situated at Illinois in Chicago to determine behavioural aspects of employees in the work environment. The WEC were into manufacturing of bells and other equipments for telephone industry. They conducted a series of experimental and observational studies in the plant and conducted employee interviews between 1924 to 1932. The experiments were carried out in four phases. They are

- I. Illumination experiments (1924 – 27) – to find out the effect of illumination on worker productivity.
- II. Relay assembly test room experiments (1927-28) - to find out the effects of changes in the working hours and other working conditions on productivity.
- III. Mass Interviewing programme ( 1928 – 30) – to find out the workers attitudes and sentiments towards the work and work environment.



IV. Bank wiring observation room experiments ( 1931 – 32) – to find out social aspect of work organization.

Hawthorne experiments have opened a new chapter in management by suggesting management through good human relations. Human relations involves motivating people in organization in order to develop team work which effectively. Fulfils their needs and achieves organizational goals. Hawthorne studies have tried to unearth those factors which are important for motivating people at work place.

These studies showed that better physical work environment or increased economic benefits in themselves were not sufficient motivators in increasing productivity. In effect the emphasis shifted to psychological and social forces. These experiments demonstrated that in addition to the job itself, there are other factors that influence a workers behaviour. Informal social groups, management – employee relations and the inter-relatedness of many other facets of work environment were found out to be quite influential in improving productivity. *Mayo* discovered that when workers were given special attention by management, the productivity increased irrespective of actual changes in the working conditions.

The Hawthorne studies represented a major step toward, systematically studying worker behaviour, thus laying foundation for the field of organizational behaviour.

Also central to this approach was an increased, understanding of the individual worker with emphasis on motivation, needs, wants, inter personal relationships and group dynamics. The findings suggested that group dynamics. The findings suggested that an office or a factory is not only a work place but also a social environment in which the employees interact with each other. This gave rise to the concept of worker as a “Social man”, whose interactions with others would determine the quality and quantity of work produced. We have to understand however, in spite of the fact that this social environment is an important factor in improving the quality and output, it does not replace economic benefits for low salaried workers and indeed it may increase turnover of employees, even if the working conditions are satisfactory.

---

#### 5.4 RESEARCH IN THE DISCIPLINE OF ORGANIZATIONAL BEHAVIOUR

---

We all know that behaviour is a different subject matter, simply because it is an extremely complex phenomenon.

However, we also know that behaviour is not totally unpredictable. It has certain generalities that subscribe to “cause and effect” phenomenon. These generalities must be studied thoroughly and systematically, so that some foundations can be formed which can describe certain behaviour patterns. Even though each person is unique in his or her own way, some generalities can be drawn about the behaviour either due to reflex such as pulling your hand away from heated part of the machinery or due to certain societal forms of reaction such as anger and protests on the part of employees when faced with pay reduction.

While certain aspects of behaviour may be genetic in nature, much of the work related behaviour can be traced to a set of identifiable causes. It is assumed that human action is typically the result of a set of forces which can be identified and possibly measured. If these forces can be accurately studied and their impact on human behaviour correlated, then it would be possible to predict certain aspects of such behaviour. For example, unhappy workers are more likely to leave their current jobs and find employment elsewhere. Thus knowing the reasons for the employees unhappiness at work and finding solutions for their unhappiness would ascertain their loyalty to the company. In order for any phenomenon to be usefully reviewed it is important and necessary that in depth research be conducted into various characteristics of such phenomenon. Research is an objective and systematic way of gathering information about a phenomenon. This information forms the basis upon which sound managerial decisions are based. Such research in the field of human behaviour has four major goals. These are :

**Description** most behaviours are not unique. There are many common aspects of behaviours in a reasonably homogeneous population. Describing such aspects of behaviour leads to commonalities about behaviour which can be placed into certain classifications. These classifications can narrow the field of observation relative to each classification so that each aspect of behaviour can be studied more thoroughly.

**Explanation** – This goal determines the reasons for occurrence of certain types of behaviour when such types have been clearly defined and described. It is a possible statement of underlying processes that are responsible for the outcomes of such behaviours. For example, an unhappy sex life with the spouse generally exhibits an irritable behaviour at work. Similarly, financial problems where the resources are inadequate to meet the demands show up in depression and tension.

**Prediction** - Prediction of behaviour is possible when the connection between pattern has been accurately established. Thus, the effects can be predicted if the underlying causes can be identified with reasonable degree of accuracy. Some behaviour patterns can be predictable on the basis of similar past situations. For example it is known that when some body is praised for his contribution and achievement, his morale becomes high and he becomes highly motivated.

**Control** – The ultimate conclusion of any research is the ability to control and manipulate the outcome of events. Once we are able to predict behaviour on the basis of certain causes, we can take some measures to create or induce such cause that would result in a behaviour we want.

---

## 5.5 ORGANIZATIONAL BEHAVIOUR - MODEL

---

A simple organizational behaviour model figure 2.01 depicts the various aspects that influence the human behaviour.



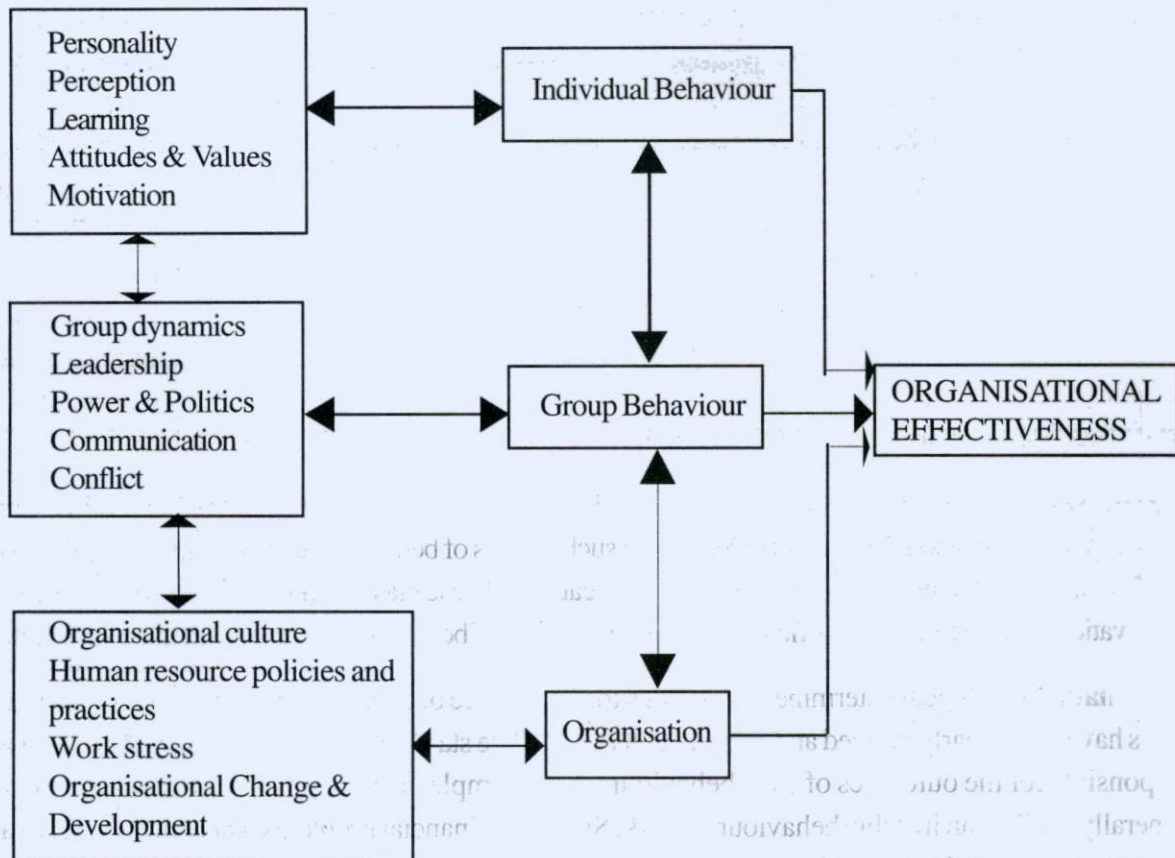


Fig. 2.01 Organisational Behaviour Model

As observed from the model, individual behaviour comprises such aspects as personality, perception, attitudes, learning and motivation. Group behaviour covers group dynamics, leadership, power and politics, communication and conflict. Study of organization includes the nature of organizations and organizational change and development. Thus the individual behaviour will influence and is influenced by group behaviour, which in turn has impact on behaviour of organization. The cumulative effect of all these behaviour is felt on organizational effectiveness which in turn has impact on individual, group and organizational behaviour.

---

**5.6 CHECK YOUR PROGRESS**

---

1. What is the scope of organisational behaviour?

---



---



---



---



---

2. Name the experiments conducted by professor Elton Mayo.

---

---

---

3. Where was the Hawthorne experiment conducted?

---

---

---

4. List out the contents of organisational behaviour model.

---

---

---

---

---

## 5.7 LET US SUM UP

A Study of organisational behaviour is useful in more than one way. It enables an individual understand human behaviour which would contribute improved inter-personal relation. This unit tries to cover the scope of organisational behaviour, the behavioural approach where the out come of hawthorn studies has been the rool for the emergence of organisational behaviour on significant folded of study has been observed. The subject enable a manager to motivate his employees for better results. It will help improve industrial solution.

Research in the field of organisational behaviour discusses about the four major aspects. Description of the human behaviour, Explanation for the cause of such behaviour prediction of the human behaviour in certain situations and the ultimate conclusion is to haw to control and manipulate the out come of events.

Organisational behaviour has its own limitation. An induvidual may be very good in the field of organisational behaviour. An his personal life, he may not be a successful. The organisational behaviour model briefly describes the outcome of human behaviour as an individual and in the group and also the influence to cause such behaviour. All such behaviour are inter related with the organization and this ultimately has an influence on the organizational effectiveness.



The subject of organisational behaviour is evergrowing multiple courses. Where the subject is compulsorily taught and the professional institution which are subject to promote organizational behaviour stand as testimony to ever increasing popularity of the discipline.

---

## 5.8 KEY WORDS

---

Attribute

Depict

Emphasis

Facets –

Phenomenon –

Premise

Testimony

---

## 5.9 SELF STUDY QUESTIONS

---

1. Discuss the scope of organisational behaviour in the dynamic Industrial scenario.
  2. What is behavioural approach?
  3. Explain the process of behavioural approach to organisational behaviour.
  4. Listout the contributions of Hawthorne study.
  5. Describe the scope of research in organisational behaviour discipline.
  6. With the help of organisational behaviour - model, Explain the various components.
- 

## 5.10 BOOKS FOR REFERENCES

---

Organizational Behaviour	-	By Stephen P.Robbins-Pearson Education Publication
Organizational Behaviour	-	By Fred luthans
Organizational Behaviour	-	By Jit. S. Chandan
Organizational Behaviour	-	By K. Ashwathappa
Organizational Behaviour	-	By Keith Davis





## **BLOCK - III :**

### **UNIT 6 : INDIVIDUAL AND GROUP BEHAVIOUR PERSONALITY**

#### **BLOCK III ORGANIZATIONAL BEHAVIOUR**

##### **Structure**

- 6.0 Objectives
- 6.1 Introduction
- 6.2 Individual behaviour and personality
- 6.3 Factors influencing individual behaviour
  - 6.3.1 Personality
  - 6.3.2 Ability
  - 6.3.3 Perception
  - 6.3.4 Motivation
  - 6.3.5 Organizational factors
  - 6.3.6 Socio-cultural factors
- 6.4 Personality and determinant
  - 6.4.1 Biological factors
  - 6.4.2 Family and social factors
  - 6.4.3 Situational factors
  - 6.4.4 Other factors
- 6.5 Development of personality
  - 6.5.1 Freudian stages
  - 6.5.2 Erikson stages
  - 6.5.3 Chris argyris theory (Immaturity-Maturity)
- 6.6 Personality Traits
- 6.7 Let us sum up
- 6.8 Key words
- 6.9 Check your progress-questions
- 6.10 Answer to check your progress
- 6.11 Terminal Questions
- 6.12 References

---

## 6.0 OBJECTIVES

---

After reading this unit, you should be able to:

- Understand group, organization behaviour, and individual behaviour, factors influencing such for the study of organizations;
- Develop personality, personality determination and development of personality and personality stages in an organization.

---

## 6.1 INTRODUCTION

---

Groups are pervasive in organization. They provide the medium of contact between the individual and organizations. They exert considerable influence on individual behaviour. Group structure refers to the size, extent of homogeneity, stability, degree of solidarity and autonomy, stratification and so on. Members of the group assume role as generally approved by the group and establish a pattern of relations with each other which are subject to change. These structural aspects of the group influence the group process: the communication process, the problem solving process, process of achieving cohesiveness and compliance. Groups emerge within organizations for purposes of achieving a set of goals and for preserving a set of values as seen fit by the members. Examples of group values are: democratic deliberation, equality, fraternity and mutual support.

Individuals and groups function within the organizational context. An organization is not a mere assemblage of individuals; nor is it a mere group of groups. It has its own organic entity and integrity. It has its own structure, processes and values. It has a net work of activities, authority relationships and communication channels. It adopts a range of technologies and techniques to carry on its activities. The organization itself has two dimensions: the formal organization and the informal organization. They are overlapping dimensions but sometimes they work at cross purposes. Their structure, processes and values are also different. Organizations have their own goals of stability, growth survival and viability. They process information and engage in decision making and other processes to achieve results through the efforts of individuals and groups. The other processes that are important from the organizational point of view are: - the process of leadership and motivation administration of rewards and sanctions, management of change and conflict, adaptation and adjustment with the changes in the external environment and so on. Organizations strive to involve their own values and norms which define their ecology and ethos. For example, business organizations embrace the value of achievement, growth, dynamism and social responsibility.

There is a high degree of interaction between structure, process and values. They influence, affect and reinforce each other. So is the case with the individuals, the group and the organizational system. Organizational behaviour emerges out of such interactions.



---

## 6.2 INDIVIDUAL BEHAVIOUR AND PERSONALITY

---

The study of individual behaviour draws heavily on the discipline of psychology and explains why individuals behave and react as they do in response to different situations. Theories of learning, motivation and leadership have been developed to explain the behaviour of individuals. Also socio-psychological theories have tried to explain how attitudes, beliefs, perceptions and values are inculcated and influence individual behaviour. Thus, individuals will behave differently depending upon their motivation, learning, values, and perception they have. Differences in individuals may be reflected in different types of behaviour on their part. Such differences range from desirable to undesirable in terms of factors. Thus, if both individual and environmental variables are considered, there can be: i) Differences in behaviour in an individual over time (intra-individual differences) and ii) Differences in behaviour among individuals given the same set of stimuli (inter-individual differences).

Individual Behaviour means some concrete action by a person. For instance, how a teacher behaves in the class reflects his behaviour. The behaviour of an individual is influenced by various factors. Some of the factors lie within himself, e.g. his instincts, personality traits, internal feelings, etc. while some lie outside him comprising the external environment of which he is a part, e.g. weather conditions, events conveying some information, and other people's behaviour that directly influence his behaviour. The environment acts as a "stimulus" and the person responds to it. The process of human behaviour may thus be regarded as a "stimulus-response" process. The teacher is affected by students behaviour and in turn affects their behaviour. This takes place through interaction between them, and is subject to the environment in which they interact. Thus,, individual behaviour is not a self-induced phenomenon, but is affected by a larger system e.g. group, family, and the society within which one functions.

Individuals behave differently to different stimuli because of a multitude of factors. These include an individual's age, sex, education, intelligence, personality, physical characteristics, experience, values, and family and cultural background. For instance, a young railway ticket collector would behave differently from one who is more experienced and mature. Situational variables affecting individual behaviour include organizational and social variables, e.g. type of organization, nature of supervision, and physical and job variables like method of work, design of work, and physical work environment.

---

## 6.3 FACTORS INFLUENCING INDIVIDUAL BEHAVIOUR

---

The important factors which influence the behaviour of individuals are explained below:

### 6.3.1 Personality:

Personality refers to personal traits such as dominance, aggressiveness, persistence and other qualities reflected through a person's behaviour. An individual's personality determines the type of activities that he or she is suited for, and the likelihood that the person would be able to perform the task effectively.



Thus, personality factors must be taken into account in determining the suitability of an individual for a position/task in an organization.

### 6.3.2 Ability:

Ability refers to the actual skills and capabilities that a person possesses and are required for the effective performance of activities. Railways need to ensure that its employees possess the necessary abilities to engage in the behaviour required for effective performance. This is accomplished either by careful selection of people or by a combination of selection and training.

### 6.3.3 Perception:

Perception is the viewpoint by which one interprets a situation. For instance, a railway booking clerk facing a well-dressed person perceives him to be of a high status and talks to him nicely, whereas he may tend to ignore an ill-dressed person, or make him wait, though both the passengers want "first class" tickets. In an organizational setting, messages that the organization sends to its members regarding the kind of behaviour and activities expected of them are significant. The messages are communicated in a variety of ways (job descriptions, policies, procedures and discussion with supervisors, etc). A key factor is that an individual's behaviour is influenced not by the organization's actual expectation of him, but by how these are perceived by the person.

### 6.3.4 Motivation:

Motivation refers to all the forces operating within a person to cause him or her to engage in certain kinds of behaviour rather than others. Even if all the factors are present to facilitate effective individual behaviour on a particular job, these factors would amount to nothing unless the person is motivated to perform well. Motivation may be internal, e.g. a person's skill, ability, and intelligence; or external, e.g. incentives, training, etc. Further, a person's motivation is influenced by his or her attitudes, beliefs, values and goals.

### 6.3.5 Organizational Factors:

Individual behaviour is influenced by a wide variety of organizational systems and resources. Systems such as the organizational structure and hierarchy strongly influence and constrain both what individuals do and how they do. In addition, individual behaviour is influenced by various types of resources provided by the organization/such as advice and directions from leaders, physical support in terms of facilities and technology.

### 6.3.6 Socio – Cultural Factors:

The social environment of an individual includes relationship with family members, friends, co-workers, supervisors and subordinates. The behaviour of others (as distinct from the individual's relationship with them) is also a part of an individual's social environment. Similarly, every individual has a cultural



background which shapes his values and beliefs. The socio-cultural factors moderate the effect of other factors to determine the behaviour of an individual.

---

## 6.4 PERSONALITY AND DEVELOPMENTS

---

The term "*Personality*" has been derived from the *Latin* term "*Persona*" which means to "*Speak through*". The Latin term denotes the masks worn by actors in ancient Greece and Rome. Common usage of the word "*Personality*" signifies the role which the person (actor) displays to the public. Personality of an individual is unique, personal and a major determinant of his behaviour. Because of differences in personality, individuals differ in their manner of responding to different situations. Some personality theorists emphasize the need to recognize the person-situation interaction, i.e. the social learning aspects of personality. Such an interpretation is highly meaningful to the study of human behaviour.

In psychology, the term "*Personality*" is interpreted in different ways by different theorists. For example, Carl Rogers views personality in terms of self, an organized, permanent, subjectively perceived entity which is at the very heart of all our experiences.

Gordon Allport defines personality as what an individual really is, as an internal "something" that guides and directs all human activities. Still another conception is that of Freud, who describes the structure of personality as composed of three elements—the id, ego, and super ego.

According to Gordon Allport, "*Personality is the dynamic organization within the individual of these psychological systems that determine his unique adjustment to his environment*". In the words of Floyd L. Luchins, "*Personality includes external appearance and behaviour inner awareness of self as a permanent organizing force and the particular pattern or organization of measurable traits, both inner and outer*".

A comprehensive definition of personality is given by Fred Luthans. In his words, personality means how a person affects others and how he understands and views himself as well as the pattern of inner and outer measurable traits, and the person-situation interaction. How a person affects others depends upon his physical appearance (such as height, weight, facial features, colour, etc.) and behaviour (such as courteous, friendly, expressive, cooperative, etc.). Thus, personality represents the "whole person" concept. It includes perception, learning, motivation and more.

The factors which shape the personality of an individual are discussed as under:

### 6.4.1 *Biological Factors:*

- ***Heredity:*** It means the transmission of the qualities from ancestor to descendant through a mechanism lying primarily in the chromosomes of the germ cells. Physical stature, facial attractiveness, sex, temperament, muscle composition, reflexes, etc. are inherited from one's parents. However, the importance of heredity varies from one personality trait to another.

For example, heredity is generally more important in determining a person's temperament than his values and ideals.

- ***Brain:*** There is a general feeling that brain plays an important role in the development of one's personality. However, no conclusive proof is available so far about the nature of relationship between the brain and the personality.
- ***Physical feature:*** An individual's external appearance may have a tremendous effect on his personality. Some people give relatively higher weightage to the physical features of an individual while defining his personality. Such factors include height, weight, colour, facial features, etc. of the individual. Good physical appearance is an asset for the job of a sales person and public relations.

#### ***6.4.2 Family and Social Factor:***

The development of individual's personality is also influenced by his family and other social groups. The infant acquires those behaviour patterns that are customary and acceptable to the standards of the family and the community where the family lives. The status of the family in the society influences individual's perception about self, others, work, money, etc.

Family and social factors shape a person's personality through the processes of socialization and identification. Socialization is a process by which an infant acquires, from the enormously wide range of behavioural potentialities that are open to him at birth, those behaviour patterns that are customary and acceptable to the family and social groups. Socialization process starts with initial contact between mother and her new infant. Later on, other members of the family and social groups influence the socialization process.

The identification process occurs when a person tries to identify himself with some person whom he feels ideal in family. Generally a child in the family tries to behave like his father or mother. The identification process can be examined from three different perspectives. First, identification can be viewed as the similarity of behaviour (including feelings and attitudes) between the child and the model. Second, identification can be looked as the child's motives or desires to be like the model. Third, it can be viewed as the process through which the child actually takes on the attributes of the model.

#### ***6.4.3 Situational Factors:***

An individual's personality may change in different situations. The demands of different situations may call for different aspects of one's personality. Therefore, we should not look at the personality factor in isolation. Although certain generalizations can be made about personality, there exist significant individual differences which are further influenced by situational factors.

The relationship of the above factors affects the formation and development of personality. Physiological inheritance is entirely an internal contribution. Group and the culture are the early environmental



factors that influence later behaviour. Family and the social setting during early stages of education are the important factors which influence the initial formation of personality. Whatever the child learns lasts for life time. Later in life, it is the peer groups of primary affiliations at work, social activities, etc. which shape the personality of an individual.

#### 6.4.4 Other Factors:

- **Temperament:** Temperament and other non-intellectual personality traits are distributed according to the normal distribution. Temperament is the degree to which one responds emotionally.
- **Interest:** The individual normally has many interests in various areas. The top executives in any organization do not have interests in common. The organization should provide opportunities like job rotation and special training programme to satisfy the interest of executives. The successful persons in the same occupation have, to a large extent, the same interests.
- **Character:** The character primarily means honesty. It is resistance to stealing and cheating others. Character is a very important requirement for responsible jobs. It is likely that an individual may not steal under normal circumstances. The situation needs to be considered to verify this part of the character of the individual. For example, if the family of an individual is starving, there is a great probability that one will steal. Thus, it is essential to study the situation as well as the individual before analyzing the behaviour that shows undesirable character.
- **Schema:** It is an individual's belief, frame of reference, perception, and attitude which the individual possesses towards the management, the job, working conditions, pay, fringe benefits, incentive system, and development programmes in the organization. It depends upon the individual's belief towards religion, government and the satisfaction derived from environment and cultural influences of his community. The perception of individual depends upon his socio-economic conditions and particular culture he lives to follow. The behaviour of an individual depends to great extent upon his name of reference which he develops from the childhood experiences. These experiences are coloured by the social and ideological concepts of members of his family and community. The other important factors responsible for his behaviour are religion, education and language. Because of these reasons, there are marked differences among individuals so far as their beliefs, major orientations, roles, perceptions, ideas and values are concerned.
- **Motives:** Motives are the inner drive of the individual. They represent goal directed behaviour of individual. A motive is a cognitive factor which operates in determining one's behaviour towards a goal. Individuals differ in variables which determine the inner drives. The behaviour of an individual to accomplish the goal varies because of his drives.

---

## 6.5 DEVELOPMENT OF PERSONALITY

---

There are two approaches to development of personality. One approach attempts to identify specific physiological and psychological stages that occur in the development of human personality. The second approach tends to identify the important determinants of personality. The stage approach is theoretical whereas the determinants based approach is empirical in nature. Many psychologists have contributed to the stage approach. The prominent psychologists include Freud, Erikson, Alfred Alder, Carl Jung, Levinson

### 6.5.1 *Freudian Stages:*

Sigmund Freud propounded psychoanalytic theory of personality which is based on the notion that man is motivated more by unseen forces than by conscious and rational thought. Freud noted that his client's behaviour could not always be consciously explained. This clinical findings led him to conclude that major motivating force in man is unconscious framework. This framework contains three aspects, though interrelated but often conflicting. These are id, ego and super ego. Their brief description is as follows:

- ***The Id:*** The Id is the source of psychic energy and seeks immediate gratification for biological or instinctual needs. Freud believed that instincts could be classified under life-instincts and death-instincts. Life-instincts are hunger, thirst, and sex; the energy involved in these is the libido. The Id would proceed unchecked to satisfy motives, particularly the sexual relations and pleasures, were it not for the channeling activity into acceptable ways by the ego. As an individual matures, he learns to control the Id. But even then, it remains driving force thought life and an important source of thinking and behaving.
- ***The Ego:*** The Ego is the conscious and logical part of the human personality and is associated with the reality principle. While Id represents the unconscious part, Ego is conscious about the realities of the external environment. The Ego keeps the Id in check through intellect and reason.
- ***The Super Ego:*** The Super Ego represent social and personal norms and serves as an ethical constraint on behaviour. It can best be described as the conscience. The Supper Ego provides norms to Ego to determine what is wrong or right. However, a person is not aware of the working of the super Ego, and conscience is developed by absorption of cultural values and norms of the society.

Freud theorized that there are four universal stages of psycho-sexual development which are decisive in the formation of personality. These stages are: oral, phallic and genital. The first three stages of development extend from birth to five years and are called pregenital stages since the genital zones of the body have not attained a dominant role in personality development.



**The Oral Stage:** It extends throughout the first year of life. The mouth is the body zone through which biological drives are sought to be satisfied, e.g. thumb sucking by an infant or biting when teeth erupt.

**The Anal Stage:** During the second and third years of life, the focus of libidinal energy shifts from mouth to the anal region. In other words, the anal becomes the body zone for sexual gratification. Young children derive considerable pleasure from both retention and expulsion of faeces. Toilet training given to the child by its parents will have its influence on adulthood. If the mother is too harsh and repressive, the child withholds faeces, and if this becomes excessive, the child develops an anal-retentive personality. When grown up, such personality exhibits traits of obstinacy, stinginess. Alternatively, if the mother pleads with her child to have regular bowel movements and showers him with praise when he does, the child will develop an anal-aggressive structure. A person fixated at this level would show traits of cruelty, destructiveness, disorderliness and hostility.

**The Phallic Stage:** At about four years of age, focus on sexual gratification shifts to another erogenous body zone, the sex organs. During this stage children can be observed expressing interest in matters of birth and sex.

Between the ages of six or seven and the onset of adolescence, there is the latency period. During this period, the child loses interest in sexual matters and seeks gratification of the libido from the external world, curiosity, knowledge and so on. It is a period of social development under which the child acquires knowledge and skills to get along with the world.

**The Genital Stage:** The genital stage occurs during adolescence to adulthood. There is a revival of sexual and aggressive impulses coupled with an increased awareness of an interest in the opposite sex. The individual experiences satisfaction through heterosexual love. Discharge of libido through mature sexual relations with an opposite sex partner paves the way for genuine concern for one's fellow.

Freud believed that in order for people to attain the ideal genital character, they must relinquish the passivity of early childhood days when love, security, physical comfort—indeed all gratifications were freely given and nothing was expected in return. They must learn to work, postpone gratification, become responsible, and above all, assume a more active role in dealing with life's problems.

The psychoanalytic theory of Freud is based on a theoretical conception, rather than a measurable item for scientific verification. The theory does not give a total picture of behaviour emerging from the personality. That is why this theory is not very relevant from behavioural science point of view. However, this gives an important insight into personality structure and the idea of unconscious motivation which can be used by behavioural scientists.

### 6.5.2 **Erikson Stages:**

Erikson criticized the heavy emphasis given by Freud on the sexual and biological factors in the developing personality. He felt that relatively more attention should be given to the social factors. Erikson

identified eight stages of life that characterize the unending development of a person. He characterized each stage by a particular conflict that needs to be resolved successfully before a person can move to the next stage. However, these either stages are not totally separable, and the crises are never fully resolved. Movement between stages is developmental as explained below:

- ***Infancy:*** During the first years of life, a child resolves the basic crisis of trust vs. mistrust. An infant who is cared for in an affectionate way learns to trust other people. Lack of love and affection results in mistrust. This stage makes a serious impact on a child that influences events for remaining life.
- ***Early Childhood:*** In the second and third years of life, a child begins to assert independence. If the child is allowed to control these aspects of life that the child is capable of controlling, a sense of autonomy will develop. If the child encounters constant disapproval by elders a sense of self-doubt and shame is likely to develop.
- ***Play Age:*** The four and five year old seeks to discover just how much he can do. If a child is encouraged to experiment and to achieve reasonable goals, he will develop a sense of initiative. If the child is blocked and more to feel incapable, he will develop a sense of "guilt and lack of self-confidence".
- ***School age:*** From ages 6 to 12, a child learns many new skills and develops social abilities. If a child experiences real progress at a rate compatible with his abilities, he or she will develop a sense of enterprise. The reverse situation results in a sense of inferiority.
- ***Adolescence:*** The crisis of the teenage years is to gain a sense of identity rather than to become confused about who you are. While undergoing rapid biological changes, the teenager is also trying to establish him self or her self as socially separate from the parents. The autonomy, initiative and enterprise developed in earlier stages are very important in helping the teenager to successfully resolve this crisis and prepare for adulthood.
- ***Early Adulthood:*** The young adult during the twenties faces the crisis of intimacy versus isolation. The sense of identity developed during the teenage years allows the young adult to begin developing deep and lasting relationships.
- ***Adulthood:*** During this stage, the adults face the crisis of generativity versus self-absorption. Self-absorbed persons never develop in an ability to look beyond themselves. They become absorbed in career advancement and maintenance; and they never learn to have concern for future generations, the welfare of organizations to which they belong or the welfare of society as a whole. Generative people see the world as much bigger than themselves. Productivity at work and societal advancement become important to them. Through innovation and creativity, they begin to exert influence that benefits their organizations.



- ***Mature Adulthood:*** The person is developed as a highly mature person. He has gained a sense of wisdom and perspective that can really guide the younger generations.

### 6.5.3 *Chris Argyris Immaturity-Maturity Theory:*

Chris Argyris argued that personality of an individual develops along a continuum from immaturity as an infant to maturity as an adult. He identified seven characteristics in the continuum as given in the following table.

*Chris Argyris further contended that:*

- The seven dimensions represent only one aspect of the total personality. Much also depends upon individual's perception, self-concept and adaptation and adjustment.
- The seven dimensions continually change in degree from the infant to the adult end of the continuum.
- The model, being only a construct, cannot predict specific behaviour. However, it does provide a method of describing and measuring the growth of any individual in the culture.
- The seven dimensions are based upon latent characteristics of the personality which may be quite different from the observable behaviour.

#### *Immaturity-Maturity Continuum*

<i>Immaturity Characteristics</i>	<i>Maturity Characteristics</i>
Passivity	Activity
Dependence	Independence
Few ways of behaving	Diverse behaviour
Shallow interests	Deep interests
Short-time perspective	Long-time perspective
Subordinate position	Superordinate position
Lack of self-awareness	Self-awareness and control

The personality development of a man in organization is towards the mature end of the continuum. This will warrant a formal organization to ensure activity, independence for dependence, long for short perspective, superordinate to subordinate position and self-awareness and control to lack of awareness and perhaps external control. Argyris felt that generally reverse happens with the result that the "mature organizational participant" becomes frustrated which results in conflict with the organization. Thus, there

is an incongruity between the goals of the individual and those of the organization. But argyris assumption that all organizational men are mature people does not always hold good in practice. Moreover, the mature people continue with the organization inspite of all aberration in their personality.

### 6.6 PERSONALITY TRAITS:

Personality traits are enduring characteristics that describe in an individual's behaviour. The more consistent the characteristic and the more frequently it occurs in diverse situations, the more important that trait is in describing the individual.

#### *Sixteen Primary Traits*

Reserved	Outgoing
Less intelligent	More intelligent
Affected feelings	Emotionally more stable
Submissive	Dominant
Serious	Happy-go-licky
Expedient	Conscientious
Timid	Venturesome
Tough-minded	Sensitive
Trusting	Suspicious
Practical	Imaginative
Forthright	Shrewd
Self-assured	Apprehensive
Conservative	Experimenting
Group dependent	Self-dependent
Uncontrolled	Controlled
Relaxed	Tense



Several attempts have been made to isolate personality traits and in this process, several thousands traits have been pointed out. But it would be better if the traits are confined to a manageable number to understand their impact. Cattell listed 171 personality traits, but concluded that they were superficial and lacking in descriptive power. What he sought was a reduced set of traits that would identify underlying patterns. The result was the identification of sixteen personality factors, which he called source or primary traits. The sixteen source traits have been presented in the Table.

### **Personality Traits Influencing Organizational Behaviour:**

**Locus of Control:** It refers to an individual's belief that events are either within one's control (internal locus of control) or are determined by forces beyond one's control. The people who believe that they control their destinies are called internal, whereas those who see their lives being controlled by outside forces are labeled "externals". It has been demonstrated that externals (those who believe that events are determined by external forces) are less satisfied with their jobs, have higher absenteeism rates, are more alienated from work setting and are less involved in their jobs than internals (those who believe that events are within one's control). Internals typically have more control over their own behaviour, are more active in seeking information to make decisions, and more active socially than externals.

**Authoritarianism:** It refers to a belief that there should be status and power differences among people in organizations. An individual with authoritarian personality believes in the legitimacy of formal authority, views obedience to authority as necessary, holds negative views about people and is intellectually rigid. Authoritarians tend to place high moral value on their beliefs, and are strongly oriented towards conformity to rules and regulations. They naturally prefer stable and structured work environments which are governed by clean rules and procedures. Similarly, authoritarians are likely to prefer autocratic or directive leadership and would exhibit high respect for individuals in positions of authority.

**Machiavellianism:** It represents the degree to which an individual is pragmatic, maintains emotional distance and believes that ends can justify means. The term Machiavellianism or Mach is named after Niccolo Machiavelli who wrote in the 16<sup>th</sup> century on how people gain and manipulate power. People with high machiavellianism manipulate more, win more, are persuaded less persuade others more than do people with low machiavellianism. However, high-Mach outcomes are moderated by situational factors. Generally, high-Mach flourish:

- i) When they interact face to face with others than indirectly;
- ii) When the situation is not structured or has a minimum of rules and regulations, thus allowing latitude for improvisation; and
- iii) Where emotional involvement with details irrelevant to winning distracts low-Machs.

**Introversion and Extroversion:** These terms are generally associated with an individual's sociability and interpersonal orientation. Extroverts are gregarious and sociable individuals while introverts are shy, quiet and retiring. It has been observed that introverts and extroverts have significantly different career

orientations and require different organizational environments to maximize performance. Extroverts are more suitable for positions that require considerable interaction with others, whereas introverts are more inclined to excel at tasks that require thought and analytical skills. Not surprisingly, managerial positions are dominated by extroverts, thus suggesting that this managerial trait is a factor in managerial success.

*Type "A" and Type "B":* People who are impatient, aggressive and highly competitive and are termed as Type "A" personality. But those who are easy going, laid-back and non-competitive are termed as Type "B" personality. Type "A" people tend to be very productive as they work very hard. The negative side of them is that they are impatient, not good team players, more irritable and have poor judgement. Type "B" people do better on complex tasks involving judgment and accuracy rather than speed and hard work.

---

## 6.7 LET US SUM UP

---

Understanding of personality can be of great immense help in the selection of right kinds of people for different jobs. For instance, the traits required for a successful sales manager are different from those required for an effective production manager. Analysis of an individual's personality will reveal his strong and weak points. A person may be unfit for a job, but fit for another job as the requirements of both differ. Understanding of personality will also help in designing training programmes for the personnel in the organization. Personality helps the manager understand why workers behave as they do and various incentive schemes could be designed to motivate the workers.

Personality has a great influence on work performance. Particularly, in a job with high human relations content, where most of the working day is spent interacting with other people, personality is a major determinant of the person holding such a job. Each man's personality reveals itself in the way he works with his superior, his subordinates, and other people. As a result, when the incumbent on a job changes, everyone has to adjust to a whole series of changes in the way work is accomplished. The result is that the organization functions differently from the way the designers of the structure envisioned, and what organization really is reflects the personality of those who hold key jobs. This affects the individual performance, and consequently, organizational performance.

---

## 6.8 KEY WORDS

---

INDIVIDUAL AND GROUP BEHAVIOUR

PERSONALITY

ABILITY

PERCEPTION

MOTIVATION



ORGANIZATIONAL FACTORS

SCHEMA

MOTIVES

BIOLOGICAL, SOCIAL AND FAMILY FACTORS

PERSONALITY TRAITS

LOCUS OF CONTROL

AUTHORITARIANISM

MACHIAVELLIANISM

INTROVERSION AND EXTRAVERSION

---

## 6.9 CHECK YOUR PROGRESS : QUESTIONS

---

State whether the following statements are true or false:

1. Even though the focus on people, management, organization underwent change, the systems which were developed in the past could continue and need of change.
2. The study of individual behaviour draws heavily on the discipline of psychology.
3. The relationship of the situational factors affects the formation and development of personality.
4. The prominent psychologists do not include Freud, Erikson, Alfred Adler, Carl Jung and Levinson.
5. Personality includes perception, learning, motivation and more.
6. Family and Social factors are not relevant to shape a person's personality through the process of socialization and identification.
7. Personality traits are enduring characteristics that describe an individual's behaviour.
8. Managerial positions are not dominated by extroverts.
9. The psychoanalytic theory of Freud is based on a theoretical conception, rather than a measurable item for scientific verification.

---

## 6.10 ANSWER TO CHECK YOUR PROGRESS

---

- |          |         |          |          |         |
|----------|---------|----------|----------|---------|
| 1. False | 2. True | 3. True  | 4. False | 5. True |
| 6. False | 7. True | 8. False | 9. True  |         |
- 

## 6.11 TEMINAL QUESTION

---

1. Examine the rational why special focus is needed to be given to personality in the organizational behaviour?
  2. What are the factors that determine personality?
  3. Explain individual behaviour and discuss the factors influencing such behaviour?
  4. Discuss the factors relate to the personality development?
  5. Define personality traits influencing personality and organizational behaviour?
- 

## 6.12 REFERENCES

---

1. Kimbal and Kimbal, Principles of Industrial organization, McGraw Hill co. New York, 1947, P. 157.
2. Herbert and Hicks Organizations: Theory and Behaviour, McGraw Hill, Singapore, 1984.
3. Johan and Hutchinson. Organizations: Theory and classical concepts, Hort Rinehart and Winston, New York. 1960.
4. Fred Luthans, Organizational Behaviour. McGraw Hill, New York, 1986.
5. Jay M Shafritz and J Steven OH, classes of organization theory, the DorSey Press, Chicago, 1987.
6. Edwin A Gerioff, Organizational theory and Design, McGraw-Hill, New York, 1985.
7. Arun Monappa and Mirza S Saiyadain, Personnel Management, Tata McGraw-Hill, New Delhi, 1991.
8. Memoria C. B. Personnel Management, Himalaya, 1994.
9. Venkataratnam C S and B S Sri Vastava. Personnel Management and Human Relations, Tata McGraw-Hill, New Delhi, 1997.



---

---

## UNIT 7 : PERCEPTION AND LEARNING STRUCTURE

---

---

### Structure

- 7.0 Objectives
- 7.1 Introduction
  - 7.1.1 Importance
  - 7.1.2 Difference Between Perception And Sensation
  - 7.1.3 Perception Process
  - 7.1.4 Perception Mechanisms
  - 7.1.5 Characteristics of The Perceiver
- 7.2 What Factors influence Perception
  - 7.2.1 Internal Factors
  - 7.2.2 External Factors
  - 7.2.3 Stimulus Factors
- 7.3 Perceptual Errors And Distortion
  - 7.3.1 Selective Perception
  - 7.3.2 Projection
  - 7.3.3 Stereo Typing
  - 7.3.4 Halo Effect
  - 7.3.5 Impression
  - 7.3.6 Inference
  - 7.3.7 Attribution
  - 7.3.8 Perfectual Set
  - 7.3.9 Perfectual Defence
- 7.4 Rationality In Decision-Making
  - 7.4.1 Subjectivity In Decision-Making
- 7.5 Let Us Sum Up
- 7.6 Key Words
- 7.7 Check Your Progress: Questions
- 7.8 Answer to Check Your Progress
- 7.9 Terminal Questions
- 7.10 References

---

## 7.0 OBJECTIVES

---

After reading this unit, you should be able to:

- Appreciate the need to have perception and learning in the organizational context.
- Understand the frame work of perception and the related concepts-perception, sensation, process, mechanisms, characteristics, factors, errors and distortions, perceptual defence and rationality in Decision-Making.
- Realize the various imperatives and implications of social change and human aspects in the organization systems.

---

## 7.1 INTRODUCTION

---

In the words of S. P. Robbins, "Perception may be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment". Perception basically refers to the manner in which a person experiences the world. It is the process by which people organize, interpret and experience ideas and use stimulus materials in the environment so that they satisfy their needs.

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

People working in an organization differ in terms of physical characteristics (such as age, sex, etc.); background characteristics (such as training and education); and personality traits (such as extroversion or aggressiveness). One of the consequences of such differences is that they do not view the things in the same way. There is often difference of opinion and evaluation. People differ in their reaction due to the differences in perception they have about things. Perception is described as a person's view of reality. For example, a factory worker may discount most of what management says about declining sales, decreased profit margin, etc. Most of such talk is regarded by unions as an attempt by management to exploit the workers for its own gain. But a shareholder may attribute declining sales and profit margin to inefficient utilization of resources.

### 7.1.1 *Important of Perception:*

Every person perceives the world and approaches the life problems differently. This factor is very important in understanding human behaviour. The world as we see is not necessarily the same as it really is. It is because what we hear is not what is really said. We buy what we like best and not what is best. It is because of perception that a particular job may appear a good job to one and bad to another.



Due to perception only “facts” as they are seen by one viewer, may be different from the facts as seen by another viewer. The tension or discomfort that one feels when he thinks he is missing something others may not realize it. Everyone wears his own rose-coloured glasses, i.e. one does not always see what is actually happening. If people behave on the basis of their perceptions, then changing behaviour in a predetermined direction can be made easier by understanding their present perception of the world.

People act as they perceive and different people perceive things differently. People’s perception is determined by their needs. Like the mirrors at an amusement part, they distort the world in relation to their tensions. If people are asked to describe the people they work with, they talk more about their boss than their colleagues because of their continuous worry to please the boss.

Perception is an important dynamite for the manager who wants to avoid making errors when dealing with people and events in the work setting. This problem is made even more complicated by the fact that different people may perceive the same situation in different ways. A manager’s response to a situation, for example, may be misinterpreted by a subordinate who perceives the situation quite differently. In order to deal with the subordinates effectively, a manager must understand their perceptions properly.

### ***7.1.2 Difference between Perception and Sensation:***

Sensation is the response of a physical sensory organ. The physical senses are touch, vision, hearing, smell and taste. These senses are affected by stimuli continuously. The stimuli may be both internal and external to the human body and reaction in particular sense organ takes place because of these. Examples of sensation may be reaction of eye to colour, ear to sound, and so on. These examples show that sensation deals with very elementary behaviour that is largely determined by physiological functioning.

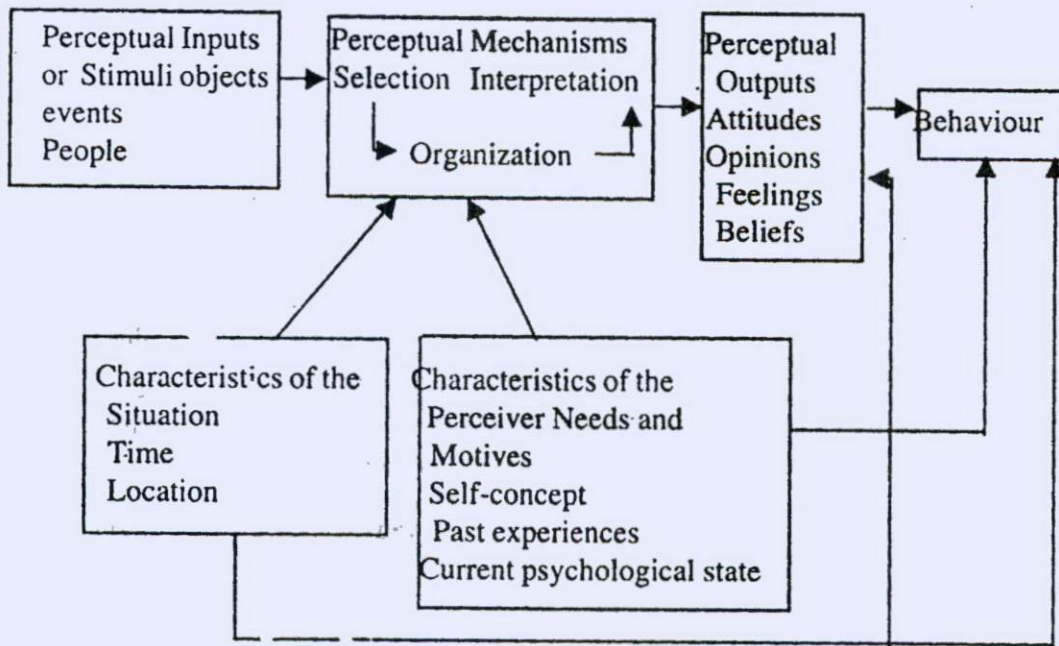
Perception is something more than sensation. It correlates, integrates and comprehends diverse sensations and information from many organs of the body by means of which a person identifies things and objects the sensation relates to. Perception classifies the stimuli based on past experience (learning), feeling and motives. Thus, perception is determined by both physiological and psychological characteristics of the organism. However, sensation only activates the organs of the body and is not affected by psychological factors as learning and motives. The following statement further clarifies the difference between the two. “By means of my eye, I see, but it is not my eye but I who see, and I tend to see an object in its totality, a thing or event with certain qualities, with a figure and form set against a background”. Thus, in seeing, both sensation and perception are involved. The activation of eyes to see an object is sensation, while the interpretation of what is seen is perception.

### ***7.1.3 Perception Process:***

Perception is the process through which people receive, select, organize and interpret information from their environment. Through perception, people process information input into decisions and actions. It is a way of forming impressions about oneself, other people, and daily life experiences. It is also a

screen of filter through which information passes before having an effect on people. As shown in figure, perceptual inputs are first received, then processed by the perceiver and the resultant output becomes the base of behaviour.

**Inputs:** The perceiver comes across information, objects, events, people, etc. in the environment. These serve as the inputs of the perceptual process. Thus, perceptual inputs encompass all stimuli that exist in the environment.



**Processing Mechanisms:** When the perceiver receives information, he tries to process it through the sub-processes of selection, organization and interpretation. Thus, the mechanisms of perception are selection, organization and interpretation. Perceptual selection takes account of only those stimuli that are relevant and appropriate for an individual. Perceptual organization is concerned with shaping the perceived inputs and converting them into a meaningful shape or form. Perceptual interpretation deals with inferences drawn from observed meaning from the perceived events or objects. From it emerges the resultant behaviour of the perceiver.

**Outputs:** As a result of the perceptual process, the outputs which the individual gets are changes in attitudes, opinions, beliefs, feelings, etc.

**Behaviour:** The perceiver's behaviour is shaped by the perceived outputs i.e. changes in attitudes, opinions, beliefs, etc. The perceiver's behaviour generates responses depending upon the situation and these responses further give rise to a new set of inputs.



#### 7.1.4 Perceptual Mechanisms:

- Selection:

Many things happen in the environment simultaneously. However, one can't pay equal attention to all these things. Only the most relevant thing will be selected and given attention. Thus, selection is a basic step in the perceptual process. Individual collects bits and pieces of information, not randomly, but selectively depending on the interests, background, experience, attitudes, etc.

Deaborn and Simon performed a perceptual study in which twenty-three business executives analyzed a comprehensive case describing the organization and activities of a steel company. The purpose was to study their perceptions of the organization and the most important problems. The executives included six sales, five production, four finance and eight miscellaneous managers. The result was that most of the managers identified the central problem closely related to their own speciality. Thus, people selectively perceive aspects in a situation that relate specifically to their area of activities or specialization.

- Organization:

After the information from the situation has been selected, it is organized to extract meaning out of what is perceived by the individual. Thus, while selection is a subjective process, organizing is a cognitive process. The perceptual process organizing the incoming information into a meaningful whole according to the following principles figure ground, perceptual grouping, simplification and closure.

- Figure Ground:** This principle implies that the perceived object, event or person stands out distinct from its background and gets the cognitive attention of the individual. In perception, certain factors are considered significant which give a meaning to the person, and others which are either unimportant for a person or cannot be studied are left as insignificant. The meaningful and significant portion is called the "figure" and the insignificant or meaningless portion is labeled as the "ground". For example, during the probationary period, an individual might tend to focus complete attention on his immediate superior, trying to please him and be on his good books, completely ignoring how his colleagues feel about him or his performance. The perceiver thus tends to organize only that information in the environment which seems to be significant to the individual.
- Perceptual Grouping:** It is the tendency to club the information into meaningful patterns. For instance, if we perceive people with similar characteristics, we tend to group them together. This helps us to deal with information in an efficient manner. Grouping is possible depending upon the similarity or proximity. The tendency to group people or things that appear to be similar in certain ways is a common way of organizing the information.
- Simplification:** Whenever people are overloaded with information, they try to simplify to make it more meaningful and understandable. Simplification occurs when the perceiver ignores less



salient information and concentrates on important one while taking any decision. If this is not done, it may become very difficult to handle efficiently the whole mass of information.

d) **Closure:** People when faced with incomplete information have a tendency to fill the gaps themselves to make it more meaningful. The tendency to form a complete message is known as "closure". For this, people might rely on the past data or on their hunches. Unless the matter is brought to a closure, it may not be easy to take a decision.

- **Interpretation:**

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

#### **7.1.5 Characteristics of the Perceiver (Internal Factors):**

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

**Needs and Motives:** People's perception is determined by their inner needs. A need is a feeling of tension or discomfort when one thinks he is missing something or requires something. People with different needs usually experience different stimuli. Similarly people with different needs select different items to remember or respond to. When people are not able to satisfy their needs, they are engaged in wishful thinking which is a way to satisfy the need not in the real world, but imaginary world, i.e., day dreaming. According to Freud, wishful thinking is the means by which the Id, a part of personality, attempts to achieve tension reduction. In such cases, people will perceive only those items which suit their wishful thinking.

**Self-Concept:** The way a person views the world depends a great deal on the self-concept or image he has about himself. The self-concept plays an important role in perceptual selectivity. It can be thought of as an internal form of attention-getting and is largely based on the individual's complex psychological make-up. Knowing oneself makes it easier to see others accurately.

**Belief:** A person's beliefs have profound influence on his perception. Thus, a fact is conceived not on what it is but what a person believes it to be. The individual normally censors stimulus inputs to avoid disturbance of his existing beliefs. This is referred to as "maintenance of cognitive consistency". Daniel Katz argues that:



- i) an individual self-censors his intake of communications so as to shield his beliefs and practices from attack;
- ii) an individual seeks out communications which support his beliefs and practices; and
- iii) the latter is particularly true when the beliefs and practices in question have undergone attack.

**Past Experience:** A person's past experiences mould the way he perceives the current situation. If a person has been betrayed by a couple of friends in the past, he would tend to distrust any new friendship that he might be in the process of developing.

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

**Expectations:** Expectations affect what a person perceives. Expectations are related with the state of anticipation of particular behaviour from a person. In the organizational setting, expectations affect people's perception. Thus, a technical manager may expect ignorance about the technical feature of a product from non-technical people.

**Situation:** The context in which an individual sees objects or events is very important. Elements in the surrounding environment influence one's perception. The situational factors that effect perception include time, location, light, heat, etc.

---

## 7.2 WHAT FACTORS INFLUENCE PERCEPTION

---

Perceiving people and events as they really are is important for a manager because behaviour occurs as a result of perception. If a person perceives hostility, he will mould behaviour appropriate to such threats. If one subconsciously feels inferior to another, he will act in a submissive manner. The factors that influence perceptual mechanism are of two kinds: internal and external. These are discussed below:

### 7.2.1 Internal Factors:

The internal factors are the needs and desires of individuals, individual personality and experience.

- a) **Needs and desires:** Depending on the needs and desires of people, perception varies from person to person.
- b) **Personality:** Individual personality has a profound influence on perceived behaviour, as for example:

- Secure individuals tend to perceive others as warm, not cold.
  - Individuals weak in certain aspects tend to find fault in others.
  - Persons who accept themselves and have faith in their individuality perceive things favourably.
  - Self-accepting individuals perceive themselves as liked, wanted and accepted by others.
- c) **Experience:** Experience and knowledge have great influence on perception. Successful experiences enhance and boost the perceptive ability and lead to accuracy in perception of a person whereas failure erodes self-confidence.

### 7.2.2 External Factors:

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

- a) **Size:** The bigger the size of the perceived stimulus, the higher is the probability that it is perceived. Size attracts the attention of an individual. It establishes dominance and enhances perceptual selection.
- b) **Intensity:** Intensity attracts to increase the selective perception.
- c) **Frequency:** Repeated external stimulus is more attention attracting than a single time.
- d) **Status:** Perception is also influenced by the status of the perceiver. High status people can exert greater influence on perception of an employee than low status people.
- e) **Contrast:** Stimuli that contrast with the surrounding environment are more likely to be attention catching than the stimuli that blend in.

### 7.2.3 Stimulus Factors:

- i) **Similarity:** Other things being equal, similar things tend to be perceived as belonging together. For instance, all students with long hair and beard may be perceived as revolutionaries. The people generally perceive two set of four squares and one set of four circles. Seldom people will say two horizontal lines, each consisting of four squares and two circles.
- ii) **Proximity:** Other things being equal, things near to each other tend to be perceived as belonging together. The usual perception in three rows of four circles each rather than four columns of three circles each.
- iii) **Continuity:** Stimuli that form a complete or symmetrical figure or good form tend to be grouped as parts of a whole. The arrangement of circles in figure, is usually perceived as a hexagonal object rather than three rows of two circles each.



- iv) **Context:** The environment or the setting of an object often determines how a thing will be perceived. A classic example found in most psychology books is the reversible figure and background.

If the background is perceived as black, the figure is a vase or goblet. If the background is seen as white, the figure is two black profiles. This is also known as Figure Ground Principle. The figure ground principle states that the relationship of a target to its background influences perception. In other words, perceived objects stand out as separable from their general background. At first look, the figure looks like a white vase. But if white is taken as a background, one can see two black profiles.

Another figure-ground illustration is at first observation, one probably perceives a jumble of black irregular shapes against a white background. But if the white letters are perceptually organized against a black background, the words FLY and TIE literally jump out with clarity. The viewer is set to perceive black as white because of black words on white paper throughout the book. However, in figures the reverse is the case. White is the figure and black is the ground.

---

## 7.3 PERCEPTUAL ERRORS AND DISTORTION

---

Quite often, errors creep into the perceptual interpretation of individuals. The errors may arise due to selective perception, projection, stereotyping, Halo effect, impression, inference, attribution, etc. The following selection of section deals with these concepts and explains how perceptual distortion could be avoided.

### 7.3.1 *Selective Perception:*

People differ in terms of their needs, motives, interests, etc. They tend to perceive what is in accordance with their needs, motives and interests. Sometimes, they distort meanings so that they may fit with what they want. If a man feels very threatened or insecure, everything around him will appear to be a potential source of danger.

People are more likely to pay attention to those aspects of their environment which they anticipate or expect rather than those they do not anticipate or expect. And people tend to anticipate what they are familiar with. Take for example, a doctor a mechanic and a policeman who saw an automobile accident happen right in front them. Because of their experience in particular fields, each one will probably notice certain things about the accident – things that will stand out for each. The doctor will see the condition of the people involved in the accident, whether they need medical help and ambulance. The mechanic will notice the condition of the car, how much damage has taken place. The policeman might see who violated a traffic rule. Thus, each may select from the total event the aspects he thought were significant.

Perception is basically a selective process. As people can see only limited amount of information in the environment, they are characteristically selective. By selection, certain aspects of stimuli are screened

out and others are admitted. Those which are admitted remain in the awareness of the people and those which are screened out fall below the threshold. There are a number of factors, which affect selectivity. These include: needs and motives, beliefs, expectations, perceptual defence.

### **7.3.2 Projection:**

It means attributing one's own traits or characteristics to the people being judged. The tendency to attribute one's own characteristics to other people can distort perceptual judgments about others. This may be particularly true regarding undesirable traits which the perceiver possesses but fails to recognize in himself. For example, an individual who is himself not very energetic may see others as lazy or may explain their lack of achievement as resulting from their unwillingness to work hard.

One who is dishonest may be suspicious of others and may perceive dishonest intentions in others where they do not exist. People who are afraid may interpret other's behaviour as fearful or anxious.

When a manager engages in projection, he compromises his ability to respond to individual differences. He tends to see people as more homogeneous than they really are. In order to avoid this error in judging others, the manager should be conscious of his weakness of overlooking differences among people.

### **7.3.3 Stereo Typing:**

Judging people on the basis of the characteristics of the group to which they belong is called "stereotyping". The word "stereotype" was first used by Walter Lippmann to perception. It was basically applied for ethnic prejudice. Now it is often used as a short-cut to predicting the behaviour of people. Some examples of common stereotypes are that Americans are materialistic, Japanese are nationalistic, and Germans are industrious.

Stereotyping is the tendency for a person's of another to be influenced by the social group to which he belongs. In perceiving another, a person is likely to categorize the other according to some salient group characteristics such as sex, race, religion, nationality, occupation or organizational affiliation. The individual's experiences with others in the category in which he has placed them lead him to believe that they have certain traits in common.

Generalizations based on stereotyping make assimilation easier since it permits to maintain consistency. It becomes less difficult to deal with an unmanageable number of stimuli if we use stereotypes. But the danger lies in incorrect stereotyping. For example, all politicians are not self-serving or all salespersons are not aggressive. Exceptions may always be there. This fact must be considered while judging a person based on the generally accepted traits of a group to which he belongs.



#### **7.3.4 Halo Effect:**

It refers to the tendency of drawing a generally impression about an individual based on a single characteristic such as intelligence, sociability or appearance. This is a very common type of error committed by managers while evaluating the subordinates. Halo error creeps in when the manager or rather allows one aspect of a man's character or performance to influence his entire evaluation. It is the tendency of many raters to let the rating they assign to one characteristic excessively influence their ratings on all subsequent characteristics. A rater may tend to give an employee approximately the same rating on all factors. This error can be recognized quite easily on factor scales. The rating scale technique of performance appraisal is particularly susceptible to the halo effect. One way of minimizing the effect of halo error is to have manager judge all his subordinates on a single factor or trait before going to the next. In this manner, he can consider all of the men relative to a standard or to each other on each trait.

Halo effect takes place in all walks on life. For instance, a teacher may award higher marks to those students who are more social. In employment interview, candidates with vocal skills may be given higher weightage. A communication from an important person tends to be overrated and the same from an ordinary person may be discounted.

#### **7.3.5 Impression:**

People often form impression of others on the first sight.. Even before knowing any of their personality traits, they start having impression and making assessment of individuals they meet for the first time. This sometimes leads to perceptual distortion because first impression need not be the last impression. If a new employee in an industrial organization is judged on the basis of his first impression on the superior, it will be a great injustice to such an employee.

#### **7.3.6 Inference:**

There is a tendency on the part of some people to judge others on limited information. For example, an employee might be sitting at his desk throughout the working hours without doing anything, but it may be inferred that he is sincere towards his duties. Thus, performance appraisal must not be based on half-cooked or incomplete information. In the above case, the productivity and the behaviour of the concerned employee towards customers, fellow employees and others must also be taken into consideration.

#### **7.3.7 Attribution:**

When people give cause and effect explanation to the observed behaviour, it is known as attribution. Perception is distorted sometimes by the efforts of the perceiver to attribute a casual explanation to an outcome. There is a tendency for the individuals to attribute their own behaviour to situational factors, but explain the behaviour fo others by their personal dispositions.



When a person observes an event in an organization, his evaluation of and reaction to other's behaviour may be highly influenced by his perception. A nurse who drops a tray of medicine will be excused if the incident is perceived as caused by slippery floor; chastised if it is viewed as caused by her clumsiness; and perhaps fired if it is viewed as a deliberate act. Similarly, increased profitability of a plant may be attributed to installation of new machines, efficient handling of resources, or to the rising market.

The attribution theory suggests that when we observe an individual's behaviour, we attempt to determine whether it was internally or externally caused. Internally caused behaviour is believed to be under the control of the individual. Externally caused behaviour is seen as resulting from outside causes. In other words, the person is seen as forced into the behaviour by the situation. If an employee is late for work, the supervisor may relate it to oversleeping which is an internal interpretation. But if coming late is attributed to a major traffic jam on the way, it is called external attribution.

Perceptual distortion occurs because of attribution on two counts:

i) fundamental attribution error and

ii) self-serving bias. When we make judgments about the behaviour of other people, we have a tendency to underestimate the influence of external factors and overestimate the influence of internal or personal factors. This is called the fundamental attribution error which can explain why a sales manager may be prone to attribute the poor performance of sales agents to laziness rather than the innovative product line introduced by a competitor. There is also a tendency for individual to attribution their successes to internal factors like ability or effort while putting the blame for failure on external factors like luck. This is called self-serving bias.

#### **7.3.8 Perceptual Set:**

Previously held beliefs about objects influence an individual's perception of similar objects. This is called perceptual set. For example, a manager may have developed the general belief and attitudes that workers are lazy and shirkers, and that they want to gain whatever is possible from the organization without giving their best to it. His subsequent perceptions will be influenced by this set when he meets a group of workers. The manager tends to interpret the behaviour of workers according to his mental set.

#### **7.3.9 Perceptual Defence:**

An individual may put a defence when confronted with some conflicting, unacceptable or threatening stimuli. Perceptual defence refers to the screening of those elements which create conflict and threatening situation for people. They may even perceive other factors to be present that are not a part of the perceiver may assume any of the four form: outright denial, modification of the data received, change in perception but refusal to change, and change in perception itself.

In a case study, some college students were presented with the word "intelligent" as a characteristic of a factory worker. This was conflicting to the notion about a worker held by the students. The defences put up by the students were:



- a) **Denial**: Some students denied that the factory workers could be intelligent.
- b) **Modification**: Some students said that the workers was intelligent, but lacked initiative to the rise above his group (associating intelligence with some other trait).
- c) **Change in Perception**: A few felt that the word intelligent conflicted with their understanding of a worker. What they believed about the worker was that he was not too intelligent.
- d) **Recognition**: Very few students felt that the worker was really intelligent. But this change in perception was very subtle. For example, "He cracks jokes" became "He is witty" leading to change in perception mechanism.

## 7.4 RATIONALLY IN DECISION-MAKING

An individual can take decision by intuition, i.e. without considering carefully all alternatives and available data. Practically, everyone takes decisions in this way because of the feeling that the particular course of action is the best one. This kind of feeling may have no logic behind it. Moreover, it is difficult to explain why one is feeling a particular way. Psychologists emphasise that there are forces others than reason within a person which influence and shape a decision. Decisions based on intuition are subjective and are taken without any conscious effort to weigh the advantages and disadvantages of various alternatives.

Effective decision-making requires a rational choice of a course of action. There is a need to define the term "rational" here. Rationality is the ability to follow a systematical, logical, thorough approach in decision-making. Thus, if a decision is taken after thorough analysis and reasoning and weighing the consequences of various alternatives, such a decision will be called an objective or rational decision.

In actual practice, people take decisions which involve a combination of intuition and rational thinking. A person who depends much upon intuition is more subjective and a person who depends much upon logical thinking is more objective. This is what Herbert Simon called the "Principle of bounded rationality". Simon emphasized that a person makes decisions not only on absolutely logical analysis of facts but also on his intuition, value system and way of thinking, which are subjective in nature. Instead of taking optimal decisions, people are contented with just satisfactory decisions.

### 7.4.1 Subjectivity in Decision-Making arises because:

- i) The individual does not want to study and analyze the problem because of his perception.
- ii) The individual does not have the full knowledge of the alternatives and/or their consequences.
- iii) The individual interprets the organizational goals in his own way. He may adopt a course of action which according to him will meet the goals effectively.
- iv) The individual is careless in taking the decision. He may be indifferent towards the consequences of his decision.



The rationality of the individual is generally affected by the above limitations. The concept of bounded rationality explains the behaviour of people in practice. It recognizes that a man cannot be expected to have full knowledge and information and his capacity to perceive, retain and retrieve information is not unlimited. He follows the satisficing model under which he chooses the solution that is satisfactory or good enough. The traditional theory of complete rational and economic man cannot work in practice.

Rationality is the ability to follow a systematic, logical and thorough approach in decision-making process. There are three dimensions to determine rationality:

- i) the external to which a given action satisfies human interests;
- ii) feasibility of means to the given end; and
- iii) consistency.

Rationality requires complete knowledge of the consequences that will follow each choice. But it is not always possible. Rationality further requires a choice among all possible alternatives. But every individual has his limitations. He may not be able to perceive future. This requires some degree of imagination. One may not be able to imagine objectively because of his frame of mind. From this, we can say that a man cannot be completely rational. As said by Simon, a man has only bounded rationality because there are certain limitations to complete rationality. Thus, Simon's point of view is highly realistic as it helps in understanding the actual behaviour of the decision-maker. It also modifies substantially the traditional theory of decision-making based on complete rational man. Subjective factors are bound to affect a person's decisions even though he is otherwise rational.

---

## 7.5 LET US SUM UP

---

A number of basic socio-cultural conditions impinge on organizations and their functions. There is a view that in numerous cases socio-cultural constraints have tended to be the chief cause of under development and poverty in developing societies like India. It is indeed difficult to measure and quantify whether and how these factors affect organization and management systems. A certain sense of fatalism, limited aspirations and assigning a low value to time are cited as some of the characteristics of traditional societies like ours. In Hindi the words "tomorrow" and "yesterday" are identical, only distinguished by usage. Both mean one day from now. As the noted social anthropologist Margaret Mead pointed out in her study on Spanish Americans, in traditional societies there is a stiff resistance to change as based on the belief that "it has been so all along and it continues to be so".

Group membership shapes the aspirations and desires of a great majority of the people. The joint or extended family consisting of a number of family units-father, mother, sons and their wives, children, nephews and their families living together in one roof pooling and sharing resources. Usually the



eldest male member wields authority and control over the members and resources. Over the years caste related mores and taboos are gradually changing and the joint family system is undergoing an erosion. While in the past authority and dependence was a part of family and cast structure, progressive strides in urbanization and modernization have changed the system. Parochial considerations, inter-laced with religion, language and region have adverse effects on group cohesiveness, cooperation and productivity even in organizational context. Notwithstanding the many changes in the society the dependency among masses continues. There is a tendency to show loyalty to individuals than institutions and excel in individual tasks than group performance. Occupational values discount physical labour and place a premium on civil service and professional skill.

In juxtaposition, the old nexus between one's caste and occupation seems to be gradually waning. Over the years the profile of people in organizations has been changing in terms of literacy and technical inputs. Alongside, we discern increase in social mobility, raise in expectations etc. The old social patterns are breaking down, changes in technology are reducing the gap between the blue collared and white collared occupations. The evolving social and political climate gave rise to new and higher expectations. Constitutional rights, questions of equity, job stability, higher safety standards and workplace democracy are sought and got more today than before. Political responsiveness to issues of social justice, consumer pressures, pollution control and other non-economic issues are placing new demands on organizations affecting their structures and processes. These multiple demands stretch far beyond traditional economic concerns and increase the uncertainty in organizational involvement. The turbulent and uncertain environments require less vertical organizational authority. Patterns providing for decentralized decision making, new patterns or organizations for ensuring democracy at workplace have already begun to emerge in the form of quality circles, quality of work life programmes, etc. Issues on occupational safety and health are causing managements to release more information and seek better cooperation. Each of the changes seem to make inroads into managerial authority through higher doses of Government intervention and regulations and collective bargaining with the trade unions. Even in the traditional union-management bargaining structures changes are visible. Both the parties are compelled to shed their traditional, adversarial role and look for new forms of labour management cooperation to ease the problems of rapid technological changes and growing competitiveness and other pressures on organizations.

As a result of changes of the type described above, the traditional, control oriented approach, to human resource management which took shape during the early part of this century was based in response to the division of work hierarchy and top down allocation of authority with the status attached to positions in the hierarchy. This did not provide much for upward communication or freedom of action at workplace. Also, control strategies dampen individual initiative and motivation. Over the years, the changes in the composition and profile of work force have been accompanied by changes in their expectations and attitudes which prompted certain resentment with traditional control systems.



Simultaneously, the revolutionary changes in the wake of rapid advances in technologies and growing competition on global basis made it imperative to restructure organizations accommodating the need to generate commitment based on consensus to achieve superior levels of performance. Jobs are being re-designed more broadly than before combining planning with implementation, reduction in hierarchical levels and emphasizing lateral coordination based on shared goals and expertise rather than influence linked with formal positions. The aspects of traditional control strategies and the direction of their change as transition occurs to strategies based on commitment and control have been listed below. While such transition gave way to the evolution of several new approaches and techniques in organization and management systems like job enrichment sensitivity training, management by objectives, quality circle, etc. mere coordination did not prove to be of lasting value if the underlying philosophical change did not occur in management style and practice. In today's context and while reckoning the future of organizations, such transition in management style is considered not merely an economic necessity but an imperative guided by the need to change a host of policies and practices shaping and expediting its pace.

	<b>Control</b>	<b>Transitional</b>	<b>Commitment</b>
Job design principles	Individual attention limited to performing individual job.	Scope of individual responsibility extended to upgrading system performance, via participative problem-solving groups in QWL, EI, and quality circle programs.	Individual responsibility extended to upgrading system performance
	Job design deskills and fragments work and separates doing and thinking	No change in traditional job design or accountability	Job design enhances content of work, emphasizes whole task, and combines doing and thinking.
	Accountability focused on Individual.		Frequent use of teams as basic accountable unit.
Performance expectations	Measured standards define minimum performance. Stability seen as desirable.		Emphasis placed on higher; "stretch objectives", which tend to be dynamic and oriented to the marketplace.



Management organization: structure, systems, and style	Structure tends to be layered, with top-down controls.	No basic changes in approaches to structure, control, or authority.	Flat organization structure with mutual influence systems.
	Coordination and control rely on rules and procedures.		Coordination and control based more on shared goals, values, and traditions.
	More emphasis on prerogatives and positional authority.		Management emphasis on problem solving and relevant information and expertise.
	Status symbols distributed to reinforce hierarchy.	A few visible symbols change.	Minimum status differentials to de-emphasize inherent hierarchy.
Compensation policies	Variable pay where feasible to provide individual incentive.	Typically no basic changes in compensation concepts.	Variable rewards to create equity and to reinforce group achievements: gain sharing, profit sharing.
	Individual pay geared to job evaluation.		Individual pay linked to skills and mastery.
	In downturn, cuts concentrated on hourly payroll.	Equality of sacrifice among employee groups.	Equality of sacrifice.
Employment assurances	Employees regarded as variable costs.	Assurances that participation will not result in loss of job.	Assurances that participation will not result in loss of job.
		Extra effort to avoid layoffs.	High commitment to avoid or assist in reemployment.
			Priority for training and retaining existing work force.

Employee voice policies	Employee input allowed on relatively narrow agenda. Attendant risks emphasized. Methods include open-door policy, attitude surveys, grievance procedures, and collective bargaining in some organizations.	Addition of limited, ad hoc consultation mechanisms. No change in corporate governance.	Employee participation encouraged on wide range of issues. Attendant benefits emphasized. New concepts of corporate governance.
	Business information distributed on strictly defined "need to know" basis.	Additional sharing of information.	Business data shared widely.
Labor-management	Adversarial labor relations; emphasis on interest conflict.	Thawing of adversarial attitudes; joint sponsorship of QWL or EI; emphasis on common fate.	Mutuality in labor relations; joint planning and problem solving on expanded agenda.
			Unions, management, and workers redefine their respective roles.

---

## 7.6 KEY WORDS

---

PERCEPTION

SENSATION

PERCEPTION PROCESS AND MECHANISMS

INPUTS AND OUTPUTS

FIGURE GROUND

PERCEPTUAL GROUPING

CLOSURE



INTERPRETATION

NEEDS AND MOTIVES

SELF CONCEPT

BELIEF AND EXPERIENCE

EXPECTATION AND SITUATION

NEEDS AND DESIRE, PERSONALITY

SIZE, INTENSITY, STATUS, CONFLICT AND SIMILARITY, PROXIMITY, CONTEXT AND CONTINUITY

ERRORS AND DISTORTIONS

PROJECTION, STEREOTYPING HALO EFFECT

IMPRESSION, INFERENCE, ATTRIBUTION, PERCEPTUAL DEFENCE AND SET

DENIAL, CHANGE, RECOGNITION AND MODIFICATION

RATIONALITY, DECISION-MAKING AND SUBJECTIVITY

---

## 7.7 CHECK YOUR PROGRESS : QUESTIONS

---

State whether the statement are True or False.

1. Organizations cannot take the responsibility of individual perception.
2. Perceptions include all those process by which as individual receives information about his environment.
3. Sensation is a response of a physical sensory organ.
4. Common way of organizing the information is not through Grouping.
5. The internal factors of perception are not the results of individual personality and experience.
6. When a manager engages in projections, he compromises his ability to respond to individual differences.
7. Halo effect is the tendency of drawing a general impression about an individual.
8. The management tends to interpret the behaviour of workers not according to his mental set.
9. Statements felt that cracking jokes leading to change in perception mechanism.

---

**7.8 ANSWER TO CHECK YOUR PROGRESS**

---

- |          |         |          |          |          |
|----------|---------|----------|----------|----------|
| 1. False | 2. True | 3. True  | 4. False | 5. False |
| 6. True  | 7. True | 8. False | 9. True  |          |
- 

**7.9 TERMINAL QUESTIONS**

---

1. Perception and Learning in the responsibility of organization and the individual? Discuss.
  2. Explain in details about perception process?
  3. Write short note on:  
Perception mechanism  
Perception and sensation  
Perceivers characteristics  
Perception and Rationality
  4. What are the factors influencing perception?
  5. Give a detailed account of perception in an organization system?
- 

**7.10 REFERENCES**

---

1. Richard E Walton, From control to commitment in the work place, Harvard Business Review, 1995.
1. John Child, Organization: A guide to problems and practice, London, 1984.
2. Rosemary Stewart, The Reality of organizations pan Books, London, 1970.
3. Managing people, Business Today, Jan – 7-21, 1996.
4. Hackman, JR. and J. L Loyd Shuttle (ed.). Improving life at work, Santa Monica, calif, good year oub co. 1977.



---

---

## UNIT 8 : GROUP ORGANIZATION CONCEPT

---

---

### Structure

- 8.0 Objectives
- 8.1 Introduction
- 8.2 Formal And Informal Organization
  - 8.2.1 Formal Organization
  - 8.2.2 Characteristics
  - 8.2.3 Informal Organization
  - 8.2.4 Characteristics
  - 8.2.5 Comparison
  - 8.2.6 Is It-The Deference
- 8.3 Significance Of Informal Organization
  - 8.3.1 Is It Really Necessary
  - 8.3.2 Structure-Chart
- 8.4 Distinction Between Formal And Informal Organization
- 8.5 Emergence Of Informal Organization
  - 8.5.1 Benefits
  - 8.5.2 Negative Side
- 8.6 Organization Climate
  - 8.6.1 Status Patterns
  - 8.6.2 Bases
  - 8.6.3 Systems
  - 8.6.4 Symbol
  - 8.6.5 Relevance
- 8.7 Let Us Sum Up
- 8.8 Key Words
- 8.9 Check Your Progress-Questions
- 8.10 Answer To Check Your Progress
- 8.11 Terminal Questions
- 8.12 References

---

## 8.0 OBJECTIVES

---

After reading this you should be able to:

- Understand how group concepts philosophy is translated in to the various systems in the organizations behaviour.
- Appreciate the rational behind the continued focus on the informal and formal groups of employees.
- Appreciate the various factors/stages involved in the group concept.
- Understand the crucial links between organizations.
- Appreciate the contribution of groups in the effectiveness of organization system.

---

## 8.1 INTRODUCTION

---

Formal organization which refers to the structure of the well defined jobs, each bearing a definite measure of authority, responsibility and accountability, is not fully capable of accomplishing of organizational objectives. It needs the help of informal organization for this purpose. In other words, informal organization which does not appear on the organization chart supplements the formal organization in achieving organizational goals effectively and efficiently. The working of informal groups is not as simple as it may appear to be. Therefore, it is essential for every manager to study thoroughly the working pattern of informal relationships in the organization and to use them for achieving organizational objectives. In this chapter, an attempt has been made to study the behavioural dynamics of informal groups which develop on their own within the formal organization.

---

## 8.2 FORMAL AND INFORMAL ORGANIZATION (GROUP)

---

### 8.2.1 *Formal Organization:*

Chester I. Barnard defined formal organization as “a system of consciously coordinated activities or forces of two or more persons”. A formal organization is deliberately designed to achieve some particular objectives. It refers to the structure of well-defined jobs, each bearing a definite measure of authority, responsibility and accountability. The structure is consciously designed to enable the organizational members to work together for accomplishing common objectives. The individual must adjust to the formal organization. It tells him to do certain things in a specified manner, to obey orders from designated individuals and to cooperate with others. Co-ordination also proceeds according to prescribed pattern in the formal organization structure.



The formal organization is built around four key pillars, namely;

- i) division of labour,
- ii) scalar and functional process,
- iii) structure and
- iv) span of control.

These may also be called the principles of formal organization. Division of labour and specialization is the basic principle of formal organization. The whole work is divided into a number of small operations and each operation is performed by a different person so that there is maximum specialization. The scalar and functional processes imply the growth of the organization refers to the overall arrangement in the organization which ensures proper balance between different parts of the organizational objectives. The span of control refers to the number of subordinates directly reporting and accountable to one superior.

### **8.2.2 Characteristics of Formal Organization (Group):**

The basic characteristics of formal organization are as follows:

- 1) Organization structure is laid down by the top management to achieve organizational goals.
- 2) Organization structure is based on division of labour and specialization to achieve efficiency in the operations.
- 3) Organization structure concentrates on the jobs to be performed and not the individuals who are to perform these jobs.
- 4) The organization does not take into consideration the sentiments of organizational members.
- 5) The authority and responsibility relationships created by the organization structure are to be honoured by everyone. The position in the organization hierarchy determines the relative status of the incumbent.

### **8.2.3 Informal Organization (Group):**

Informal organization refers to the relationship between people in the organization based on personal attitudes, emotions, prejudices, likes, dislikes, etc. These relations are not developed according to procedures and regulations laid down in the formal organization structure; generally, large formal groups give rise to small informal or social groups. These groups may be based on common taste, language, culture or some other factor. These groups are not preplanned, but they develop automatically within the organization according to its environment.

In the words of Joseph A. Litterer, "The informal organization refers to people in group associations at work, but these associations are not specified in the blueprint of the formal organization. The informal organization means natural groupings of people in the work situation". Whenever people

work together, they evolve informal groups bound together by common, social, technological, work or goal interests. Such groups constitute an informal organization. To quote Keith Davis, "Beneath the cloak of formal relationships in every institution, there exists a more complex system of social relationships called the informal organization". The social relations are complex because there are many causes of their origin and they can't be planned. Moreover, the informal groups may not be stable. It is because of these reasons that it is very difficult to depict informal relations on the organization chart.

#### 8.2.4 Characteristics of Informal Organization (Group):

Generally, a number of small informal or social groups evolve within a large organization. These groups may be based on common taste, language, culture or some other factor. These groups are not pre-planned. They develop automatically within the organization according to the environment in the organization. The salient features of informal organization are as follows:

- 1) Informal relations are unplanned. They arise spontaneously.
- 2) Formation of informal organization is a natural process.
- 3) Informal organization reflects human relationships.
- 4) Informal organizations are based on common taste, problem, language, religion, culture, etc.
- 5) The membership of informal organizations is voluntary. At the same time, a person may be a member of a number of informal groups. Thus, there can be overlapping in these groups.

#### 8.2.5 Comparative study of Formal and Informal Organizations (Group):

The formal and informal organizations differ from each other in respect of the following factors:

- **Origin:** The reasons and circumstances of both formal and informal organizations are totally different. Formal organizations are created by conscious managerial decisions. But informal organizations arise naturally within the formal organization because of the tendency of the individuals to associate and interact. Management has no hand either in emergency or in winding up of informal groups.
- **Purpose:** Formal organizations are created for realizing certain well-defined objective. But informal groups are created by organizational members for their social and psychological satisfaction. There may be a conflict between the goals of the formal organization and those of informal groups.
- **Activities:** Activities in case of formal organization are differentiated and integrated around the objectives of the enterprise and are formalized into work units or departments on a horizontal basis. Individuals are placed on job and positions work-groups as a result of managerial decisions. In case of informal organization, there are no specific activities. They arise from time to time as a



result of interactions and sentiments of the individuals. Informal groups may be based on common taste, language, culture or some other factor.

- ***Structure:*** Formal organization is hierarchical, pyramid shaped and bureaucratic in structure with well-defined positions, rigid delineation of roles and superior-subordinate relationships on impersonal basis, enforcement of organizational order through a set of policies, procedures, and rules, conscious emphasis on status differentials based on authority, narrow and down ward oriented communication system, etc. On the other hand, informal organization is uncharitable; it looks like a complicated and common social network of interpersonal relationships. Informal organization is loosely structured, with only unwritten norms of behaviour enforced by mutual consent. Communication is informal and multi-directional. There are no rigid status differentials.
- ***Membership:*** In a formal organization, every individual belongs to one work group only and works under one superior. But in case of informal organization, one person can be a member of more than one group according to his choice. He may be a leader in one group and follower in another. There is no rigidity about group membership.
- ***Orientation:*** In case of formal organization, values, goals and tasks are predominantly economic and technical and they concern case of informal organization, values, goals and tasks are mainly psycho-social, setting around individual and group satisfaction, affiliation, cohesiveness and friendship.
- ***Norms of Behaviour:*** In a formal organization, individuals are required to behave in the prescribed manner in their work situations. They are expected to behave in a rational manner. Deviations from the standard norms are dealt with according to the processes of organizational law and order. There is also a system of rewards and punishments. But in case of informal organization, individual behaviour and group behaviour influence each other. Behaviour is more natural and social. Interactions cut across formally established positions and relationships and there is free exchange of feelings and ideas. An informal organization develops its own norms of behaviour and a system of rewards and punishments to ensure adherence of group norms.

#### ***8.2.6 Is the Distinction between Formal and Informal Organization real (Group)?***

Some of the management thinkers consider the formal-informal controversy as unnecessary. To them the formal-informal dichotomy is only useful as a "conceptual tool". Its "face validity often induces to a false and elusive security, in reality behaviours cannot be governed on the assumption that such absolute categories exist. Nevertheless, this distinction has become so ingrained in popular parlance and in the professional literature that it is impossible to avoid its use".

### **Formal Organization Vs Informal Organization**

<b>Basis</b>	<b>Formal Organization</b>	<b>Informal Organization</b>
Formation	Formal organization is well planned and created deliberately.	Informal organization is unplanned and it originates automatically.
Purpose	It is created to achieve predetermined objectives.	It has no predetermined objectives.
Structure	It is an official hierarchy of relations. It refers to the structure of well defined authority and responsibility relationships.	Its structure is based on human emotions and sentiments. It refers to the personal relationships which develop automatically when people work together.
Flexibility	It follows a rigid structure of relationships.	It is loosely structured. It is highly flexible in nature.
Chain of command	Formal organization follows the official chain of command which can't be changed. Communication has to follow formal channels.	Informal organization does not have a fixed chain of command. It is based on the sentiments of the members. There are no fixed patterns of communication.
Stability	Formal organization is usually stable.	Informal organization may not last so long.
Human Relations	Formal organization reflects technological side of the organization. It does not take care of human sentiments.	Informal organization reflects human aspect. It is based on attitudes, likes and dislikes, tastes, language, etc. of people.
Leadership	Managers provide leadership to the workers.	Informal leaders are chosen by the group members.

### **8.3 SIGNIFICANCE OF INFORMAL ORGANIZATION (GROUP)**

The importance of informal organization arises from the functions performed by informal groups. The important functions of informal organization are as under:

- 1) It serves as a very useful channel of communication in the organization. The informal communication is very fast.
- 2) It blends with the formal organization to make it more effective. It gives support to the formal organization.



- 3) The informal leader lightens the burden of the formal manager and tries to fill in the gaps in the manager's abilities.
- 4) Informal organization gives psychological satisfaction to the members. They get a platform to express their feelings.
- 5) The presence of informal organization encourages the manager to plan and act carefully. Thus, informal organizations support and supplement the formal organization.

There are certain dysfunctions also of informal organizations. They put resistance to change and conform to old practices. The communication in informal organization is very fast; but sometimes, it creates rumours which may prove dangerous to the enterprise.

### 8.3.1 *Is Informal Organization really necessary?*

Modern behavioural scientists view organization as consisting of both types of relationships, i.e. formal and informal. It is true that while laying down an organizational plan, management can only develop formal structure of relationships, but organization is not only a formal chart or structure of relationship. Formal organization, no doubt, is an important part of the organization. But informal organization is also not less important. If handled properly, it will help in performing the activities of the organization very efficiently and effectively. In short, informal relations are complementary to formal relations and procedures laid down in the organization. Both formal and informal organizations are necessary for any group action just as two blades are essential to make a pair of scissors workable.

The management should give due importance to the informal organization as it arises spontaneously along with the formal organization and fills in some of the vital gaps in the formal organization. It may be noted that formal organization is unable to meet all the needs (e.g. affiliation, affection, esteem etc.) of its members. Management can fulfil these needs of the workers by encouraging healthy interaction among informal groups and their members. Also, informal organization provides a cushion to absorb the shock of tensions and frustrations among the members as a result of organizational pinpricks.

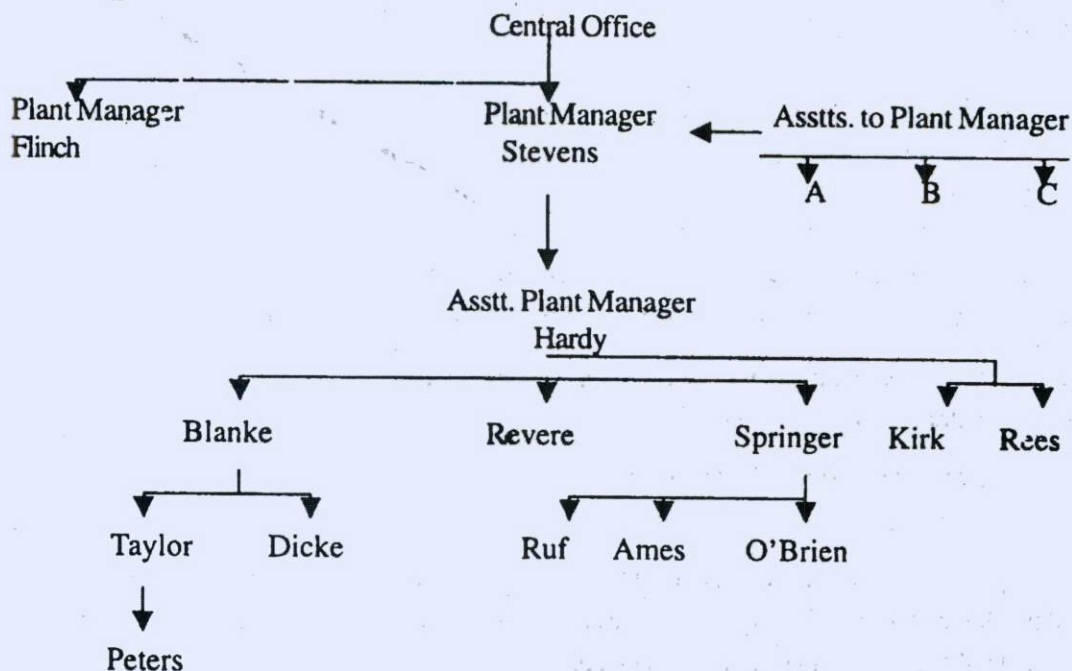
Informal organization can operate to fill in gaps in a manager's abilities. For instance, if a manager is weak in planning, one of his subordinates may informally help him in such a situation. Management may also make use of informal group leaders by taking them into confidence to mediate as bridges of understanding between the management and the employees. Shartle has rightly said, "Informal structure is one index of the dynamics of getting work done and it appears that, for efficiency, it will necessarily deviate from the formal structure". Therefore, management should adopt a positive attitude towards informal organization. It should use it along with formal structure to make a workable system for achieving the organizational objectives.

### 8.3.2 Informal Organization Structure:

Melville Dalton conducted a case study of Milo, a factory of 8,000 employees and brought out the power of informal organization. Through the use of interviews, diaries, socializing and observation, Dalton was able to construct the informal organization chart which was quite different from the formal structure. The informal chart shows the actual power, as opposed to the formally designated authority of various managers. People working at some positions in the organization are able to acquire greater power than allowed by the structure. Sometimes, they become more powerful than even their boss. Thus, the power relations under the informal set up are quite different from the formal authority-responsibility relationships. In other words, organizations do not function strictly according to official prescriptions. This may be because of one or more of the following reason:

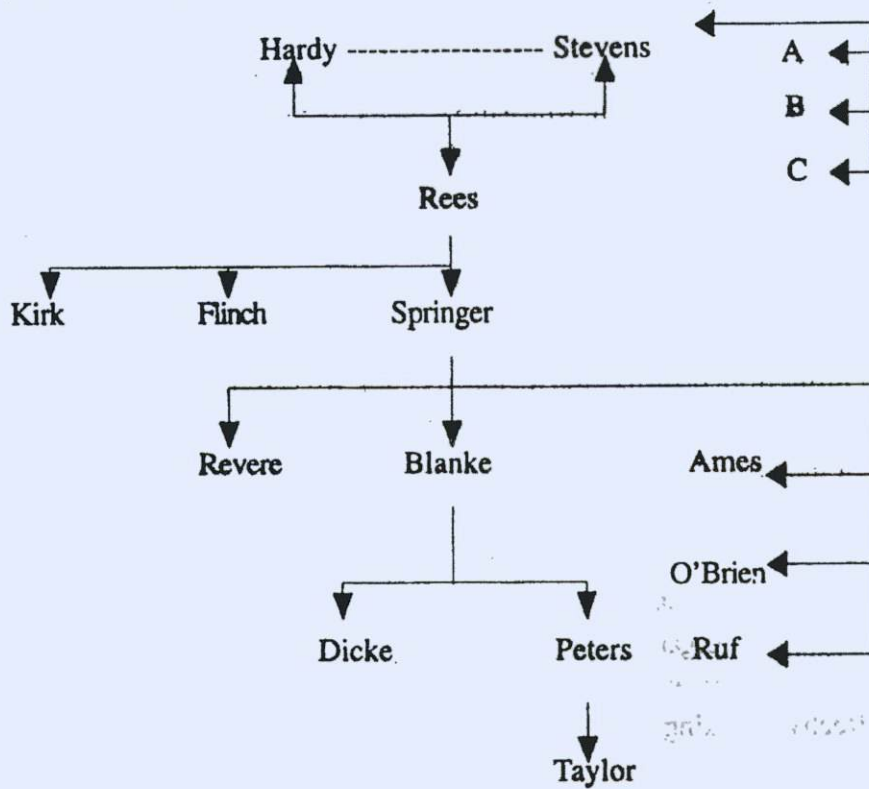
- Some jobs are more important than the others.
- Some managers are more competent than the requirements for their present jobs.
- Some managers may not be as competent as their colleagues at the same level.
- The managers who want to acquire greater power resort to politics in the organization. They may form coalition with other managers to gain control over the decision-making process in the organization.
- Informal leaders exercise their influence over the formal managers.
- Effective working may not be possible by strictly adhering to the formal structure of relationships.

#### *Partial Formal Organizational Chart at Milo*





### Partial Informal Organizational Chart at Milo



## 8.4 DISTINCTION BETWEEN FORMAL AND INFORMAL ORGANIZATION

The term informal organization is defined as the patterns of activities, interactions, processes and behaviour in an organization, which spontaneously and naturally emerge in the course of functioning of the organization. The informal patterns in the organization represent an unintended and unplanned modification of or departure from the formal patterns and arrangements of activities and relationships. The informal organization is a net-work of unofficial and social patterns of human interactions, roles, activities, processes, and behaviour which are somewhat different from and more complex than formally prescribed.

Based on the above definition, we may further explain the distinction between the formal and informal organization along the following lines:

- Formal organization is a “de jure” organizational structure and process while informal organization is “de facto” organizational structure and processes.
- Formal organization is an ideal type, normative organization to indicate how an organization should be like (as portrayed in organizational charts). While the informal organization is the real-life patterns of activities and relations which are free from pretensions and which are difficult to portray in organizational charts.

- Formal organization is a network of formal work groups while the informal organization is a net-work of informal work and other groups.
- Formal organization is a rational contrived system. Informal organization is a natural, social, human system with a mixture of order and disorder. The former is rationally contrived so as to minimize variability and perversity in its functioning. Informal organization allows for and accommodates much variability and perversity in activities, processes, roles and human behaviour. Formal organization could also be described as deterministic in its orientation while the informal organization is less so.
- Formal organization is established with the explicit aim of achieving certain goals. Goals differ from organization to organization. All activities, efforts and resources of the organization are directed to achieve the goals efficiently. The informal organization pursues a mixture of organizational, personal and group goals of people. The nature of organizational goals and the means of achieving them are partly modified and diluted in reality.
- Formal organization gives priority to its own perceptions, perspectives, needs and requirements. The needs, feelings, expectations and values of its members are secondary so far as the formal organization is concerned. Informal organization gives priority to the latter. In fact informal organization emerges to cater to the needs and values of organizational members and to give expression to the real-life sentiments and attitudes. It is, however, to be admitted that the needs and values of members undergo some change because of their association with the formal organization.
- The structure and processes of the formal organization are generally established by reference to certain concepts and principles, such as division of labour and specialization, delegation of authority, centralization and decentralization, span of control, chain of command, unit of command, line staff functions, and so on. The informal organizational structure tends to violate and modify some of the principles, in tune with organizational realities, requirements and sentiments of people.
- Formal organization has a set of legitimate, socially sanctioned rights expressed in the concept of "authority". The chief instrument of influencing and guiding people, making decisions, allocating resources and getting things done is authority. There is a hierarchy of management in the form of an authority structure. Superior-subordinate relationships are based on authority responsibility relationships. In the informal organization, authority is combined, diluted and often reinforced by power which is a broader instrument of influence than authority. Power relations are mutual and multilateral, in the sense that members exercises some power over one another. Power relations create a more relaxed organisational atmosphere, even though they are more complex.



- In a formal organization, members are required to function and behave in certain specified ways-as prescribed in job specifications and manuals, orders and instructions of superiors, policies, procedures, rules, methods and standards. These are impersonally determined. Members are required to conform strictly to them and to structure their work behaviour accordingly, the objective being to bring about a high measure of consistency, reliability, stability, order and discipline in the internal environment of the organization. The actual behaviour of people tends to be different from the required or prescribed behaviour. This is because of several personal, emotional, social and situational factors which become strong in the organization and which partly over-shadow the rationally required behaviour patterns of people.
- In formal organization, communication channels generally follow authority channels. Members are required to adopt specific channels and media of communication. On the other hand, the communication system in the informal organization is highly complex, haphazard and spontaneous. It is often compared to a grapevine. It works in several directions. It is mostly oral.
- Leadership in formal organization is vested in managers. Managers are expected to provide leadership to their subordinates. No other leadership positions are recognized. But in informal organization, leadership need not always be associated with manager-ship. Informal leaders emerge in the organization, whatever be their official position and exert their influence on people.
- There is a rigid status hierarchy, based largely on authority, in a formal organization. There tend to be sharp status differentials among people, which often inhibit their free inter-action and socialization. In the informal organization also, there are social ranking among people, but they are less conspicuous and obvious. At least they do not prevent free interaction among people. In fact, the informal organization partly discounts the formal status differentials. Managers and others alike tend to suppress some of their feelings of superiority and inferiority in their actual organizational functioning and tend to behave as normal humans in a natural manner.
- Formal organization does not make any provision for formation of pressure groups, vested interests, private empires, autocratic tendencies, unethical behaviour, intrigues and cliques, unless the organization itself is established with such intents and orientations. But all these tendencies are quite pervasive in the informal organization. Several "political" social, psychological and emotional forces operate in the informal organization and have their full sway.



---

## 8.5 EMERGENCE OF INFORMAL ORGANIZATION

---

These reasons could be extended to identify the rationale for informal organization. In brief the informal organization emerges due to the following reasons:

- Formal organization prescribes certain interactions (the way in which members of the organization should relate to each other), activities (the tasks to be performed by members) and sentiments (desired job attitudes, perceptions and values). Informal organization is a natural outgrowth of formal interactions, activities and sentiments. People do not always relate to each other, undertake activities and have sentiments which are dictated by the formal organization. It is natural and normal for them to depart from them, to ignore some of them and to develop new ones, not envisaged in the formal organization.
- Informal organization emerges to fill up some of the gaps and deficiencies in formal organization. It is difficult to prescribe everything in formal organization for work behaviour of its members. Informal organization, to the extent that it represents actual behaviour of members, is capable of making innovations, with a view to overcome the deficiencies in the formal organization. Whether or not these innovations are subsequently formalized, the fact remains that informal organization emerges in support of formal organization in some respects.
- It is to be admitted that formal organization gives little or no scope for members to behave in a natural and uninhibited manner. It seeks to condition the work and other behaviour of people in some prescribed ways. Informal organization emerges as a reaction to the rigidity, oppressiveness and formality of formal organization, and to meet the social, psychological and emotional needs and aspirations of members, which are denied by the formal organization.

### 8.5.1 *Benefit of Informal Organization.*

The informal organization is beneficial both to the organization and to its members personally. As stated earlier informal organization emerges spontaneously to fill up some deficiencies and gaps in formal organization. Informal organization provides a natural setting for managers to get things done through people by exercising not only their authority but also their other bases of power. Authority by itself may not always be effective; more often, authority tends to induce fear and not respect. People may apparently obey authority but defy it in action. In some cases, managers may have to rely on voluntary compliance of people, out of sheer goodwill and respect in an informal manner. In the day-to-day working of the organization, several ticklish situations arise; the prescribed processes, methods and procedures do not provide any guidance for their tackling; even if they provide some guidance, such guidance may be inappropriate or inadequate. Managers and others have to devise convenient and informal ways and means of tackling such problems. Otherwise, things will come to a stand-still. In some cases, formal organization does not show enough flexibility and dynamism in such matters as decision making, problem solving, co-ordination communication, control, implementation of change programmes and so on. On



the contrary, it may hamper these activities because of its over rigidity. The informal organization develops its own ways of coping with organizational activities, based on art of the possible. In still some of other situations, informal processes and styles of doing things are found more productive than formal processes and styles. For example, proposals for important organizational changes – whether structural, technological or behavioural – may be first communicated informally to the “opinion leaders” in the informal organization to get their reaction; this is a better way than officially notifying the proposals to the people concerned.

Apart from these matters, informal organization is a forum for socialization of new members and for helping them to learn the work practices and rules and for integrating themselves into the organizational culture. It is also a setting for managers to get valuable feedback on their style of management from their subordinates and on the ways and means of improving their performance. The informal organization helps management to get things done more effectively than otherwise by resorting to such practices as informal communication, co-ordination and control. In cases where managers and others are deficient in required abilities and skills, the informal organization helps them either to overcome or to side-step such deficiencies. Managers also will be able to understand the needs, feelings, attitudes and behaviour of their subordinates if they adopt informal ways of interacting with them. Formal ways of eliciting information on people’s attitudes and behaviour are unlikely to produce desired results.

So far as members of the organization are concerned, the informal organization is a big source of support, solace and stimulation. The formal organization tends to antagonize many members on account of its rigid approaches. People are required to behave and function in a particular manner; many people tend to feel suffocated in such a setting. The informal organization provides a natural setting to behave in a relaxed manner and to feel at home. Members get a sense of identity, emotional support and freedom.

### **8.5.2 The Negative side of Informal Organization:**

There are sufficient grounds to contend that informal organization undermines and distorts the functioning of formal organization in several respects. First, informal organization upholds and gives priority to the individual and social goals and values of the organizational members which often run counter to the goals and values of the formal organization. Second, members of informal organization collectively evolve their own norms of behaviour, standards of performance and techniques of doing work. Such norms, standards and techniques tend to be sub-rational and sub-optimal; they reduce the potential of organizational efficiency and effectiveness. Members are required to conform to group norms and standards to ensure informal group cohesiveness as against organizational cohesiveness.

---

## **8.6 ORGANIZATIONAL CLIMATE**

---

The term “Organizational Climate” is defined as a relatively enduring quality of the internal environment of an organization as perceived and experienced by its members, which can be described in terms of specific dimensions or characteristics and which influences the patterns of behaviour and work performance of members. It is the totality of interacting and inter-related internal dimensions or



characteristics which significantly influence the motivation of members. Organizational climate evolves over a fairly long period of time and is relatively stable. Since the dimensions of climate are internal, they can be measured, controlled and changed by the organization, if it so decides, organizational climate is the major frame of reference for the members' interpretation of organizational decisions and actions as also their own attitudes, behaviour and performance.

The major dimensions or characteristics of organizational climate are listed as follows:

- i) Organizational values, goals and priorities which are pursued in practice as against those which are professed.
- ii) Managerial value systems and life style.
- iii) Competence, character, commitment and dynamic of management.
- iv) The complexion of organizational policies and practices and the consistency with which they are followed.
- v) The power structure-the extent of concentration or dispersal of authority, the extent to which and the manner in which formal authority is exercised, the extent of status disparities, social distance between managers at various levels and between managers and non-managers and so on.
- vi) General organizational structure-hierarchy, rigidity vs. flexibility clarity of the structure communication and control systems, superior-subordinate relations, informal social relationships, etc.
- vii) Nature of jobs-degree of skill required, relation between effort and productivity, variety in the tasks, perceived importance of the job, rewards associated with the job, relation with other jobs, job security and so on.
- viii) Degree of freedom and control-requirements of conformity and compliance to organizational norms and the extent to which behaviour of employees is structured.
- ix) Supervisory style-attitudes and behaviour of supervisors and managers towards their subordinates and towards performance requirements.
- x) Rewards structure-reward levels and inter-relations, equity in reward structures, monetary and non-monetary rewards.
- xi) Organizational approach to conflict and dissent, amicable resolution or suppression of conflict.
- xii) The physical working conditions in the organization.

Organizational climate is a systems and holistic concept; the interacting effect among the elements creates the climate which is more than the sum of the effects of individual elements. Further, the perceptions of different organizational members in regard to organizational climate differ. Hence their reactions and



responses to different climate elements also differ. In general, organizational climate provides certain stimuli, offers certain opportunities and raises certain expectations among its members; at the same time, it also creates certain constraints, threats, problems and frustrations. The behaviour of members is influenced not only by the objective realities of such opportunities and threats but also by their subjective perceptions and interpretations of the same. It is thus a complex situation.

All the above elements of the organizational climate exert varying degrees of influence-positive or negative-on employee motivation, through their influence on employee perceptions, attitudes, needs, values, abilities, effort, performance and satisfaction. Employee behaviour in work situations depends partly on his perceptions, the way in which he views and interprets things and events. An employee perceives the texture of different elements of the organizational climate in his own way depending upon his previous experience, state of learning and understanding and so on. He has a range of needs or motives-physiological, psychological, social and spiritual. Not all of them have the same degree of importance. The extent to which the different elements of organizational climate fulfill his needs determines his motivation. For example, a sufficient pay packet meets with his needs for family maintenance and a measure of comfort in life. A challenging job meets with his needs for achievement. A considerate supervision meets with his needs for love. Recognition for a job well done meets with his need for esteem. Need fulfillment, whether retrospective or prospective, tends to activate the positive willingness of the employee to put in effort for achieving organizational goals. Thus, the various organizational climate elements offer incentives or disincentives for the employee.

Organizational climate factors influence the perceived ability of the individual employee which in turn has a decisive effect on his motivation. Perceived ability is influenced by the nature and clarity of the job, the scope of responsibility, degree of freedom, supervisory support and training, safety and other physical working conditions, previous experience and so on.

#### **8.6.1 Status Patterns in Organizations:**

An important concept in understanding the behaviour in organizations or groups is "status", which is defined as the relative social ranking of members within a group based on some criteria such as for example, personal characteristics (such as age, sex, experience, social origins etc.), personal abilities, virtues and skills (education, knowledge, honesty, creativity, hard work etc.), and personal achievements (command over resources, possession of power etc.). In addition, some groups and organizations attach importance to such criteria as ethnic origin, family connections and inherited wealth. In a formal organization or work group, status rankings are done on the basis of formal designations, wage/salary levels, authority content and nature of tasks performed. For example, in a business enterprise, white collar workers have higher status than blue collar workers, managers have higher status than non-managers; senior managers have higher status than junior managers. Everyone in a group or organization has some status; it may be high or low in a relative sense.



### 8.6.2 Bases of Status:

It is clear from the above that there are several criteria or bases of status by reference to which members of a group or organization get relative social rankings. We may distinguish them in terms of following categories:

- **Ascribed vs. achieved status:** Ascribed status refers to status attached to persons on account of their age, sex, ethnic origin, family background and inherited wealth. In a traditional Hindu Society, status rankings are based on caste distinctions. In most societies rich families command higher status. Ascribed status is not earned as such. As against it, achieved status refers to status earned by persons by their personal virtues, skills, abilities and achievements.
- **Scalar status vs. functional status:** Scalar status refers to status related to authority of a person in a chain of command. In a formal organization, there are different levels of management and different rankings of officers based on differences in the content of authority vested in them. Functional status refers to status associated with the nature of functions performed by a person in a group. For example, in an industrial organization, persons associated with manufacturing operations enjoy higher status than persons in watch and ward, canteen and sanitation sections.
- **Position vs. personal status:** Positional status is akin to scalar status. The Accounts Manager in an enterprise has a certain positional status by virtue of the post occupied by him. Let us suppose that a Deputy Accounts Manager in the same enterprise is more knowledgeable and articulate and virtually manages the entire Accounts Unit. He enjoys a higher personal status than the Accounts Manager even though his positional status is lower.

### 8.6.3 Status Systems:

The term may be defined as the structure and pattern of social rankings and relationships. They exist in most groups, whether large groups or small groups. Some members command higher status than others, based on one or more bases mentioned earlier. Such status distinctions exist in most groups and are inevitable. Some status distinctions are based on real differences in abilities, attributes, achievements and responsibilities, tasks and role; in some cases however, status distinctions are based on traditional or conservative perceptions and misconceptions and are culturally derived. For example, in some Indian organizations, persons holding foreign qualifications have higher status than those holding Indian qualifications. Another example is; in some societies, women enjoy lower status than men. However, such perceptions and misconceptions tend to change over time.

### 8.6.4 Status Symbols:

Status symbols are visual and other means of recognition and identification of an individual's status as also status distinctions in a group or an organization. They represent explicit evidence of relative rankings or gradations among positions in a hierarchy. They serve as convenient and clear guidelines to



assess one's status in a group or an organization. Groups and organizations, whether formal or informal, have evolved several status symbols. In formal organizations, the most important status symbol is the job title or designation. A wide range of job titles are used in organizations to distinguish positions having different ranks. Such titles as Managing Director, Vice President-Finance, General Manager-Taxation, Dy. Manager (Accounts), Labour Welfare Officer, Foreman, office Assistant, Canteen waiter, etc. are clearly status symbols. In military organizations, status symbols in the form of job titles and insignia are more conspicuous.

The other status symbols take the form of size and make of office desks, office furnishings (curtains, carpet, AC etc.), or their absence, exclusive private secretary, club-membership, availability of exclusive car with drive at office expense, reservation of parking space for cars and so on. People holding lower status in an organization have their own status symbols also but they are different from those holding higher status. In most organizations, officers enjoy certain privileges and perquisites which are not extended to ordinary rank and file employees. Even among officers, some get more privileges than others depending on their rank. Even freedom from punching the time card or signing the attendance register is a status symbol.

Many organizations customarily extend different status symbols to different ranks of their personnel not only in order to distinguish one rank from another, but also in recognition of the need for extending extra privileges to people holding higher positions. Different organizations devise different status symbols depending on their culture and financial capacity and other factors. There are also some organizations which under-play status symbols and adopt a nearly egalitarian "class-less" order.

Even in informal organizations and groups, status symbols do exist in the form of type of tasks and roles assigned, leadership positions, privileges and exemptions extended to influential members and so on. Most of the status symbols in informal organizations and groups are culturally determined unlike in formal organizations.

Status motive (the motive for attaining a particular level of status) is an important secondary motive of humans. It belongs to the class of "esteem needs" in Maslow's need-hierarchy. People are concerned with their status; they often envy the higher status enjoyed by others and aspire to reach it; they are also zealous in preserving their high status levels and the corresponding symbols and roles; they have expectations that others recognize and respect the level of status enjoyed by them; some go out of their way to show off their status symbols.

#### **8.6.5 Relevance of Status and Distinctions:**

Status systems and status distinctions have considerable relevance and functional value in groups and organizations which are outlined as follows:

- i) They satisfy one of the important ego needs of people—the need or motive for status as stated earlier. Individuals tend to feel motivated to perform well and to show the needed drive if they perceive that their higher performance and drive will enable them to reach the aspired status levels.



ii) To some extent, status systems facilitate upward social mobility of people, if such systems are based on personal achievements, abilities and skills.

iii) Status systems and distinctions also reflect the differential prestiges associated with different occupations or professions. In any society there is a hierarchy of occupations, each one having its own prestige and value. Each society places particular values to individual occupations depending on their perceived relative importance. In India, for example, Chartered Accountancy profession is more valued and has more prestige than, say teaching profession. Night club entertainers have less prestige than movie actors and stars.

iv) Status distinctions often reflect real differences in abilities and achievements among people. Status distinctions represent recognition of individual differences in abilities and attainments. It can be argued that individuals with proven ability and achievements deserve higher status and the associated influence, power, prestige and privileges.

v) It reduces uncertainty, complexity and anxiety in social interactions and transactions in the everyday world by communicating meaning and messages about the behaviour expected of one another. For example, we behave in a particular manner while talking to a university professor compared to a college lecturer. We expect a certain behaviour and role from a medical consultant compared to an ordinary medical practitioner. We tend to interact on equal terms with persons belonging to our own status level.

---

## 8.7 LET US SUM UP

---

In spite of the above positive aspects of status systems in groups and organizations, they are often disfavoured for various reasons. The contentions against status systems are listed as follows:

i) Status systems are undemocratic to the extent that they institutionalize inequality among people. Members of groups and organizations are given unmistakable impression that inequality is not only inevitable but also justifiable.

ii) Status systems generate superiority-inferiority complexes among people. Higher status holders develop a false sense of superiority, show off their status symbols, divert their energies to preserve and promote their vested interest in status, and look down upon people of lower status. Lower status holders tend to nurse feelings of inadequacy, insecurity, anxiety and even frustration. Their longing for higher status is likely to take the form of hatred and ill-will towards those already enjoying it.

iii) Status differentials generate social disaffection and disunity among people in an organization, they hamper free interaction and communication between people; they increase social distance among people; they divide people instead of uniting them.

iv) Status systems foster unhealthy competition among people for grabbing and retaining desired status symbols. Status systems get mixed up with organizational power politics and tend to affect organizational effectiveness.



---

## 8.8 KEY WORDS

---

GROUP CONCEPT

FORMAL AND INFORMAL ORGANIZATION

EMERGENCE

BENEFITS

ORGANIZATIONAL CLIMATE

STATUS PATTERNS, SYMBOLS

BASES AND SYSTEMS

ASCRIBED V/S ACHIEVED

SCALAR V/S FUNCTIONAL

POSITION V/S PERSONAL

ORIGIN, PURPOSE, ACTIVITIES, STRUCTURE, MEMBERSHIP, ORIENTATION, NORMS,  
BEHAVIOUR, REAL

CHAIN OF COMMAND

STABILITY, LEADERSHIP

FLEXIBILITY

HUMAN RELATIONS

FORMATION AND PURPOSE

---

## 8.9 CHECK YOUR PROGRESS : QUESTIONS

---

State whether the following statements are True or False:

1. Formal organizations is a system of consciously coordinated activities or forces two or more persons.
2. Informal organization is not based on relationship between people in the organizations.
3. Effective working may be possible by strictly adhering to the formal organization structure of relationship.

4. Structure of formal organization is “dejure” and informal is “defects”.
5. Organizational climate is a systems Rolistic concept.
6. An important concept is understanding the group behaviour is not status.
7. In Indian organizations, persons holding foreign qualifications have higher status than those holding Indian qualification.

---

#### 8.10 ANSWER TO CHECK YOUR PROGRESS

---

1. True    2. False    3. False    4. True    5. True
6. False    7. True

---

#### 8.11 TERMINAL QUESTIONS

---

1. Discuss the notion of organizational climate?
2. What is the relevance of status distinctions in a modern organization?
3. Define informal organizations and distinguish it from fo mal organization.
4. What are the problem arising out of informal organization?
5. Define Formal and Informal organization and give their comparision.

---

#### 8.12 REFEPENCES

---

1. Richard M Hodgetts, Organizational Behaviour: Theory and Practice. Macmillan, 1991.
2. Schermerham, Managing Organizational Behaviour. John Wiley and Sous, 1985.
3. Robert A Baron. Behaviour in Organizations Oxford and IBH, 1994.
4. Stephon P Robins, Organizational Behaviour, New – Delhi, PHI, 1991.
5. Mills TM, Sociology of Small Groups, Englewood cliffs, prentice Hall, INC, 1967.



---

---

## UNIT 9 : GROUP DYNAMICS

---

---

### Structure

- 9.0 Objectives
- 9.1 Introduction
- 9.2 Types of Group
  - 9.2.1 Formal
  - 9.2.2 Informal
  - 9.2.3 Command And Task
  - 9.2.4 Interest And Friendship
- 9.3 Group Classification-Sayles
  - 9.3.1 Apathetic Groups
  - 9.3.2 Erratic
  - 9.3.3 Strategic
  - 9.3.4 Conservative
  - 9.3.5 Clique-Dalton
- 9.4 Theories fo Group Formation
  - 9.4.1 Propinquity
  - 9.4.2 Homan's
  - 9.4.3 Balance
  - 9.4.4 Exchange
- 9.5 Formation of Groups
  - 9.5.1 Reasons
  - 9.5.2 Importance
  - 9.5.3 Problems
  - 9.5.4 Dealing With Informal Group
- 9.6 Working With Informal Group
- 9.7 Let Us Sum Up
- 9.8 Key Words
- 9.9 Check Your Progress: Questions
- 9.10 Answer to Check Your Progress
- 9.11 Terminal Questions
- 9.12 References

---

## 9.0 OBJECTIVES

---

After reading this unit, you should be able to:

- Appreciate and understand the group dynamics in a modern organization
- Examine the need of creating group dynamics
- Understand the types of group dynamics
- Examine the theories of group formation
- Importance of small group to the organization
- Problems and working informal groups
- Appreciate the relevance of group dynamics in the present control of the organization.

---

## 9.1 INTRODUCTION

---

Social needs are among the most powerful and compelling on-the-job motivating forces. In order to fulfill their social needs, workers form small groups on the job itself. It was shown by Hawthorne experiments that people behave as members of a group and their membership of group helps shape their work-behaviour and attitudes towards the organization. Management can use groups successfully for the accomplishment of organizational objectives. According to Likert, an organizations will function best when its personnel function not as individuals but as members of highly effective work-groups with high performance goals.

The social process by which people interact face-to-face in small groups is called groups dynamics. Group dynamics is concerned with the interaction of individuals in a face-to-face relationship. It focuses on teamwork wherein small groups are constantly in contact with each other and share common ideas to accomplish the given tasks. The group develops its goals clearly and furnishes suggestions to its members for the accomplishment of goals. Every groups chooses its leader (who may be called informal leader as he is not recognized in the formal organizational structure) who may effectively coordinate the group efforts towards the accomplishment of its objectives.

A group consists of two or more persons who interact with each other, consciously for the achievement of certain common objectives. The members of the groups are inter-dependent and are aware that they are part of a group. They influence and are influenced by each other. In the words of David H. Smith, "A group is a set of two or more individuals who are jointly characterized by a network of relevant communications, a shared sense of collective identity and one or more shared dispositions with associated normative strength". In other words, a group is a collection of two or more people who have a common goal and interact with each other to accomplish the goal, are aware of one another and perceive themselves to be a part of the group.



In order to be called a group, an aggregation of persons must satisfy the following conditions:

- People must interact with one another.
- People must be psychologically aware of one another.
- People should perceive themselves to be a group.

Thus, mere interaction among the people is not sufficient to be called a group. They should be aware of one another and perceive the existence of a group. If we apply these tests, many aggregations of people will not qualify as groups. Some illustrations are: people sitting in a cinema hall and people waiting for a bus at a bus stop. However, a family is treated as a group as it satisfies all the above tests to a large extent.

A group should be distinguished from a mere aggregation of persons. By group we mean two or more persons who are interacting with regard to a common explicit goal. Every job in the organization is inter-dependent and every task requires the cooperation of more than one individual. Groups facilitate this cooperation. Though persons in a bus probably have a common intent to go home, they remain a mere aggregation unless they also interact to accomplish the common goal in some way, such as pushing the bus out of a mud-road. In the latter case, they interact, they create a leader and behave differently than as individuals.

Groups are useful for the organization as they provide norms of behaviour for its members. Groups provide personal relationships at the work place as members talk to one another about job or personal problems. They provide understanding, companionship, supportive relations and friendship. Everyone needs the company of people at work to go to lunch and on tea breaks with them and do to share experience with them. Groups provide an identity for the person at the workplace to achieve a feeling of belongingness from which he can derive esteem, recognition and status. Work groups also provide security to the individual member from pressure by management and other groups. Whenever there is a problem, the group reacts collectively and it resists any change which is imposed upon the members without their consent. Management can use group dynamics to bring adaptability among the organization members and to introduce change successfully.

---

## 9.2 TYPES OF GROUPS

---

Two types of groups coexist in every organization. These are:

- Formal groups, and
- Informal groups

### **9.2.1 Formal Groups:**

Such groups are a part of the organization structure. They are created deliberately by the management to perform the assigned duties. The examples are work groups, committees and quality teams. These groups are characterized by clear-cut authority-responsibility relationships. The pattern of communication is also well defined. Rules are laid down to regulate the behaviour of group members. The formal groups are also known as official organization.

### **9.2.2 Informal Groups:**

Informal groups arise spontaneously in the organization because of social interaction between the people. They are created by individuals rather than by management. They are natural groupings of people at work in response to the needs for social interaction. They are based on common interest, language, taste, caste, religion, background, etc. Thus, informal groups are alliances that are not officially planned. These groups are natural entities in the work environment. In every organization, a large number of informal groups are formed and they are collectively referred to as the informal organization.

The informal organization represents unofficial groups which have focus on person rather than position. Every group develops norms to regulate the behaviour of its members. There is in fixed pattern of communication between the members. That is why, informal groups are more flexible than the formal groups. Since they concentrate on personal contracts between the members, they represented the human side of enterprise as compared to technical side represented by the formal groups.

### **9.2.3 Command and Task Groups:**

Formal groups may be sub-classified into command and task groups. The command group is composed of subordinates who report directly to a common boss. Thus, a supervisor and the operative employees reporting to him form a common group. The task group, on the other hand, represents those working together to complete a given task. The boundaries of a task group are not confined to its immediate superior. It can cross command relationships. A task group or team, say for the introduction of a new product or service, is usually formed to complete an assignment that involves a number of departments.

### **9.2.4 Interest and Friendship Groups:**

Informal alliances may take the shape of interest and friendship groups. An interest group consists of people having a specific objective and not aligned to common command or task groups. For instance employees who group together to pressurize the management for subsidized transport constitute an interest groups. But a friendship group includes close friends or relatives. These relations even extend outside the organization. The group members know each other very well and have good relations.



---

### 9.3 SAYLES CLASSIFICATION OF GROUP

---

On the basis of pressure tactics adopted by small groups, Sayles, identified four kinds of groups in organizations which are discussed below:

#### 9.3.1 *Apathetic Groups:*

These groups are composed of relatively low paid and low skilled assembly line workers who lack unity and power and hardly use any pressure tactics. Such a group has no acceptable leader and is indifferent to the formal organization.

#### 9.3.2 *Erratic Groups:*

These groups are composed of semi-skilled workers who work together in performing jobs that require interaction. They display considerable unity. In their relations with management, they are erratic or lack consistency in behaviour. Sometimes, they show antagonism towards management while on other occasions they may be cooperative. It is very difficult to predict the behaviour of such groups.

#### 9.3.3 *Strategic Groups:*

The members of such groups are able to prepare a strategy for putting pressures on the other groups and management. The members are engaged in jobs (better than the earlier two categories) requiring use of special skills and judgment. Their jobs are considered as key jobs in the plant. Such groups are found to be highly united and taking active part in union activity.

#### 9.3.4 *Conservative Groups:*

These groups are composed of professionals and highly skilled employees in the plant. They are found at higher levels of the organization and display considerable self-confidence. They work on their own and the nature of their jobs is such that they can shut down the plant if they so desire. Such groups have been found to be very strong and most stable among informal groups. They exercise restrained pressure for highly specified objectives.

#### 9.3.5 *Clique:*

A clique consists of those people who have frequent interactions and observe certain norms and standards. Its purpose is to gain and control power. The number of members of a clique is restricted to five or six organizational members. Some members of a clique may also form another group which may even consist of some persons who are not members of the organization. Thus, this group known as sub-clique is partially external to the organization.

Dalton has identified three types of cliques as follows:

- **Vertical clique:** It consists of people working in the same department drawing membership regardless of ranks. For example, superior may be a member of in a group consisting mainly of subordinates. Such groups cutting across hierarchical lines develop because of the earlier acquaintance of people or because the superior is dependent upon his subordinates for some formal purposes.
- **Horizontal clique:** It consists of people of more or less same rank and working in the same unit. This is the commonest kind of informal group. The members have certain common interest for whose achievements they follow certain norms and standards.
- **Mixed or random clique:** Such a group draws members from different ranks, departments and physical locations who come together for a common purpose. The members may be residing in the same locality and traveling by the common bus, or they may be members of the common club.

---

## 9.4 THEORIES OF GROUP FORMATION

---

There are four theories which explain why the groups are formed. These include:

- i) Propinquity Theory,
- ii) Homan's Theory,
- iii) Balance Theory, and
- iv) Exchange Theory. These are discussed bellow:

### 9.4.1 Propinquity Theory:

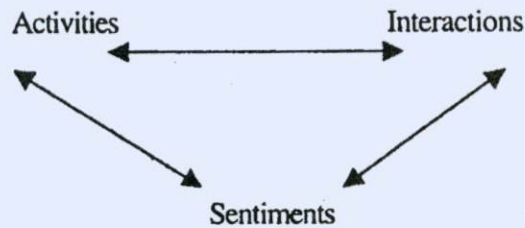
Quite often, individuals affiliate with one another because of spatial or geographical proximity. In an organization, employees who work in the same area of the plant or office would more probably form into groups than those who are not physically located together. The propinquity theory explains a basic factor, i.e. proximity of people at the workplace, which leads to formation of groups. This phenomenon is observed in daily practice by all us.

However; it is not essential that groups must come up because of proximity of people at the workplace. There may be several other reasons for the formation of groups. Thus, the propinquity theory is not analytical; it does not consider the complexities of group behaviour.



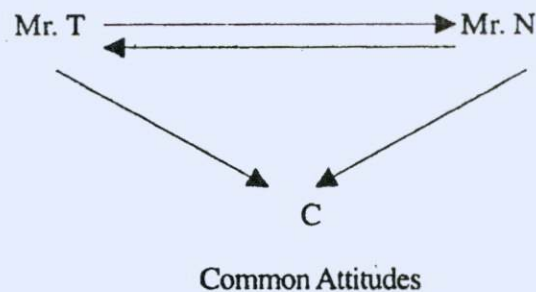
### 9.4.2 *Homan's Theory:*

According to George C. Homans, "The more activities persons share, the more numerous will be their interactions and the stronger will be their shared activities and sentiments; and the more sentiments persons have for one another, the more will be their shared activities and interactions". The Homans theory has contributed a great deal to the understanding of group formation. It is based on three concepts, namely, activities, interactions and sentiments which are directly related to each other as shown in figure. The members of a group share activities and interact with one another not just because of physical proximity, but also to accomplish group goals. The key element is interaction because of which they develop common sentiments for one another.



### 9.4.3 *Balance Theory:*

The theory as proposed by Theodore Newcomb states that "Persons are attracted to one another on the basis of similar attitudes towards commonly relevant objects and goals. Once a relationship is formed, it strives to maintain a symmetrical balance between the attraction and the common attitudes. If an imbalance cannot be restored, the relationship dissolves". Both propinquity and interaction play a role in the sense that it introduces the factor of "balance" to the propinquity and interaction factors. There must be a balance in the relationship between the group members for the group to be formed and for its survival. As shown in figure; Mr. T will interact with Mr. N and form a group because of some common attitudes and values such as authority, work, life style, religion, politics, etc. They will strive to maintain a symmetrical balance between the attraction and the common attitudes. If they fail in their efforts, the group will get dissolved.



(Authority work, Life style, Religion, Politics, etc.)

#### 9.4.4 Exchange Theory:

This theory is based on reward-cost outcomes of interactions. To be attracted towards a group, a person thinks in terms of what he will get in exchange of interaction with the group members. Thus, there is an exchange relationship in terms of rewards and costs of associating with the group. A minimum positive level (rewards greater than costs) of an outcome must exist in order for attraction or affiliation to take place. Rewards from interactions gratify needs while costs incur anxiety, frustrations, embarrassment, or fatigue. Proximity, interaction and common attitudes all have role in the exchange theory.

Besides the theoretical explanations for group formation discussed above, there are some very practical reason for joining and or forming a group. For instance, employees in an organization may form a group for economic security or social reasons. Economically, workers may form a group to work on a project that is paid for on a group-incentive plan or form a union to demand higher wages. For security, joining a group provides the individual with a united front in combating indiscriminate, unilateral treatment. The adage that there is strength in numbers applies here. The most important practical reason why individuals join or form group is, however, that groups tend to satisfy the very intense social needs of most people. Workers generally have a very strong desire for affiliation. This need is met by belonging to a group.

---

## 9.5 FORMATION OF GROUPS

---

### 9.5.1 Reasons for Formation of Groups:

Workers join in formal groups for the following reasons:

- **Companionship:** The need for relationship with other people is one of the strongest and constant of human drives.

One can express his feelings only through companionship. Many research studies have indicated that the employees who have no opportunity for close social contacts find their work unsatisfying and this lack of satisfaction often reflects itself in low productivity and high rate of absenteeism and turnover. Elton Mayo observed that the employees in a textile plant who worked at isolated jobs were highly dissatisfied and consistently failed to meet production standards and staggered rest period helped a little. But when the company permitted these workers to take rest period as a group, production and satisfaction and both increased.

- **Sense of Identification:** Workers get more identified in small groups, and so small groups tend to enjoy high morale. Employees working in large departments where everybody does the same type of job, find it hard to form stable social groupings and so they have low morale.
- **Source of Information:** Informal group is a source of information to its members. Informal communication is very fast. A piece of information available to a member will reach nearly all the



members of the group in a span of time. The group may develop a special code or language for speedy communication. Psychological barriers to communication are also overcome by the group.

- **Job Satisfaction:** The group's solution to a problem may be different from what management expects and it may even be more efficient. Red tapism is eliminated, shortcuts are evolved and informal channels of communication are established to cut across department boundaries. By the same token, work groups may also facilitate job satisfaction. Many jobs which appear superficially dull and routine are made interesting by the group and spontaneity is encouraged and protected by the group. Certain jobs can be done by isolated workers, but working as a group often results in higher motivation of the individuals.
- **Protection of Members:** Groups help to protect their members from outside pressures. Groups often resist management's demands for additional output, increased working hours, and higher quality. But dynamic organizations have a tendency to introduce changes in work methods and routines at a faster rate than the individuals can adjust to them. The speed at which these changes are introduced can be materially altered by a determined work group. Without a sense of group allegiance, individual workers may behave in ways which incite their fellow workers. Group members often agree on the level of output that each will put forth so that no member may outperform the others.
- **Outlet for Frustration:** An individual may be faced with several problems relating to his family life and work life. At times, he feels tremendous stress in life and gets frustrated. If he shares his feelings and anxieties with someone, his tension is released to a great extent. The social relations provide an important outlet for frustration. An informal group, as a matter of fact, serves as a safety valve which helps release tension and frustration and checks the mental breakdown of the individual. Organizations that lack this outlet sometimes rely on the expensive system of employee counseling in which outsiders hear employees' problems and advise them accordingly.
- **Perpetuation of Cultural Values:** Sometimes, groups are formed by individuals belonging to a common cultural background. Such people can preserve their cultural identity and also feel a sense of security by associating with those pursuing the same cultural values and social norms. Maintenance of cultural values will also provide them psychological satisfaction.
- **Generation of New Ideas:** Informal groups are a breeding ground for new ideas as they provide a supportive environment in which the members can engage themselves in creative thinking. Quality circles in Japan are an important example in this regard. Under quality circles, workers meet periodically and discuss problems relating to quality and come out with new ideas to solve the problems.

### 9.5.2 Importance of Small Groups to the Organization:

Informal groups are important not only from the point of view of their members, they have a great utility from organizations point of view also. They help the organization in better administration by performing the following functions:

- **Filling in Gaps in Manager's Abilities:** Informal organization may act to fill in gaps in a manager's abilities. For example, if a manager is weak in planning, one of his subordinates may help him informally in such a situation.
- **Solving Work Problem:** Informal organization helps in solving the work problems of members. It allows them sharing job knowledge and taking decisions which affect a number of jobs.
- **Better Coordination:** Informal groups evolve short-cuts and eliminate red tapism. They facilitate smooth flow of information and quick decision-making. All these ensure better coordination among various individuals and departments.
- **Channel of Communication:** Informal groups act to fill up the communication gaps which arise in the organization. Informal communication cuts across the hierarchical and departmental boundaries and transmits information with greater speed. Management can use informal channels to share information with the workers and get their reaction to management's proposals. Informal communication can be of great use to the organization, if it is handled by the management properly.
- **Restraint on Managers:** Informal groups do not allow the managers to cross their limits. They restrict them from acquiring unlimited power and from using their power unjudiciously.
- **Better Relations:** A manager can build better relations with his subordinates through informal contacts. He can consult the informal leaders and seek their cooperation in getting the things done from the workers.
- **Norms of Behaviour:** Informal groups develop certain norms of behaviour which differentiate between good and bad conduct and between legitimate and illegitimate activities. These bring discipline and order among the employees.
- **Satisfied Workforce:** Cohesive informal groups provide satisfaction to the workers. As a result, labour turnover and absenteeism are reduced and organization's productivity is increased.
- **Developing Future Executives:** Informal groups recognize talented workers as their leaders. Such leaders can be picked by the management to fill vacancies at the junior executive level in the future.



### 9.5.3 Problems Created by Informal Groups:

Informal groups have dysfunctional aspect too. They may create the following problems for the organization:

- **Negative Attitude of Informal Leaders:** The informal leader may turn out to be a troubleshooter for the organization. In order to increase his influence, he may go against the policies of management and manipulate the behaviour of his followers. Thus, he can be a source of conflict between the management and the workers. He may induce the followers to work against the interests of the organization. If such a leader is promoted to the rank of an executive, he may turn out to be a work shirker and an arrogant and autocratic boss.
- **Conformity:** The informal group exerts strong pressure on its members for conformity. The members may become so loyal to their group that following the group norms becomes a part of their life. This implies that members become subject to willful control of the group leader who may lead the group towards selfish ends. This will lead to dilution of the effect of organizational policies and practices on the group members.
- **Resistance to Change:** Informal groups generally have a tendency to resist change. Change requires group members to make new adjustments and acquire new skills. But groups want to maintain status quo. Sometimes, groups react violently to the proposed changes being brought by the management. This creates obstructions in implementing new ideas for organizations survival and growth in the changing environment.
- **Rumour:** Informal communication may give rise to rumours. This is not desirable from organizations point of view. Rumour originates for a number of reasons. One cause is plain maliciousness, but it is probably not the most important. A more frequent cause is employee's anxiety and insecurity because of poor communication in the organization. Rumour also serves as a means of wish fulfillment for some employees or applying pressure upon management.

Rumour tends to change as it passes from person to person. Its general theme may be maintained, but not its details. The rumour gets twisted and distorted when it passes from one mouth to another. The message gets its own head, tail and wings on its journey and swells unproportionately to an exaggerated shape. Thus, rumours may prove to be very dangerous for the organization.

- **Role Conflict:** Every member of the informal groups is also a member of the formal organization. Sometimes, there may be role conflict because what the informal group requires of a member is just the opposite of what is expected of him by the formal organization. In such a situation, group members may conform to their social norms. And if an individual member wants to follow the formal instructions of his boss, he may be snubbed by the informal leader and compelled to conform to informal group norms. Thus, organizational interests are likely to suffer in case of conflicts between formal and informal roles.



#### **9.5.4 Dealing with Informal Groups:**

The informal groups have both functional and dysfunctional aspects. Though they supplement the formal structure, they have also the potential of creating problems for the organization. The management cannot wish away the existence of informal organization. The only option left with management is to identify its existence, its leadership, its goals and its cultural moorings and endeavour to manage the same so that the informal organization aids management in the realization of its organizational goals. However, in practice, it is very important for the management to identify the leadership of the informal organization.

The informal groups tend to be small. Each has its leader, who is not elected or appointed, but earned this status because of age, seniority on the job, dominant personality, special capability, physical strength, or some other characteristics. In large informal organization, there may be more than one leader whom the group will follow under given circumstances. An individual with higher formal education than the others may be looked to in matters that require formal communication. He may be asked to speak for the group in dealing with the management, the union, or other informal groups. Another member possessing more job experience and "know-how" may be consulted when direction or guidance is needed in handling a work assignment or solving some problems connected with it.

Often, the leader of the informal organization gains and maintains the recognition of its members, either by working with management or by working against management. Every manager should be aware of this fact. Knowing and understanding the leadership of the group with whom he deals can be extremely useful to a manager.

A manager can build favourable relationships with informal leaders in several ways. He can consult the leaders and seek their advice on technical matters and human relations problems. He can request their assistance and cooperation in indoctrinating new members and training them to become competent workers in their informal job assignments. Open, two-way communications can be encouraged on a continuous basis for mutual benefit. A manager must be careful not to reduce the status of the leader in the eyes of his constituents, and especially careful not to show favouritism or partiality.

Though informal communication may have some ill consequences, yet it can be used by an enlightened manager to plug the loopholes of the formal communication system. Informal communication is very fast and ensures speedy transmission of information. It is the duty of every manager to see that informal communication does not produce rumours and if a rumour spreads, it should not be allowed to damage the functioning of the organization. In short, management can use every aspect of informal organization to achieve the organizational goals.

---

#### **9.6 WORKING OF INFORMAL GROUPS**

---

In case of informal organization authority-responsibility relationship, channels of communication, patterns of coordination, etc; are not pre-determined. Informal organization operates in an unstructured



way. Informal organization interacts with the formal organization quite frequently. It affects and is affected by the formal organization. If we observe the work of any informal organization, we shall come across the following important elements:

- **Authority:** There is a network of relationships in an informal organization and it is not surprising if these relationships turn out to be contradictory to the formal prescribed pattern of relationships. An informal organization has a set of unique characteristics. It has its own code of conduct, system of communication and system of reward and punishment. The authority in informal organization is personal rather than positional as in case of formal organization. Power in informal organization is earned or given by group members, rather than delegated; therefore, it does not follow the official chain of command. It is more likely to come from peers than from superiors in the formal hierarchy; and it may cut across organizational lines into other departments. It is usually more unstable than formal authority, since it is subject to the sentiments of people. Because of its subjective nature, informal organization cannot be controlled by management in the way that formal organization is.
- **Goals:** Groups evolve their own goals reflecting their own special interests. Group members are dedicated to group goals. Group cohesiveness results in the group acting in a unified manner. This cohesiveness is the result of the degree to which the group goals help the satisfaction of the individual's needs. An important management problem, therefore, is to relate the groups objectives to the individual needs of the members of the groups. If the goal congruency does not take place, organization will have to pay a price of this goal conflict as the group goals will take precedence over the organization's goals.
- **Communication:** Informal organization comes into existence because of the deficiencies of the formal channels of communication. The formal channels of communication may be inadequate and they may be slow. The need for speedier communication may give birth to informal channels of communication. Informal communication is very fast but its greatest danger is that it may give rise to rumours. Rumours may prove to be detrimental to the interests of the organization. It is the responsibility of the management to maintain informal channels of communication properly by the feeding the necessary information, whenever necessary.
- **Leadership:** The informal group has its own leader. An informal leader may not be the superior under whom the group members are working. An informal group leader performs the following functions:
  - i) he facilitates a consensus among the group members,
  - ii) he initiates action, and
  - iii) he provides a link with the outside world. If the formal leader is able to perform these functions, he may be accepted as an informal leader also. Workers will go to him with their personal problems for counseling, etc.



The important factors which determine informal leadership are age, seniority, work location, technical competence, etc. It may be noted that persons who emerge as informal leaders are perceived by the other group members as being the best persons who can satisfy the goals of the group. Research studies have also shown that it is not always easy to identify the informal group leader. The group may have number of leader whose function is to drive the group towards its goals and a human relations leader who keeps the group from falling apart.

- **Group Norms:** Norms prescribe acceptable standards of behaviour within a group that are shared by the group members. They tell members what they ought or ought not to do under certain circumstances. All groups have established norms to influence the behaviour of their members. It should also be noted that norms differ among groups depending upon their membership nature and location. The norms of a group in a factory are totally different from the norms of a group of daily rail passengers. The factory workers may prescribe the upper limit of productivity for their members whereas a group of rail passengers may prohibit their members to show their rail passes to the ticket collector or may require the members to help lady passengers during their journey.

The group norms may be strong or weak. The norms of a city club are strong whereas norms of rail passengers are generally weak. The strength of the norm depends on the status of the group, the importance of behaviour to the group and the relative stability of the group. Where the members do not have strong affiliation with the group, the norms will be weak. The norms are strong where discipline and decorum are very important. The students in a school are required to wear uniforms, maintain calm atmosphere in the class room and cooperate with fellow students.

The group whose norms a person accepts is known as reference group. As said earlier, a person can be a members of a number of groups at the same time and he may try to observe the norms of all groups of which he is members. For instance, a person is a member of engineering profession and simultaneously of an executive club. He may also be a member of the social club of the organization. He will try to observe the norms of all the three groups. If there is a conflict in norms, he may be compelled to leave a group. Naturally, he will not resign from the group which is very important for him as it gives him sense of identification and enhances his status.

A reference group often uses rewards and penalties, called sanctions, to persuade its members to conform to its norms. Those who don't conform to the group norms are pressurized to observe the norms or leave the group. This explains why the individuals generate from the group which satisfies their social needs and helps in achieving their personal goals.

Group norms perform two functions. Firstly, they help the group to accomplish its goals. All methods, procedure and rules which will help the group in achieving its goals are considered legitimate buy the group and are sincerely followed. They are accepted as the proper way to behave by the members. Secondly, norms help the group to maintain itself as a group. They ensure that the group will



maintain unity by resisting the external pressures or behaviour that may divide or threaten the existence of the group or may make members uncomfortable.

---

## 9.7 LET US SUM UP

---

The meaning of group, types, classification of groups have been examined. The group theories and factors contribute to the group formation also been analyzed. Factors contributing to effectiveness of a group have also been studied in detail. Finally, how an effective team is built and the issues connected with team effectiveness have been examined.

---

## 9.8 KEY WORDS

---

GROUP DYNAMICS

GROUP TYPES AND CLASSIFICATION

FORMAL AND INFORMAL

COMMAND AND TASK

INTEREST AND FRIENDSHIP

APATHETIC

ERRATIC

STRATEGIC

CONSERVATIVE

CLIQUE – VERTICAL, HORIZONTAL, RANDOM, OR MIXED

PROPINQUITY

HOMAN

BALANCE

EXCHANGE

COMPANIONSHIP, INFORMATION, IDENTIFICATION AND SATISFACTION

PROTECTION AND FRUSTRATION

PERPECTUATION

CULTURAL VALUES AND NEW IDEAS

NEGATIVE ATTITUDE

CONFORMITY

RUMOUR

RESISTANCE

CONFLICT

AUTHORITY, GOALS, COMMUNICATION

LEADERSHIP AND GROUP NORMS

---

### 9.9 CHECK YOUR PROGRESS: QUESTIONS

---

State whether the statement are True or False

1. The social process by which people interact face to face in small groups is called group dynamics.
2. Rules are laid down to regulate the behaviour of group members.
3. There are 40 theories which explain why groups are formed.
4. Dalton has identified three types of cliques.
5. Propinquity, interaction and common attitudes all have no role in the exchange theory.
6. Quality circles in Japan are an important example in generation of new ideas.
7. A reference group often does not use rewards and penalties.

---

### 9.10 ANSWER TO CHECK YOUR PROGRESS

---

1. True                      2. True 3. False                      4. True 5. False  
6. True                      7. False

---

### 9.11 TERMINAL QUESTIONS

---

1. Define Group Dynamics? Discuss its types and classification?
2. Explain the detail the theories of group formation?
3. Why groups are necessary? What are its reasons?
4. Explain the problems of Informal groups? How to deal with them?
5. Discuss the working of Informal groups?



---

9.12 REFERENCES

---

1. Richard M Hoge HS, Organizational Behaviour; Theory and Practice. Macmillon. 1991.
2. Udaj Pareek, T V Rao, Don Pestonjee. Behavioural process in organizations. Oxford and IBH, 1994.
3. Robert A Baron. Behaviour in organizations, Boston Allyn and Bacan, 1986.
4. Mills TM. The Sociology of Small groups. Englewood cliffs, Prentice Hall, INC. 1967.
5. Dalton M Men who manage, John Wiley and Sons, Newyork. 1959.

---

---

## **UNIT 10 : GROUP THINKING AND GROUP COHESIVENESS**

---

---

### **Structure**

- 10.0 Objectives
- 10.1 Introduction
- 10.2 Factors Influencing Group Cohesiveness
  - 10.2.1 Relationship
  - 10.2.2 Guidelines
- 10.3 Quality Circle
  - 10.3.1 Benefits of Quality Circle
  - 10.3.2 Introducing Quality Circle
  - 10.3.3 Problems of Quality Circle
- 10.4 Behaviour - Focused Programmes
  - 10.4.1 Structure - Focused Programmes
- 10.5 Let Us Sum Up
- 10.6 Key Words
- 10.7 Check Your Progress: Questions
- 10.8 Answers To Check Your Progress
- 10.9 Terminal Questions
- 10.10 References



---

## 10.0 OBJECTIVES

---

After reading this unit, you should be able to:

- Understand what is group thinking cohesiveness
- Describe the process of group cohesiveness
- Know more about group cohesiveness and productivity
- Study the guidelines for the better use of group dynamics
- Understand Quality Circle, benefits and problems in an organization
- Get an idea about Behaviour focused programmes

---

## 10.1 INTRODUCTION

---

By group cohesiveness we mean the degree of attachment of the members to their group. The members of a cohesive group strongly share the goals of the group and are attached to one another. The greater the degree of attachment, the greater is the likelihood that all the members will conform strictly to the group standards and greater the likelihood that its leader will represent the feelings of all members act unitedly whenever the group faces any threat from external sources.

A cohesive group possesses the following attributes:

- The members share the group goals and have common interests and background.
- The number of members is relatively small.
- The members are in constant touch with each other and have very effective interpersonal communication.
- Group loyalty among the members is high because of the high status enjoyed by the group.
- The members stand united because of perceived external threats to the group.
- The group has a history of success in the past. The members keep themselves glued to the group as they feel that their social and economic needs will be satisfied by the group.

---

## 10.2 FACTORS INFLUENCING GROUP COHESIVENESS

---

The degree of group cohesiveness is determined by the factors discussed below:

- ***Nature of the Group:*** Heterogeneous groups (whose members have different interests and backgrounds) are often less effective in promoting their own interests than groups whose members

are homogeneous. Homogeneous groups, whose members are alike on such factors as age, education, status, experience, background, etc; are better when the task or goal requires mutual cooperation and conflict-free behaviour. For example, where people with sharp differences in their scales of pay and job responsibilities work near one another, the resulting informal group is generally less cohesive.

- **Size of the Group:** The effective group is relatively small. Small groups are more closely knitted than large ones. When the group is small, its members have constant face-to-face contacts. So it is easier to have close relationship with all the members of a small group than with all the members of a large one.
- **Location of the Group:** Location of the group plays an important role in determining cohesiveness. Particularly isolation from other groups tends to build high cohesiveness. Where there is no dividing line between one group and another, cohesion is more difficult to achieve because a chain of interactions develops, but little group solidarity. Where members of a group are located close together separated from other groups, they will develop greater cohesiveness because of constant face-to-face interaction.
- **Communication:** Groups whose members can interact frequently and easily are likely to be more cohesive and effective than those whose members have occasional inter-personal communication. Such groups tend to develop their own language and symbol and codes to communicate with the group members. Even scattered groups, like maintenance crew, may become tightly knitted if the technology of work requires or permits them to interact frequently with one another. In fact, one of the determinants of group cohesion is the speed with which message can be transmitted through the group.
- **Status of the Group:** Status of a group determines the degree of group cohesiveness to a great extent. A high status group receives greater loyalty from its members which in turn makes the group more strong. That is why, people are generally more loyal to high status groups.
- **Outside Pressures:** Group provide security for the individual members from pressures from other groups. The group members work together when they are threatened by a common danger, e.g. group of employees may forget their personal differences and also ranks against a new supervisor who is regarded as a threat to the group. It may also happen that the group is unable to bear the excessive pressure and cohesiveness cannot be created to withstand the pressure from outside.
- **Inter-dependency:** When each member of a group has independent activities, the cohesiveness among the members of such group will be less as compared to the group whose members are doing the operations which are dependent upon each other. Thus, mutual dependency leads to greater cohesiveness.



- ***Leadership of the Group:*** The leader of a cohesive group is dynamic and energetic. He motivates the group members to the work with zeal for the attainment of common goals. He tries to build and maintain high morale among the group members.
- ***Success:*** A group which often succeeds rate is very low. Success of the group bring greater team spirit and enthusiasm among its members.
- ***Management Behaviour:*** The behaviour of management has a direct influence on the degree of cohesion that exists within a group. By creating competition among employees and by constantly comparing one employee with another, a manager may make close relations difficult. A manager can also build solidarity by rewarding cooperative behaviour. He can utilize group cohesiveness for achieving the goals of the enterprise if he is able to inspire the group members.

### 10.2.1 Relationship between Group Cohesiveness and Productivity:

It has been found by the social scientists during the course of Hawthorne studies that group norms influence the productivity of group members to a great extent. The output of the members of a cohesive group (closely knitted group) tends to be more uniform than that of the members of the less cohesive groups. In other words, in case of cohesive groups, the productivity of individual members will vary within a narrow range. But groups with a low cohesiveness will have much wider range of output among their members, reflecting that the groups has lower social control over the group members.

Some research studies have shown that highly cohesive groups are more effective than those with less cohesiveness, but the relationship is more complex than merely saying that high cohesiveness is good. Firstly, high cohesiveness is both a cause and outcome of high productivity. Secondly, the relationship is moderated by the degree to which the groups attitude aligns with its formal goals or those of the large organization of which it is a part.

Cohesiveness influence productivity and productivity influences cohesiveness. Cohesiveness reduces tension and provides a supportive environment for the successful attainment of group goals. But as already noted, the successful attainment of group goals and the members feelings of having been a part of a successful unit, can serve to enhance the commitment of members. For instance, a football team may win because of team work and successful performance may lead to increased attractiveness between the team members.

The relationship of cohesiveness and productivity depends on the alignment of the group's attitude with the formal goals, or those of larger organization of which it is a part. The more cohesive a group, the more its members will follow its norms. If group norms or attitudes are favourable (i.e. high output, quality work, cooperation with other group), a high cohesive group will be more productive than a low cohesive group. But if cohesiveness is high and group norms are unfavourable, there will be low productivity as shown in figure. If cohesiveness is low, but performance norms are high, moderate productivity could be expected. Where cohesiveness is low and group norms are not in support of the organization's goal,

there seems to be no significant effect of cohesiveness upon productivity. The productivity is likely to be moderate to low. An autocratic manager may be able to get high productivity from such a group.

### COHESIVENESS

		High	Low
Performance Norms	High	High Productivity	Moderate Productivity
	Low	Low Productivity	Moderate to Low Productivity

Fig. Relationship between Group Cohesiveness and Productivity.

High cohesiveness tends to have a positive impact on satisfaction and the reduction of absenteeism, tardiness and turnover among group members. However, it may or may not affect productivity, depending on the reconciliation between the group goals and the organizations goals. The members of a satisfied work group will show higher productivity if the group feels that by doing so the group goals would also be realized. If group goals are not aligned with the organizational goals, the productivity is likely to be lower.

The above findings are important for managers because cohesive groups generally set their own production standards. If the group is antagonistic to management, it will restrict output to a level well below the standards laid down by the management. Since a cohesive group is united, it commands a greater bargaining power because of control over the members. If the management is not able to motivate the cohesive group effectively, the productivity is bound to be low. Therefore, it is essential for the management to work in close cooperation with the cohesive groups so that higher productivity is achieved.

#### 10.2.2 *Guidelines for better use of Group – Dynamic:*

Group cohesiveness or solidarity may produce resistance to change or acceptance of it. It is the responsibility of a manager to use group dynamics in such a way that the solidarity of the group contributes to a favourable attitude towards high standards and acceptance of necessary changes. In order to achieve this, the following principles of group dynamics laid down by Dorwin Cartwright should be followed:

- If the group is to be used effectively as a medium of change, those people who are to be changed and those who are to exert influence for change must have a strong sense of belongingness to the same group.



- The more attractive the group is to its members, the **greater** is the influence that the group can exert on its members.
- In attempts to change attitudes, values or **behaviour**, the **more** relevant they are to the basis of attraction to the group, the greater will be the influence that the group can exert upon the members.
- The greater the prestige of a group member in the **eyes of the other members**, the greater the influence he can exert.
- Efforts to change individuals or subparts of a group, which if **successful**, would have the effect of making them deviate from the norms of the group will encounter strong resistance.
- Strong pressure for change in the group can be established by creating a shared perception by the members of the need for change, thus making the source of pressure for change lie within the group.
- Information relating to the need for change plans for change and **consequences of change** must be shared by all relevant people in the group.
- Changes, in one part of a group, produce strains in **related parts** which can be reduced only by eliminating the change or by bringing about readjustment in related parts.

---

### 10.3 QUALITY CIRCLE

---

The concept of Quality Circle emerged from quality control. Quality circles are quite popular in Japan. Looking at their success, many organizations in U.S.A. and India have also attempted to implement quality circles. It should be noted that quality circles provide a future-oriented approach. They seek high quality products in the current production run and in the future.

A quality circle is a small group of employees doing similar or related work who meet regularly to identify, analyse and solve product-quality problems and to improve general operations.

The quality circles are relatively autonomous units (ideally about 10 workers), usually led by a supervisor or a senior worker and organized as work unit. The workers, who have a shared area of responsibility, meet periodically to discuss, analyse and propose solutions to ongoing problems.

Some typical efforts in improving production methods and quality involve reducing defects, scrap, rework and downtime, which are expected to lead to cost reduction as well as increased productivity. In addition, the circles intend to focus attention on the self-development of workers and the improvement of working conditions. Through this process, there is improvement of workers morale and motivation, stimulation of teamwork, and recognition to their achievements.

Quality circles are organized to achieve the following objectives:

- Overall improvement of quality of products manufactured by the enterprise.
- Improvement of production methods and productivity of the enterprise.
- Development of the employees who take part in quality circles.
- Encouragement of innovative ideas among the employees.
- Building high morale of employees by developing team-work in the organization.

### 10.3.1 Benefits of Quality Circles:

Quality circles are supposed to bring the following benefits for the organization:

- Formation of quality circles in Japan and other countries has helped in bringing out several innovations and changes.
- Quality circles have proved to be a valuable tool for increasing productivity, improving quality and increasing workers job satisfaction.
- Membership in a circle means a participative environment that provides identification with work-group. Participation encourages commitment of the employees in producing quality products. Through quality circles, every one become involved with the operation of the company. Everyone from top to bottom works towards a single goal, i.e. success through quality.

### 10.3.2 Introducing Quality Circle in an Organization:

Quality circle is a new concept and its introduction may cause some resistance on the part of the employees. Therefore, before introducing quality circle, all precautions must be taken as in case of any organizational change. The steps in the introduction of quality circle are briefly discussed below:

- Selling the Idea of Quality Circle: The workers must be educated about the need and significance of quality circle from the point of view of the organization and the workers. The scope of quality circle should also be adequately published. The workers should be allowed to clear their doubts about quality circle. Attempt should be made to seek their voluntary cooperation in implementing quality circles in the organization. The management may also arrange for some kind of training of the employees who want to form quality circles.
- Constitution of Quality Circle: The employees should be encouraged to form quality circles by drawing members doing the same kind of work. The membership of a quality circle should not exceed ten to twelve members. The information about the constitution of a quality should be made available to the top management.
- Analysis of Quality Problems: The members of a quality circle are supposed to meet periodically, say once a month. They would collect data and analyse the same. Past records, employee suggestions, customer suggestions are very important in this regard. This will lead to identification of the problems that hinder quality.



- **Problem Solving:** The members of a quality circle will discuss the problems thoroughly and make a list of possible solutions. The merits and demerits of each solution will be analysed. The final decision will be taken by the consensus of all members.
- **Presentation of Suggestions to the Management:** The suggestions for improving the quality are put in writing and forward to the management. Top management may form a committee to evaluate the suggestions of different quality circles in the organization. The committee may also meet the members of the quality circles, if it has any doubt. The final report will be prepared by the committee. It will list the suggestions which must be implemented for improving the quality of goods and services.
- **Implementation:** Proper publicity should be given to the suggestions of quality circles which are being put into practice. This will motivate the employees as they will feel the importance of having contributed to well-being of the organization. The implementation of the suggestions should be properly monitored by the management so that the change over to new methods is smooth.

### 10.3.3 **Problems in Implementation of Quality Circles:**

There are several pitfalls in quality circles. Despite their merits, they have failed in many companies. The common hurdles in initiating quality circles in India are as under:

- **Negative Attitudes:** The employees and even managers may have negative attitude toward the quality circle. Naturally, they will resist its implementation. The wrong notions of the people about quality circle should be cleared. They should be properly educated about the concept of quality circle and its utility.
- **Lack of Ability:** The workers in India have a low level of education. They also lack leadership qualities. To overcome this hurdle, Workers Education Programme should be initiated. It must educate the workers about quality circle.
- **Lack of Management Commitment:** The top management may not be committed to the philosophy of quality circle. The employees may not be allowed to hold meetings of quality circles during the working hours. The employees will be least interested in devoting their personal time to the quality circle meetings periodically during the working hours. It should extend the assistance required by the quality circles of their smooth working.
- **Non-Implementation of Suggestions:** The workers will feel disheartened if their suggestions are turned down without any reason. The suggestions of each quality circle should be given due weightage. If they are likely to improve quality of products, they must be implemented. This will enthruse the members of the quality circle.

---

## 10.4 BEHAVIOUR – FOCUSED PROGRAMMES

---

Behaviour-focused programmes are directed at changing the attitudes, behaviour, and interactional patterns of individuals and groups. Their main purpose is to increase the individual's or groups ability to solve problems by having the individual or group engage in authentic and cooperative behaviour. Some of the more popular developmental programs are career planning and development, assertiveness training, sensitivity training, transactional analysis, process consultation, team building, inter-group team building and the managerial grid.

- ***Career planning and development:*** Career development activities consist of a) helping organization members decide what they want to do their professional lives, b) improving individual's capacities to function productively in organization, c) matching individuals with organizations at different stages of their lives, and d) planning human resources utilization in organizations.
- ***Assertiveness training:*** This training is given to employees to help them express themselves in a constructive manner. It is designed to help people satisfy their needs without encroaching on the rights of other people.
- ***Sensitivity training:*** This training is a method of changing people's attitudes and behaviour through unstructured group inter-acts. By interacting with others in an open and unthreatening environment, people can learn more about the effect of their behaviour on others.
- ***Transactional analysis:*** This is a conceptual tool for analyzing the pattern of interpersonal communication. When a person communicates with another, the pattern of interaction can be either complementary or conflicting. Understanding this pattern can help people interact in a constructive manner.
- ***Process consultation:*** A trained observer makes an observation on group processes for example, on communication, decision making, individual roles, and group climate and provides feedback to the group. The purpose is to give the group members some insight into what is going on around them in the group process. The observer can also provide some generalizations on how the group can improve its effectiveness.
- ***Team building:*** While team building is in reality, group-oriented sensitivity training it focuses more on solving task related problems than on improving interpersonal sensitivity. It is often called the family T-group. Its goal is to improve group effectiveness through better management of the inter-actional patterns of group members. It can be combined with process consultation.
- ***Inter-group team building:*** This method focuses on helping group interact better with each other. It identifies the sources of conflict and common interests among groups, helps them resolve conflicts, and encourages them to develop cooperative relationships.



- **Managerial grid:** The managerial grid program is aimed at helping managers develop a leadership style that is both people and production-oriented. This style is used in developing productive group, promoting cooperative inter-group relations and managing the organization as a unit. The entire program consists of six phases:

a) Laboratory seminar, b) Team building, c) inter-group development, d) organizational goal setting, e) goal attainment, f) stabilization.

#### 10.4.1 **Structure-Focused Programs:**

These programmes attempt to improve organizational effectiveness by changing tasks, structural relationships, and other managerial practices. By changing these organizational components, managers not only can influence the attitudes and behaviours of organization members but can also respond to the changing environment. These programmes include behaviour modification, job enlargement, flextime, linking pin organization, matrix organization, management-by-objectives (MBO), and survey feedback.

- **Behaviour modification:** This method, which is often called Behaviour Mod (or even B Mod), integrates the reinforcement theory with managing organizational rewards. The effectiveness of reward systems increase when the rewards are matched to employee needs and directly related to performance.
- **Job enlargement:** This method is often called horizontal job loading, as the job is expanded horizontally when task elements are added to an existing job. It makes the job more meaningful by adding task variety and using the workers job skills more fully.
- **Job enrichment:** This is often called vertical job loading, for the job is expanded vertically when managerial-responsibilities are added to it. Workers tend to feel more responsible for accomplishing their jobs when they are given the managerial responsibility for them.
- **Flextime:** This is a system of work scheduling whereby employees set their own working hours-within certain limits with the approval of the supervisor. Employees can set their own starting and stopping times, provided that they work a full day and are present during the core working hours (say, between 10 A.M. and 3.P.M.).
- **Linking-pin organization:** This is an organizational design that uses participative work groups at all management levels. It is called the linking-pin organization because one group activities are connected to other groups by supervisors who serve as the linking-pins between them. This approach is also called system 4, because it represents the fourth of Likert's four managerial systems:

a) exploitative authoritarian, b) benevolent authoritarian, c) consultative, and d) participative.

- **Matrix organization:** This form of organization facilitates, the flow of information within the organization and between the organization and its environment. It is probably best suited to organizations that operate in a complex-dynamic environment.
- **Management-by-objective (MBO):** MBO is a managerial process in which managers and subordinate jointly establish performance objectives for the subordinate and evaluate the latter group performance using them. This management tool can be used effectively in organizations operating in a relatively stable environment.
- **Survey feedback:** This method consists of three activities: a) collecting data about various organizational components from the organization or its subunits, b) analyzing the collected data, and c) disseminating the results to concerned parties. Attitude survey, climate surveys, and systems analysis are example of this technique. Management may use this information to improve the effectiveness of its managerial practice. Management can also use it to determine the types of organizational development activity to use.

---

## 10.5 LET US SUM UP

---

The meaning of group thinking, cohesiveness have been analyzed. Factors influencing group cohesiveness, their guidelines, and dynamics of group have been examined. Quality circle concept, benefits of quality circle, introducing quality circle and problems of such have been explained. In addition to that behaviour and structure focused programmes also been studied in detail. Finally, how an effective group thinking is useful in organization decision making have been dealt with.

---

## 10.6 KEY WORDS

---

GROUP THINKING

GROUP COHESIVENESS

QUALITY CIRCLE

PRODUCTIVITY

GROUP DYNAMICS

SMALL GROUPS

BEHAVIOUR STRUCTURED PROGRAMMES

STRUCTURE - FOCUSED PROGRAMMES

FORMAL AND INFORMAL GROUP

TRANSACTION

SENSITIVITY



---

## 10.7 CHECK YOUR PROGRESS: QUESTIONS

---

State whether the following statements True or False:

1. Group loyalty is high among members because of the high status enjoyed by the group.
2. Success of the group does not bring greater team spirit and enthusiasm among the members.
3. The concept of Quality Circle emerged from quality control.
4. Behaviour – focused programmes are not directed at changing the attitudes, behaviour of individuals.
5. Job enrichment is often called Job loading.

---

## 10.8 ANSWER TO CHECK YOUR PROGRESS

---

1.True    2.False    3.True    4. False    5. True

---

## 10.9 TERMINAL QUESTIONS

---

1. Explain the group thinking and cohesiveness process in an organization?
  2. Explain the concept of Quality circle in detail?
  3. What do you mean by behaviour – focused and structure focused programmes? Explain?
- 

## 10.10 REFERENCES

---

1. Barrett Pauline. Team building, Gower Hand book of management skills. Multi-Tech Publishing co. Bombay, 1994.
2. Robins S P. Organizational Behaviour. Practice Hall of India. New Delhi. 1993.
3. Udai Pareck, T V Rao, D M Pestonje, Behavioural processes in organizatins. Oxford and IBH, 1994.





## **BLOCK - IV :**

---

---

### **UNIT 11 : CONCEPT - IMPORTANCE OF MOTIVATION, THEORIES OF MOTIVATION, MASLOW'S THEORY**

---

---

#### **Structure**

- 11.0 Objectives
- 11.1 Introduction
- 11.2 Concept of Motivation
- 11.3 The Motivation process
- 11.4 The Importance of Motivation
- 11.5 Theories of Motivation
- 11.6 Maslow's Hierarchy of Needs Theory
- 11.7 Check your progress
- 11.8 Let us sum up
- 11.9 Key terms
- 11.10 Answers to check your progress
- 11.11 Terminal Questions

---

## 11.0 OBJECTIVES

---

Study of this unit should enable you to:

- define motivation
- explain the importance of motivation.
- discuss Maslow's theory of motivation
- present an evaluation of Maslow's theory.

---

## 11.1 INTRODUCTION

---

When we observe people working in an organization, we may feel that some people are working harder than others. Some people appear to be highly motivated than others. Same person may act differently at different point or time. Why this is so ? We will find answer to this question in this and subsequent units of this Block. We will also understand how motivation is important to the organizations and, hence, to their managers.

---

## 11.2 CONCEPT OF MOTIVATION

---

"Concept of Motivation is probably the most researched and discussed topic in the organizational sciences (Stephen Robbins). This statement amplifies the importance of motivation in organizations. Let us understand first the meaning and nature of motivation.

There is no single universally accepted definition of motivation. The term has been derived from the Latin word 'movere' which means "to move". This meaning is evident in the comprehensive definition given by Fred Luthans. According to him "motivation is a process that starts with a physiological or psychological deficiency or need that activates a behaviour or a drive that is aimed at a goal or incentive".

Moorehead and Griffin have defined motivation as "the set of forces that lead people to behave in particular ways". According to Gray and Starke, "motivation is the result of processes, internal or external to the individual that arouse enthusiasm and persist to pursue a certain course of action".

You will understand the meaning of motivation better by understanding the motivation process:

---

## 11.3 THE MOTIVATION PROCESS

---

Current thinking on motivation rests on the concepts of need deficiencies and the resultant behavior to fulfil the needs. This involves a process consisting of six phases as illustrated in Figure 4.1



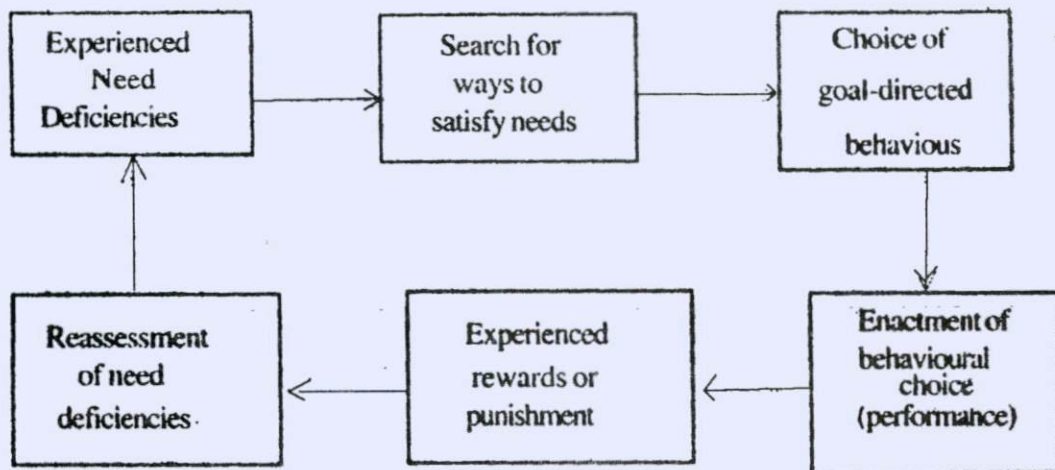


Figure 4.1 : The Motivational Framework

(Source : Moorehead and Griffin)

The starting point of the motivational process is 'a need'. A need is a deficiency experienced by an individual. For example, a person might feel the salary given to him is not commensurate with the work he does. He feels he should get more. This represents need deficiency. It is also called inner state of disequilibrium, tension or urge.

A need triggers a search for ways to satisfy it. The person in the above example might search for ways to satisfy his need. He may ask for increase in salary and promotion; he may work harder expecting a raise and promotion or he may search for a new job with higher salary.

In the third stage, he will have goal-directed behaviour. His efforts are directed at one of the best options to satisfy the need. In the next phase, the person actually carries out the behaviour chosen to satisfy the need. The person in our example may decide to work harder. His performance is being evaluated.

In the next stage, rewards or punishment will follow the performance. The person in the example might get promotion and higher salary due to better performance.

In the last phase, the person would evaluate the extent to which the need has been satisfied. If he had expected a salary jump of Rs.5,000/p.m. and a promotion, but he gets only Rs.2,000/- jump without promotion, he may think of other alternatives or accept whatever has been given and work harder.

---

## 11.4 IMPORTANCE OF MOTIVATION

---

One of the manager's primary tasks is to motivate people in the organization to perform at high levels. There is a correlation between the efforts of the organization to motivate their staff and the profitable business performance. Hence, it is important to keep the employees in an organization motivated.

(1) Motivation influences employees to search for better ways to do a job. A motivated employee always tries to carry out his duties and responsibilities sincerely. He searches for new and better ways to do his job. When people actively seek new ways of doing things, they usually find them without motivation. employees will not do this.

(2) Motivation generates quality consciousness among employees. This is the case whether the employee is a top manager spending extra time on data gathering and analysis for a report, or a junior office assistant filing important documents. It creates the right image that the organization is quality conscious.

(3) "Highly motivated workers are more productive than apathetic workers". Motivation is considered to be the most important factor in high productivity of Japanese workers. It has been found that fewer workers are needed in Japan to produce an automobile than elsewhere.

(4) Motivation as a concept is pervasive and a highly complex activity that affects and is affected by a host of factors in an organizational milieu. It is necessary to understand how human beings behave in particular situations. What motivate them? How organization influences the behaviour of human beings in terms of its structure, style, shared values and work practices? These questions are very important when motivation is involved. Understanding of these issues ensure long-term growth and survival of the organization.

(5) Motivation requires proper understanding of nature of the work that must be carried out, the effects of the work on those who do it. This is necessary to find out the extent of intrinsic satisfaction and fulfillment that is present in the work; the interface between the human resource and technology; and again the style of management and supervision that is to be adopted.

(6) Motivation ensures better human relationships at the work place. At its best a variety of elements such as (i) everyone exhibiting enthusiasm and commitment to the organization, its products, services and customers. (ii) faith in the organization and all its works; (iii) a measure of involvement in the implementation of policy and achievement of objectives (iv) principles and operational standards by which the organization functions are well understood; (v) communication process is very effective and relevant (vi) preventive approaches to problems and commitment to resolve them quickly when they arise.

(7) Now-a-days a lot of importance is being given by big organizations to develop human resources from long-term perspective. It is evident in the recent growth of management and organization development programmes, in the attention given to manpower planning, training, job design, job rotation.



(8) A study conducted by Prof. Dharni P. Sinha of the Administrative Staff College, Hyderabad revealed that motivation and commitment were the important issues in the organization process. This shows the amount of attention being paid to motivation in organizations.

## 11.5 THEORIES OF MOTIVATION

There are many theories of motivation. Each theory attempts to describe what human beings are and what human beings can become. There are early theories which are traced to scientific management and human relations school of management considered the money as the motivator, human relations model believed that the social contacts helped create and sustain motivation. You have already understood about these schools of thought in your principles of management course in first year M.Com. Hence, we will focus our attention to understanding contemporary theories of motivation.

## 11.6 MASLOW'S HIERARCHY OF NEEDS THEORY

Maslow's hierarchy of needs theory is the simplest, widely discussed and is well known theory of motivation. Maslow argued that the human beings have innate desires to satisfy a given set of needs. These needs can be arranged in a hierarchical manner. He believed that once a given level of need is satisfied, it stops motivating. The next higher level need has to be activated in order to motivate the individual.

Maslow classified human needs into a hierarchy of five levels, with the most basic needs at the bottom of the hierarchy. This is shown in Figure 4.2. The most basic level of needs are primary or physiological ones. So long as these needs are not satisfied, they dominate the person's consciousness and have virtually exclusive power to motivate human behaviour. When they are satisfied, they cease

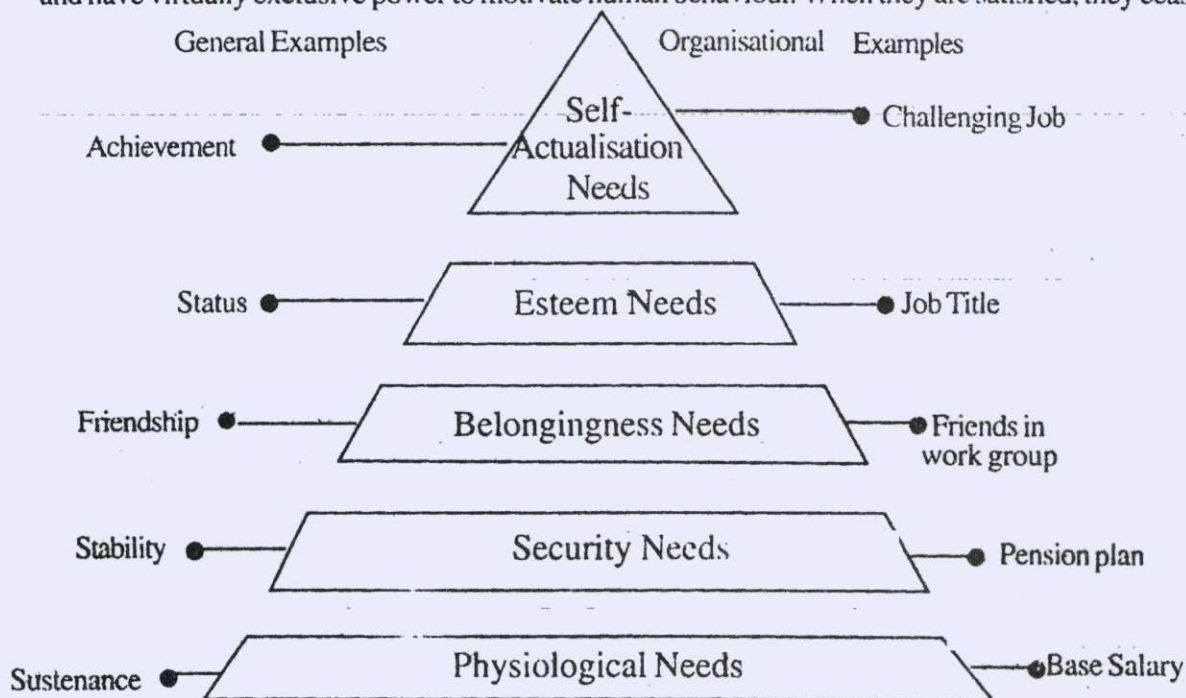


Figure 4.2: Maslow's Hierarchy of Needs.

to be motivators. Then the secondary needs acquire the power to motivate individuals. Like this they move in succession to love, esteem, and self-actualisation needs. Maslow said that people can move up and down the hierarchy.

For example the loss of existing satisfaction of primary needs, can reactivate that level and increase its relative importance.

Let us understand the five levels of needs presented in the figure 4.2 in greater detail.

### **1. Physiological Needs.**

The most basic needs in the hierarchy are physiological needs. They include the needs for food, thirst, sleep and sex. For an hungry man, food is very important. Freedom, love, community feeling, respect, philosophy are unimportant as they fail to fill the stomach. The wages individuals receive for working as well as any supplementary benefits, often address these most basic needs.

According to Maslow, once physiological needs are satisfied, their importance diminishes and they fail to motivate. Then the next level needs up the hierarchy will arise and they become important motivators.

Physiological needs are the easier to meet by any organization. Adequate wages, subsidized lunch, company housing, subsidized schooling for employees childrens provided by the organizations can satisfy these most basic level of needs.

### **2) Security needs:**

Once the physiological needs are satisfied, the security needs or safety needs will arise and they become motivators. Safety needs include a person's desire for security or protection. Maslow said that these needs are most readily observed in infants and young children because of their relative helplessness and dependence on adults.

In the context of an organization, security needs include such factors as job security, safe working conditions, a grievance system (to protect against arbitrary supervisory actions), and an adequate insurance and pension scheme.

### **3) Belongingness and love needs:**

Belongingness and love needs are in the third level in the hierarchy they are primarily social. They include the need for love and affection and the need to be accepted by peers. Virtually all individuals desire affectionate relationships or regular interactions with others.

Family ties and group relationships inside and outside the organization satisfy belongingness needs of employees. Organisations meet these needs by providing opportunities for social interactions such as regular coffee breaks, organized sports, and other recreational opportunities. Managers should encourage informal groups and supervision should be friendly.



#### **4) Esteem Needs :**

Esteem needs are the fourth level needs in the hierarchy. They include two different kinds of needs : the need for a positive self-image and self-respect, and the need to be respected by others.

Positive self-image and self-respect includes such things as desire for competence, confidence, personal strength, adequacy, achievement, independence and freedom. The need to be respected by others includes prestige, recognition acceptance, attention, status, reputation and appreciation.

Esteem needs in the work place are met by job title, merit pay increase, supervisory recognition, challenging work, responsibility, and publicity in company publications.

#### **5) Self-Actualisation Needs:**

At the top of the hierarchy are what Maslow termed self-actualisation needs. These needs arise after all the four levels of needs are met. Self-actualisation needs involve realizing our full potential and becoming all that we can be.

Maslow regarded self-actualisation as the pinnacle of human growth and adjustment, but argued that few of us operate at that level. Clearly, few people ever become all they could become. Maslow himself estimated that less than one percent of the population fulfils the need for self-actualisation. Maslow advances three reasons for this First, people are invariably blind to their own potentialities. Second, the social environment often stifles development towards self-fulfilment. A final obstacle is the strong negative influence exercised by the safety needs.

In an organization, self-actualisation needs correlate to desire for excelling oneself in one's job, advancing an important idea, successfully managing an unit, and the like.

#### **An Evaluation of Maslow's theory:**

Maslow's need hierarchy was the first motivation theory to be popularized. It is one of the best known theories in management circles. Its simplicity and logic are its greatest merits. This theory has had a tremendous impact on the modern management approach to motivation. Though this theory has been criticized, it teaches one important lesson to managers : a fulfilled need does not motivate an individual.

The theory has been, however, criticized on the following lines.

- It is not a theory of work motivation.
- The hierarchy of needs simply does not exist. At a given time, needs are present at all levels.
- Hierarchy may not be the same in all the countries. In Japan, Social and security needs may be placed higher as they are less satisfied than self actualization.
- There may be variations in hierarchy within countries and among individuals.
- Many individuals may stay content with lower level needs-physiological or safety needs. They may not move up the hierarchy in search of satisfaction.

---

## 11.7 CHECK YOUR PROGRESS

---

1. Current thinking on motivation rests on the concept of.....deficiencies.
2. Motivation process consists of .....phases.
3. The starting of motivation process is .....
4. Motivation theories can be grouped into two, viz., (a).....(b).....
5. What were the motivating factors in early theories of motivation ?
6. What is the most basic argument of Maslow in his theory of need hierarchy ?
7. Maslow classified human needs into.....levels of hierarchy.
8. Which needs are placed at the bottom of the hierarchy ?
9. In an organizational context what factors fulfill basic needs ?
10. Why self-actualisation needs are placed at the top of the hierarchy ?
11. What are self-actualisation needs ?
12. In the context of the organization, self-actualisation needs correlate with .....

---

## 11.8 LET US SUM UP

---

Motivation is the set of forces that cause people to behave in various ways. Motivation starts with a need and the search for alternatives to satisfy these needs. Then people behave accordingly. The performance of this behaviour results in rewards or punishment.

The early motivation theories, most importantly, the scientific management school believed that the money is the motivator, while the human relations view suggested that social factors are primary motivators.

Abraham Maslow classified human needs into five levels of hierarchy. He argued that once a given level of need is satisfied, it stops motivating. Then higher level need will arise and motivate the individual to a particular behaviour. His theory made it very clear that people are motivated by emerging rather than fulfilled needs.

---

## 11.9 KEY TERMS

---

- Motivation : the set of forces that lead people to behave in particular ways.
- Abraham Maslow : Founder of theory of Need hierarchy.
- Hierarchy of needs : Physiological needs, security needs, belongingness needs, esteem needs, self-actualisation needs



---

## 11.10 ANSWERS TO CHECK YOUR PROGRESS

---

1. Need
2. Six
3. Experienced need deficiencies
4. (a) early theories (b) contemporary theories.
5. Money is the motivator according to scientific management thought and social contacts were the motivators according to human relations model.
6. Human beings have innate desire to satisfy a given set of needs. These needs can be arranged in a hierarchy or importance. Once the given level need is satisfied, next higher level need will arise. The satisfied need stops motivating.
7. Five.
8. Physiological needs
9. Wages and supplementary benefits.
10. To indicate that these will arise only after meeting the four lower level needs.
11. Needs to realize our full potential and becoming all that we can be.
12. Desire for excelling oneself in one's job, advancing an important idea, successfully managing an unit and the like.

---

## 11.11 TERMINAL QUESTIONS

---

1. Define motivation. Explain the motivation process.
2. Discuss the meaning and importance of motivation in an organizational context.
3. Explain Maslow's theory of need hierarchy.

---

---

## UNIT 12 : HERZBERG'S THEORY, J.S.ADM'S THEORY, VROOM'S THEORY

---

---

### Structure

- 12.0 Objectives
- 12.1 Introduction
- 12.2 Herzrberg's theory of motivation
  - 12.2.1 Hygiene Factors
  - 12.2.2 Motivators
  - 12.2.3 Application of two factor theory in the work place
  - 12.2.4 Comparison of need hierarchy and two factor theories
  - 12.2.5 Differences between Maslow's and Herzberg's theories
  - 12.2.6 Evaluation of two-factor theory
- 12.3 J.S. Adam's Equity theory of Motivation
  - 12.3.1 Evaluation of two-factor theory
- 12.4 Vroom's Expectancy Theory
  - 12.4.1 Evaluation of Expectancy Model
- 12.5 Check your progress
- 12.6 Let us sum up
- 12.7 Key Terms
- 12.8 Answers to check your progress
- 12.9 Terminal Questions



---

## 12.0 OBJECTIVES

---

After studying this unit you should be able to

- Describe Herzberg's motivation theory.
- Compare and contrast Maslow's need hierarchy and Herzberg's two-factor theory.
- State J.S.Adam's equity theory.
- Explain Vroom's expectancy theory, and
- Evaluate the above theories.

---

## 12.1 INTRODUCTION

---

In the first unit of this block, you understood that there are different theories of motivation, and you have already studied Maslow's needs theory. In this unit you will study 3 other theories of motivation. They are Herzberg's theory, J.S.Adam's theory, and Vroom's expectancy theory.

---

## 12.2 HERZBERG'S THEORY OF MOTIVATION

---

Fredrick Herzberg, a famous psychologist, developed another theory of motivation. This theory is variously termed as 'two-factor theory', 'the dual factor theory', and 'the motivation hygiene theory'.

Herzberg and his associates developed the two-factor theory in the late 1950s and early 1960s. Herzberg started his famous motivational study by interview 200 accountants and engineers in Pittsburgh, Pennsylvania. He used the critical incident method of obtaining data for analysis.

Herzberg asked essentially two questions: (1) When did you feel particularly good about your job-what turned you on ; and (2) When did you feel exceptionally bad about job-what turned you off ? From this study, Herzberg uncovered two separate sets of factors which led to job satisfaction and job dissatisfaction. Interesting and unique finding was, "the opposite of satisfaction is not dissatisfaction" as was traditionally believed. That is, if you remove dissatisfying characteristics from a job, it won't make the job satisfying. It just makes the job "not dissatisfying". Hence, in Herzberg's finding, the opposite of "satisfaction" is "No satisfaction" and the opposite of "dissatisfaction" is "No dissatisfaction".

In short, Herzberg's theory is that "the work satisfaction and dissatisfaction arise from two different sets of factors". Hence, this theory derived the name two-factor theory.

Fig.

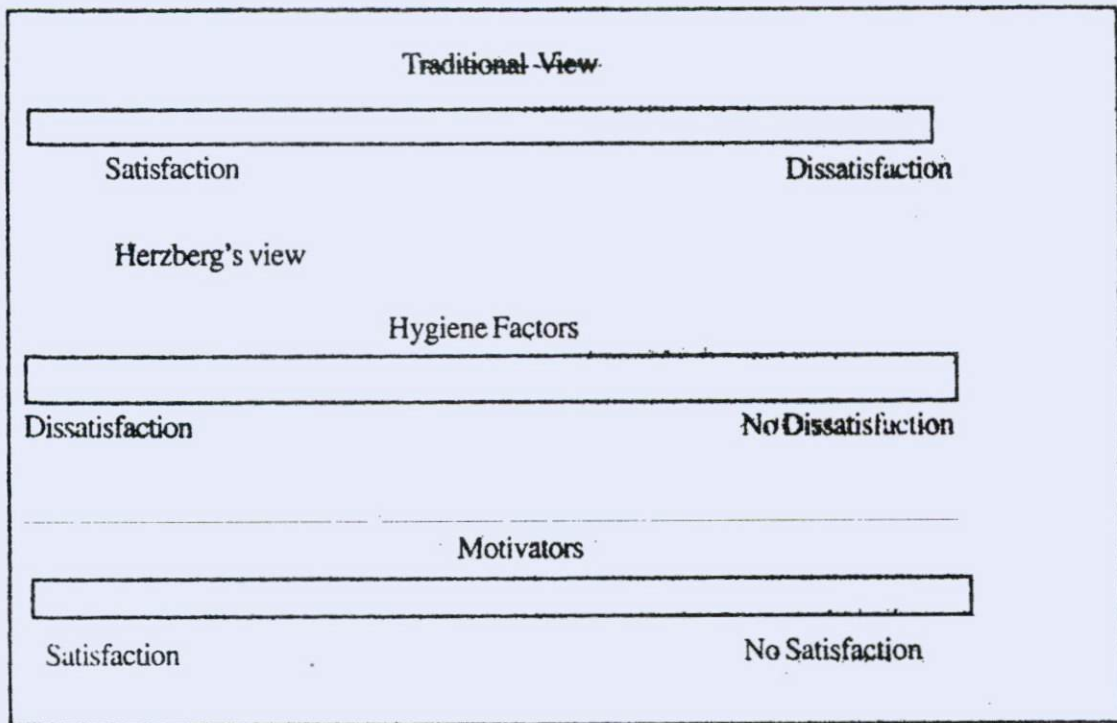
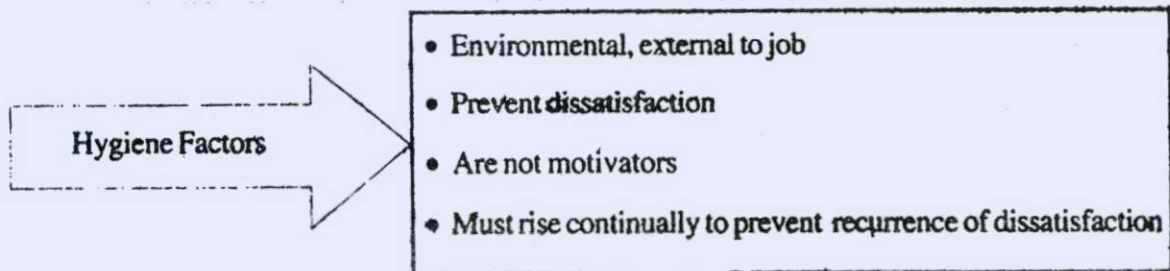


Figure 2.1 : Contrasting views of satisfaction – dissatisfaction.

### 12.2.1 Hygiene Factors

Hygiene factors are not an intrinsic part of a job but they are related to the conditions under which a job is performed. When these factors are absent, they lead to dissatisfaction with the job. When present, they don't lead to satisfaction or motivation, but prevent dissatisfaction; Hence, hygiene factors are called dissatisfiers'. These included salary, working conditions, supervision and company policy.





### 12.2.2 Motivators

Motivators related to the content of the job. That is, the work employees did all day long. They include achievement, recognition, responsibility and advancement and growth. These factors, when provided, bring satisfaction and motivate the employees to perform better.

Table 2.1 : Herzberg's two-factor theory of Motivation	
<u>Hygiene factors</u> (Dissatisfiers: Factors mentioned most often by dissatisfied employees)	<u>Motivators</u> (Satisfiers: Factors mentioned most often by satisfied employees)
1. Company policy and administration 2. Supervision 3. Relationship with supervisor 4. Work conditions 5. Salary 6. Relationship with peers 7. Personal life 8. Relationship with subordinates 9. Status 10. Security	1. Achievement 2. Recognition 3. Work itself 4. Responsibility 5. Advancement 6. Growth

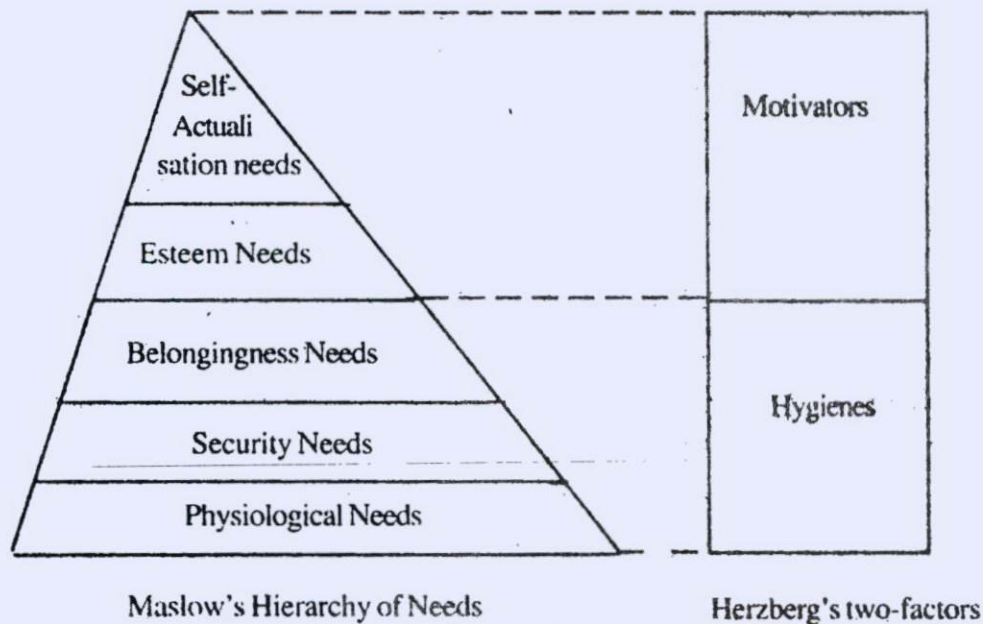
### 12.2.3 Application of two-factor theory in the workplace:

Herzberg recommended two-stage process to apply the theory in practice. First, the managers must attend to hygiene factors such as ensuring that the pay and job security are adequate, working conditions are reasonable, supervision is alright, etc. Thus, managers can eliminate the situation of 'dissatisfaction' and reach the level of 'No Dissatisfaction.' Once the level of 'No dissatisfaction is reached, further improvement of hygiene factors is a waste of time. Hence, in the second stage, the managers must provide motivators by increasing opportunities for achievement, recognition, responsibility advancement and growth. Herzberg advocated a technique of 'job enrichment' for this purpose. As a result, Herzberg's theory became very popular among practicing managers.

### 12.2.4 Comparison of Need Hierarchy and two-factor theories

Herzberg's theory is closely related to Maslow's theory of need hierarchy. Hygiene factors, which prevent dissatisfaction but donot lead to satisfaction, are roughly equal to Maslow's lower level needs. The motivators which motivate employees on the job are roughly equivalent to Maslow's higher level needs. Figure 2.2 shows the comparison of needs in both the models.

Figure – 2.2: comparison of Maslow and Herzberg



### 12.2.5 Differences between Maslow's and Herzberg's theories

There are differences between the models. They are presented in the table 2.2.



Table 2.2: Differences between Need Hierarchy and Two-Factor theories

Issue	Need Hierarchy	Two-Factor Theory
* Type of theory	Descriptive	Prescriptive
* The satisfaction performance relationship	Unsatisfied needs influence behaviour and performance	Needs cause performance
* Effect of need satisfaction	A Satisfied need is not a motivator (except self-actualisation)	Satisfied hygiene need is not a motivator; other satisfied needs are motivators.
* Order of Needs	Hierarchically arranged	No such arrangement
* Motivator	Any need can be a motivator if it is relatively unsatisfied.	Only higher order needs serve as motivators
* View of motivation	Macro-View, deals with all aspects of existence	Micro-view, deals primarily with work related motivation
* Worker level	Relevant for all workers	Probably more relevant to white collar and professional workers

### 12.2.6 Evaluation of the two-factor theory

Though Herzberg's two-factor theory remains a very popular explanation of motivation, it has been criticized on several grounds. We will understand the criticisms of the theory

- (1) The theory oversimplifies the complexities of work motivation.
- (2) If the methodology used is different (other than the content analysis of recalled incidents used by Herzberg), the results did not support the theory. That is, the researchers did not get two-factors.
- (3) The original sample of accountants and engineers may not represent the general working population. Would we have obtained the results from low-complexity jobs such as truck drivers and third-shift factory workers or wait staff personnel? Hygiene factors and motivators could be substantially different when comparing these groups.

- (4) The theory fails to account for individual differences. The theory assumes that job enrichment benefits all employees. Research evidence suggests that this is not true. Some workers are content to perform routine tasks and to forego the managerial duties of planning and controlling.
- (5) The two factors are not actually distinct. Both motivators and hygiene factors contribute to both satisfaction and dissatisfaction. For example, pay can be dissatisfying if not high enough, but also be satisfying as a form of achievement and recognition.
- (6) The theory ignores situational variables. In an Israeli Kibbutz, older workers preferred jobs that had better physical conditions and convenience. Another study found that Caribbean hotel workers were more interested in wages, working conditions, and appreciation for their work and these factors were considered to be motivators for them.
- (7) The theory provides an explanation of job satisfaction. It is not really a theory of motivation. It does not define the relationship between satisfaction and motivation.

In spite of these criticisms, Herzberg's contribution to the study of work motivation is substantial. He drew attention to the importance of job content factors in work motivation, which previously had been badly neglected and often totally overlooked. The job design technique of job enrichment is also one of Herzberg's contributions. However, like his predecessors, he fell short of a comprehensive theory of work motivation.

---

### 12.3 J.S. ADAMS EQUITY THEORY OF MOTIVATION

---

There are many variants of equity theory. But the most often cited is the one proposed by J. Stacy Adams, a social psychologist. Equity theory is derived from social comparison process. Hence, the theory is also known as "social comparison theory."

Equity theory is based on the simple premise that people want to be treated fairly. It argues that "a major input into job performance and satisfaction is the degree of equity (or inequity) that people perceive in their work situation."

Equity is defined as "the belief that we are being treated fairly in relation to others and inequity as the belief that we are being treated unfairly in relation to others."

An individual compares what he gets from a job (outcomes) with what he puts into it (inputs), and then compares his outcome-input ratio with the outcome-input ratio of relevant others. If the ratios are equal, equity exists. If the ratios are unequal, inequity exists.



Inequity occurs when:

$$\begin{array}{l} \text{Person's outcomes} \\ \text{Person's inputs} \end{array} < \begin{array}{l} \text{Other's outcomes} \\ \text{Other's inputs} \end{array}$$
$$\begin{array}{l} \text{Person's outcomes} \\ \text{Person's inputs} \end{array} > \begin{array}{l} \text{Other's outcomes} \\ \text{Other's inputs} \end{array}$$

Equity occurs when:

$$\begin{array}{l} \text{Person's outcomes} \\ \text{Person's inputs} \end{array} = \begin{array}{l} \text{Other's outcomes} \\ \text{Other's inputs} \end{array}$$

Both the inputs and the outputs of the 'Persons' and the 'other' are based on the person's perceptions.

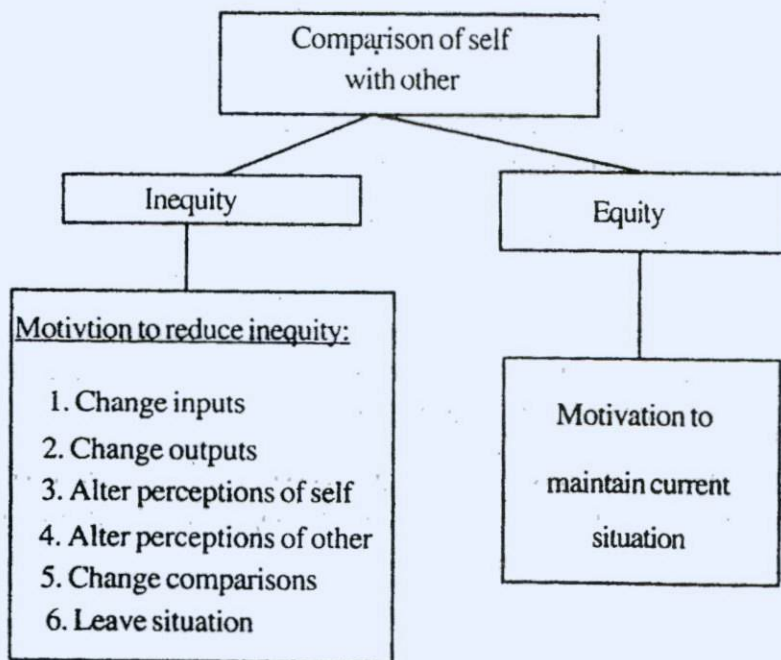
Some examples of inputs are:

Age, sex, education, social status, organisational position, qualifications, how hard the person works.

Some examples of 'outcomes' are:

Pay, status, promotion, and intrinsic interest in the job.

If a person perceives equity, he is motivated to maintain it. If he perceives inequity, he is motivated to reduce it.



Figur-2.3: Responses to preceptions of equity and inequity

Adams has suggested that the people use six common methods to reduce inequity. They are:

1. Changing the inputs. A person may put less effort into the job if he is under rewarded. If he is over-rewarded, he may put more effort into the job.
2. Changing the outcomes. The person may demand pay raise, seek additional avenues for growth and development.
3. Altering the perception of self. After perceiving an inequity, a person may change his self assessment.
4. Altering the perception of the other's input, and / or outcomes: A person who feels under rewarded when compared to the other, might conclude that the other person is actually more hard working than himself.
5. Changing the object of comparison. A person may feel that the present comparison-other (the person with whom he has compared) is lucky, or has special skills and abilities.
6. One may simply leave the situation. He may get transferred to other department or quit altogether the organisation to reduce inequity.

### 12.3.1 Evaluation of Equity Theory

Equity theory has advantages as well as limitations. On the side of advantage, the theory has generated a lot of research which has been fairly supportive of it. Second, the theory recognizes the influence of social comparison processes on motivation.

Thirdly compared to the content theories, the equity theory adopts a realistic approach to motivation. The theory has the following limitations:

1. It is somewhat narrow in its emphasis on visible rewards and overemphasizes conscious processes.
2. How do employees define inputs and outcomes? For instance, "responsibility is viewed by some as input and as output by others.
3. How do employees combine and weigh their inputs and outcomes to arrive at totals?
4. How does a person choose (or change) the comparison other?
5. Equity theory is not precise enough to predict which actions are most probable.

In spite of these problems, equity theory continues to offer us some important insights into employee motivation.



## 12.4 VROOM'S EXPECTANCY THEORY

Vroom's Expectancy theory gives one of the most widely accepted explanations of motivation. It integrates many of the elements of the needs, equity, and reinforcement theories. It considers the interface of the individual with both the situation and the environment. It has other names such as instrumentality theory, path-goal theory, and valence-instrumentality-expectancy theory.

The focus of the expectancy theory is on the relationship among inputs rather than on the inputs themselves.

The theory attempts to determine how individuals choose among alternative behaviours. According to this theory, the motivation depends on how much we want something and how much we want something and how likely we think we are to get it, for example, you see an advertisement for a lecturer's job with Rs 20,000 salary per month. You may like the job, but you won't apply because you don't have required qualification (Master's degree), hence you have no chance of getting it. Suppose you see another advertisement for a servant with Rs. 500 salary per month. Even if you think you can get it, you may not apply. You come across an advertisement for an accountant with Rs.5000 per month salary and the qualification required is degree without experience. You may probably apply because (1) you want it and (2) there is a reasonable chance of you getting it. Figure 2.4 Summarizes the basic expectancy theory.

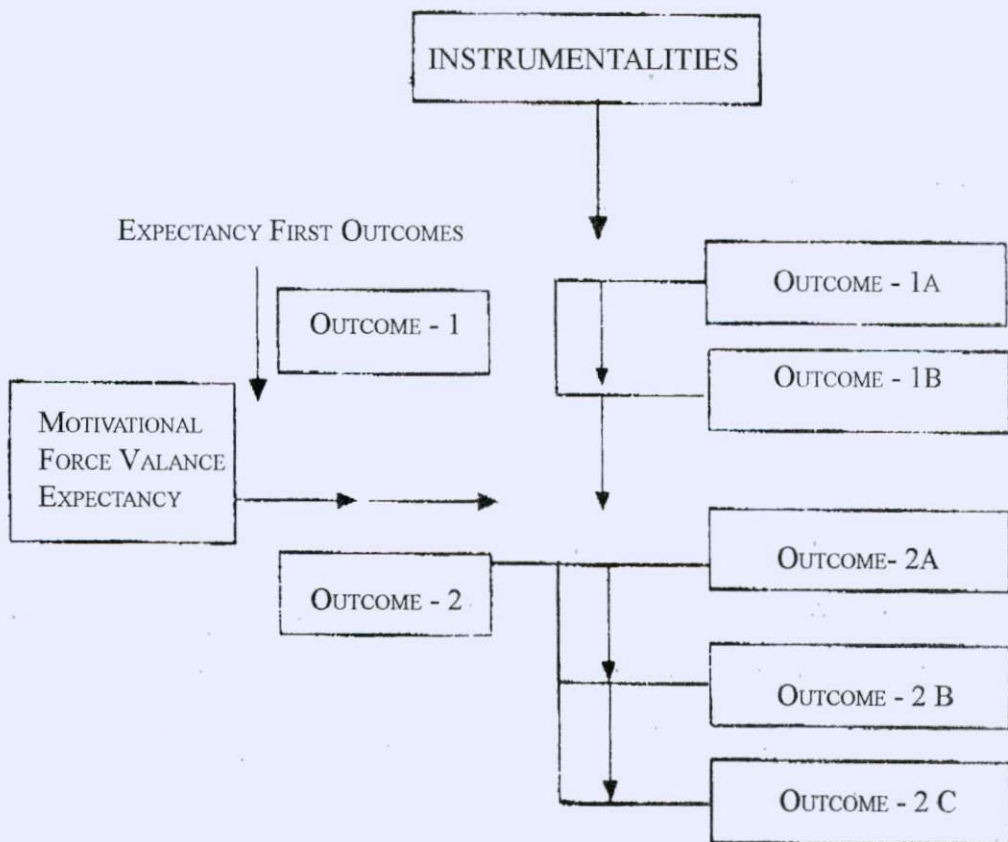


Figure 2.4:Vroom's VIE Theory of Motivation

There are three variables in the theory such as valence, instrumentality and expectancy; and hence the theory is called 'the VIE Theory.' We will understand the meaning of these variables.

**Valence:** According to Vroom, valence means the strength of an individual's preference for a particular outcome. In other words, valence means preferences individuals have for various outcomes or incentives that are potentially available to them. It is the personal value workers place on the rewards they believe they will receive for performing. For example, to a manager who values money and achievement, a transfer to a higher paying position in another city may have high valence; to a manager who values affiliation with colleagues and friends, the same transfer may have low valence.

An individual with high 'esteem needs' generally attaches a high valence to a new job title or a promotion. An individual with strong security needs values pension and retirement programmes or a long period of service contract. The person with self-actualisation needs attaches high valence to challenging jobs or increased responsibility.

The studies have found that the value of specific outcomes varies from culture to culture also as it varies from individual to individual.

**Instrumentality:** It refers to a person's perception of the probability that certain outcomes will be attached to performance. In other words the perception of the probability that performance will lead to other outcomes. An 'outcome' is anything that might result from performance. For example, a person would be motivated towards superior performance if he perceives that it leads to greater pay. This person has high instrumentality. A person who sees no link between performance and pay will have zero instrumentality. The value of instrumentality varies from 0 to 1.

**Expectancy:** It refers to the belief that an effort will lead to completion of a task. This likelihood, or probability, is determined subjectively by the person deciding whether to act, and can range from 0 to 1. For example, if a salesperson knows for certain that he can sell his goods, then the expectancy value of his selling effort is 1. If he sees no chance of selling, his expectancy is 0. Normally, expectancies of employees will lie between these two extremes. Like valence, expectancy must also be high for motivation to take place.

Note the difference between expectancy and instrumentality. Expectancy refers to the belief that the task will be performed. It is the first level outcome. Instrumentality, on the other hand, refers to the belief that the performance will result in desired outcome. For example, a person buys a lottery ticket with the hope of winning a prize. Buying the lottery ticket is expectancy. Chance of winning the prize is instrumentality.

In summary, according to the expectancy theory,

Motivation = Expectancy x Valence x Instrumentality.



### **Evaluation of Expectancy Model:**

- Vroom's theory is very popular in academic circles. It has generated considerable research.
- This theory can clarify the relationship between individual goals and organisational goals. Suppose workers are given a certain standard for production. By measuring workers' output, management can determine how important their various personal goals (Second-level outcomes such as money, security, and recognition) are; the instrumentality of the organisational goal (the first-level outcomes, such as the production standard) for the attainment of the personal goals; and the workers' expectancies that their effort and ability will accomplish organisational goal.
- The expectancy theory views individuals as thinking, reasoning beings who have beliefs and anticipations concerning future events in their lives. Strong internal drives, or satisfiers and dissatisfiers may not simply motivate them to act.
- Vroom's theory implies that managers must make it possible for an employee to see that effort can result in appropriate need satisfying rewards.

Despite its general appeal, expectancy model has its own limitations. It has not been fully tested empirically. The numerous relationships among the three variables is still open to question.

The theory has been criticized that it is overtly rational. Not everyone is willing or able to spend his energy and time to calculate probabilities. That is, the calculation of valence, expectancies, may not be done by the people.

Besides those mentioned in the theory, the individuals, effort on the job is influenced by many factors.

Research on the principles of expectancy theory has been plagued by a wide variety of technical, methodological problems. Most studies that have attempted to test its validity have been only marginally successful.

Though there are limitations, the principles of the model can be used to guide managers in designing organisational rewards, work systems, management by objective and goal setting.

---

### **12.5 CHECK YOUR PROGRESS**

---

1. According to Herzberg's theory, removal of dissatisfying characteristics from a job, makes the job .....
2. In Herzberg's findings:
  - (i) Opposite of 'satisfaction' is .....
  - (ii) Opposite of 'dissatisfaction' is .....

3. List hygiene factors what is the other name used for hygiene factors?
4. Equity theory is based on the premise that .....
5. Equity occurs when —
6. What is the focus of expectancy theory?

## 12.6 LET US SUM UP

We have understood three motivation theories in this unit. Herzberg's theory discusses the importance of satisfiers and dissatisfiers in job satisfaction. The content factors in job environment are motivating.

Adam's theory deals with people's satisfactions and dissatisfactions. It is based on perceived input-outcome ratios of oneself compared to relevant others (s). If the ratios are equal, the person is motivated to maintain it; if unequal, he is motivated to reduce it.

Vroom's expectancy theory focuses on the thought processes of people who must decide whether to put effort to achieve a possible payoff. Motivation depends on how much we want something and how likely we think we are to get it. It involves the interaction of expectancy, valence, and instrumentality.

## 12.7 KEY TERMS

Hygiene Factors	-	also called dissatisfiers. The factors related to the conditions under which a job is performed.
Motivators	-	factors related to the content of the job and when provided motivate employees.
Equity	-	the belief that one is being treated fairly in relation to others.
Inequity	-	the belief that one is being treated unfairly in relation to others.
Valence	-	preferences individuals have for various outcomes or incentives that are potentially available to them.
Instrumentality	-	person's perception of the probability that certain outcomes will be attached to performance.
Expectancy	-	refers to the belief that an effort will lead to completion of a task.



---

## 12.8 ANSWERS TO CHECK YOUR PROGRESS

---

1. 'not dissatisfying'
2. (i) satisfaction  
(ii) no dissatisfaction'
3. salary, working conditions, supervision, and company policy. The other name for hygiene factors is 'dissatisfiers.'
4. people want to be treated fairly.
5. the outcome – input ratio of an individual is equal to outcome – input ratio of relevant others.
6. the focus of expectancy theory is on the relationship among inputs rather than on the inputs themselves.

---

## 12.9 TERMINAL QUESTIONS

---

1. Discuss Herzberg's two-factor theory of motivation.
2. Compare and contrast Herzberg's theory with that of Maslow.
3. Distinguish between hygiene factors and motivators. Why is it important to make this distinction?
4. Explain equity theory of motivation.
5. Critically examine Vroom's expectancy theory.

---

---

## **UNIT 13 : PORTER AND LAWLER'S THEORY, THEORY 'X' AND 'Y'**

---

---

### **Structure**

- 13.0 Objectives
- 13.1 Introduction
- 13.2 Porter and Lawler's Theory
  - 13.2.1 Evaluation of P & L Theory
  - 13.2.2 Implications for practice
- 13.3 Theory 'X' and 'Y'
- 13.4 Check Yours Progress
- 13.5 Let Us Sum Up
- 13.6 Key Terms
- 13.7 Answers to check Your Progress
- 13.8 Terminal Questions



---

## 13.0 OBJECTIVES

---

A Study of this unit should enable to –

1. Explain Porter and Lawler theory of motivations
  2. Understand the difference between the views held till then and the views of porter and lawler.
  3. Discuss the practical implications of porter and Lawler theory
  4. Distinguish between theory 'X' and theory 'Y'
- 

## 13.1 INTRODUCTION

---

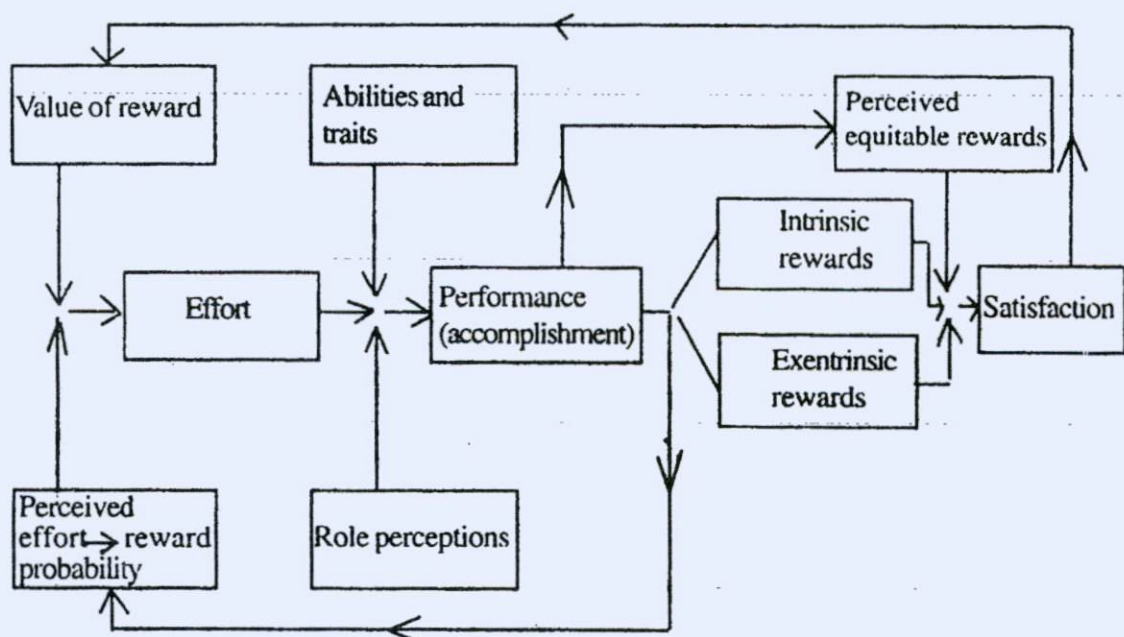
Vroom's expectancy theory you studied in the preceding unit has been refined and modified. But porter and Lawler extended Vroom's expectancy theory in a totally different way. They argued, instead of satisfaction leading to improved performance, performance leads to satisfaction. You will study this theory of motivation by porter and lawler in details. You will also study Mc Gregor's Theory 'X' and 'Y.' You will understand in the process merits, demerits and practical implications of these two theories.

---

## 13.2 PORTER AND LAWLER THEORY

---

Vroom's original presentation of expectancy theory has been refined and modified. Most of these modifications related to the identification and measurement of outcomes and expectancies. But Lyman W. Porter and Edward E. Lawler refined and extended Vroom's expectancy theory in a totally different way. They directly addressed the relationship between satisfaction and performance.



Porter and Lawler model is presented in figure 3.1



From the time of human relations movement, it was believed that there exists a direct relationship between satisfaction and performance. It is assumed that the satisfaction leads to improved performance. This is implicit in content theories. But porter and lawler argued the reverse. According to them, performance leads to satisfaction (till then, it was believed that satisfaction leads to performance)

The figure depicts the multivariable model used to explain complex relationship that exists among motivation, performance, and satisfaction. Though the boxes 1,2, and 3 in the model are basically same as the Vroom's equation, some of its features are quite different. This includes, for example, abilities, traits, and role perceptions.

Just have a glance at the model. 'Effort' (box 3) is a function of the 'value of reward (box 1) for the employee (valence) and the 'perceived effort – reward probability' (box 2) (an expectancy). Effort then combines with 'abilities and traits' (box 4), and 'role perceptions' (box 5) to determine performance' (box 6). The performance results in two kinds of rewards: Intrinsic (box 7A) and Extrinsic (box 7B). A feeling of accomplishment, a sense of achievement and so forth are the intrinsic rewards. Extrinsic rewards are tangible outcomes such as pay and promotion. The value of the individual's performance to the organisation is judged and an impression is formed about the equity of the rewards received. If the rewards are regarded as equitable, the employee feels satisfied. In subsequent cycles, satisfaction with rewards influences the value of the rewards anticipated, and actual performance following effort influences future perceived effort-reward probabilities (observe the arrow from box 9 to box 1).

### 13.2.1 Evaluation of the Theory

There are several research studies which support the theory. A comprehensive review of research verifies the importance of rewards in the relationship between performance and satisfaction. It was concluded that performance and satisfaction will be more strongly related when rewards are made contingent on performance than when they are not.

However, some researchers have found it quite difficult to test. In particular, the measures of various parts of the model may lack validity, and the procedure for investigating relationships among the variables often have been less scientific than researchers would like.

People are seldom as rational and objective in choosing behaviours as the theory implies.

### 13.2.2 Implications for practice

Porter and Lawler model is considered to be more application oriented than the Vroom's model. But it is quite complex and difficult to apply in practice. Porter and lawler were very serious in putting their theory and research into practice. They prescribed certain guidelines to practicing managers.

With regard to the relationship between motivation and performance they suggested that the following barriers must be overcome.

1. Doubts about ability, skill, or knowledge.
2. The physical or practical possibility of the job
3. The interdependence of the job with other people or activities
4. Ambiguity surrounding the job requirements.



With regard to relationship between performance and satisfaction they prescribed the following guidelines:

1. Determine what rewards each employee values.
2. Define desired performance
3. Make desired performance attainable
4. Link valued rewards to performance.

The last point is getting recognition in the management compensation plans of many big companies.

### 13.3 THEORY 'X' AND 'Y'

You have already learnt about 'Hawthorne studies' in your principles of management course. You know that these studies provided a foundation for an entirely new school of management thought known as 'human relations movement.' The basic premises of this movement are: people respond primarily to their social environment; motivation depends more on social needs than on economic needs; and the satisfied employees work harder than unsatisfied employees. These views were totally different from the views held by scientific management and classical organization theory.

The values of human relations movement were exemplified by Douglas McGregor, an American scholar in his classic book 'The Human side of Enterprise. McGregor distinguished two alternative basic assumptions about people and their approach to work. He named these two assumptions as Theory 'X' and Theory 'Y'. They are summarised in table 3.1

TABLE: McGregor's Theory 'X' and 'Y'	
Theory X Assumptions	Theory 'Y' Assumptions.
1. People do not like work and they will try to avoid it.	1. People do not naturally dislike work; work is a natural activity like play or rest.
2. Since employees dislike work, they must be coerced, controlled, or threatened with punishment to achieve goals	2. People are capable of self-direction and self control if they are committed to objectives
3. People prefer to be directed. They avoid responsibility and have little ambition. They are interested only in security.	3. People are committed to goals to the degree that they receive personal rewards when they reach their objectives.

	4. People will seek and accept responsibility under favourable conditions.
	5. People have the capacity to be innovative in solving organisational problems.
	6. People are bright but under most organisational conditions their potentials are under utilised.

Theory 'X' takes a generally negative and pessimistic view of human nature and employee behaviour. Hence, it assumes that people must be constantly coaxed into putting forth effort in their jobs. In many ways, it is consistent with the tenets of scientific management. McGregor criticized traditional view (Theory 'X' assumptions) as pessimistic, stifling, and outdated. He viewed the typical employee as an energetic and creative individual who could achieve great things if given the opportunity. This optimistic perspective was labeled by him as theory 'Y.' He held the belief that theory Y assumptions were more valid than theory X assumptions. Therefore, he proposed such ideas as participation in decision-making, responsible and challenging jobs, and good group relations as approaches that would maximise an employee's job motivation.

If one accepts McGregor's human model, the following managerial practices will be seriously considered:

1. Abandonment of time clocks.
2. Flexible basis,
3. Job enrichment
4. Management By objectives, and
5. Participative decision – making.

McGregor's theory X and Y philosophy has left an indelible mark on modern management thinking. Some historians have credited McGregor with launching the field of organisational behaviour.

Unfortunately, there is no evidence to confirm that either set of assumptions are valid. Also there is no evidence that accepting theory Y assumptions and altering one's actions accordingly will lead to more motivated workers.



---

### 13.4 CHECK YOUR PROGRESS

---

1. Porter and Lawler's theory is an extension of ..... theory?
2. Porter and Lawler's basic arguments is .....
3. What are intrinsic rewards and extrinsic rewards?
4. Which theory was favoured by McGregor?
5. McGregor belonged to ..... School of management thought.
6. Theory X and Y are nothing but two alternative assumptions about .....

---

### 13.5 LET US SUM UP

---

Porter and Lawler extended the Vroom's expectancy theory of motivation. They argued that performance leads to satisfaction. This is quite opposite of the view held that satisfaction leads to performance. Porter and Lawler were very much concerned with the implementation of their theory in practice. For this purpose, they prescribed certain guidelines to practicing managers.

McGregor's theory X and Y take opposite views of people's commitment to work in organisations. Theory X is basically negative and theory Y is basically positive about human nature. The assumptions of theory X are that the people dislike work and they must be constantly coerced, controlled, threatened with punishment to achieve goals. Theory Y assumes that people like work, they accept responsibility, and make innovative decisions.

---

### 13.6 KEY TERMS

---

Intrinsic rewards	:	psychological reward that is experienced directly by an individual.
Extrinsic reward	:	Reward that is provided by an outside agent, such as a supervisor or work group.
Theory X	:	According to McGregor, a traditional view of motivation that holds that work is distasteful to employees, who must be motivated by force, money, or praise.
Theory Y	:	According to McGregor, the assumption that people are inherently motivated to work and do a good job.

---

**13.7 ANSWER TO CHECK YOUR PROGRESS**

---

1. Vroom's expectancy theory
2. Performance leads to satisfaction.
3. Intrinsic rewards are: a feeling of accomplishment, a sense of achievement and so forth.  
Extrinsic rewards are: tangible outcomes such as pay and promotion.
4. Theory 'y'
5. Human Relations
6. People and their approach to work.

---

**13.8 TERMINAL QUESTIONS**

---

1. Explain the Porter and Lawler model of Motivation.
2. Discuss the basic assumptions of theory X and Y.



---

---

## UNIT 14 : LEADERSHIP CONCEPT IMPORTANCE TRAIT THEORIES, BEHAVIOURAL THEORIES, TANENNBOUN AND SCHMIDT'S THEORY

---

---

### Structure

- 14.0 Objectives
- 14.1 Introduction
- 14.2 Leadership-Defined
- 14.3 Formal and Informal leader
- 14.4 What a leader does?
- 14.5 Leadership and Management
- 14.6 Importance of Leadership
- 14.7 Leadership Styles
- 14.8 Theories of Leadership
  - 14.8.1 Trait Theories of Leadership
  - 14.8.2 Behavioural Theories
  - 14.8.3 Tanennboun and Schmidt's Theory
- 14.9 Check your progress
- 14.10 Let us sum up
- 14.11 Key Terms
- 14.12 Answers to check your progress

---

## 14.0 OBJECTIVES

---

After studying this unit you should be able to

1. Define Leadership and explain its importance.
  2. Distinguish between formal and informal Leader, Leadership and Management.
  3. Explain leadership styles and theories of Leadership.
- 

## 14.1 INTRODUCTION

---

It is an accepted fact that good leadership is essential to business, government, and the countless groups and organizations. The reason is that the success or failure of organizations depends on the leadership. But it is one of the most widely debated, studied, and sought after commodities of organizational life. There are many questions on leadership, such as what makes a good leader? What qualities or characteristics differentiate a leader from non-leader? Why some leaders are effective in one organization but not in others? Why some succeed no matter where they are? Are leadership is of great practical importance to organizations. We will study in this unit the meaning and importance of leadership and three groups of theories.

---

## 14.2 LEADERSHIP DEFINED

---

Ralph M. Stodgill conducted a survey of leadership theories and research. He pointed out "there are almost as many different definitions of leadership as there are persons who have attempted to define the concept. We will understand here some of the definitions of leadership.

1. "Leadership is the process of encouraging and helping other to work enthusiastically towards objectives". (Keith Davis and J.W.. Newstrom).
2. "The ability to influence a group toward the achievement of goals". (Stephen P. Robbins)
3. "A social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organizational objectives". (Chester A. Schriessheim and Others).
4. "Leadership is both a process and a property. As a process. Leadership involves the use of non-coercive influence. As a property, attributed to some one who is perceived to use influence successfully". (G. Moorhead and R.W. Griffin).
5. "Leadership is the process of directing and influencing the task-related activities of group members" (Stoner and Others).
6. Leadership is "the relationship in which one person (the leader) influences others to work together willingly on related tasks to attain goals desired by the leader and/or group" (Terry G.R and S.G. Franklin).



The important points in the above definitions are:

- (a) The leadership refers to the ability of individual, a leader, who can influence others.
- (b) It involves other people-employees or followers whose behaviour is required to be changed.
- (c) The behaviour is changed through non-coercive methods.
- (d) There is an objective or goal to be achieved by influencing the behaviour of others.
- (e) The leader possesses a set of qualities or characteristics, which he uses to influence others.
- (f) Leadership is a group phenomenon. It involves interaction between two or more people.

---

### 14.3 FORMAL AND INFORMAL LEADERSHIP

---

Experts on leadership distinguish between formal and informal leadership. Formal leadership is the process of influencing relevant others to pursue official organizational objectives. Informal leadership, in contrast, is the process of influencing others to pursue unofficial objectives that may or may not serve the organization's interests.

Formal leaders get formal authority from the organization, whereas informal leaders lack formal authority. But both rely on expedient combinations of reward, coercive, referent, and expert power.

An informal leader can be a valuable asset to an organization if he identifies himself with the job to be done. Informal leader has the power to turn a cohesive work group against the organization.

Formal and Informal leadership coexists in almost every work situation. Managers themselves may act as formal leaders in some situations and as informal leaders in others.

---

### 14.4 WHAT A LEADER DOES?

---

In the wake of vast, rapid technological changes, a leader has to perform multifarious functions. Some of the important functions performed by the leader are as follows:

#### 1. Leader develops team work:

The leader includes a sense of collectivism in employees to work as a team. He instills confidence in the employees. He makes the environment conducive to work. He works in the team as leader.

#### 2. Leader is a representative of subordinates:

A leader works as an intermediary between work groups and the top management. Leader shows personal consideration for the employee. They carry the voice of the employees to the top management.

#### **4. Leader is a counsellor:**

People in the work place experience emotional upsets. Leader renders wise counsel, releases the employee of the emotional tension and restores equilibrium.

#### **5. Uses power properly:**

To achieve goals, leader will have power and authority. He will use these to stimulate a positive response from the workers. The leader uses appropriate power so that subordinates willingly obey the orders and come forward with commitment.

#### **6. Manages the time well :**

Time is very precious and vital in the management. Leader having thorough knowledge of time management, he utilizes the time productively in the organization.

#### **7. Strives for effectiveness:**

Leader uses power, teamwork, and time management to bring organizational effectiveness. He provides adequate reward structure to encourage performance of employees. He delegates authority, provides resources, encouraged participatory and thus strives for organizational effectiveness.

The above functions of a leader are by no means comprehensive but they do suggest as what leaders do generally.

---

### **14.5 LEADERSHIP AND MANAGEMENT**

---

Leading and Managing are not synonymous. A Leader is an activist, innovator and often an inspirational type. A Manager is a stabilizer. There is a famous statement, which amply clears the distinction between managing and leadership. That is: "there are many organizations that are very well managed but very poorly led".

The primary function of a leader is to carve a vision of the organization and the strategy for attaining it. On the contrary, the job of a manager is to implement the vision. The following are some of the other differences between leaders and managers.

1. **Reasons for following:** Both the manager and the leader may have followers. But the reasons for following may be different. People follow managers because their job description, supported by a system of rewards and sanctions, requires them to follow. People follow leaders on voluntary basis. A leader does not exist without followers. But manager may be there without followers.
2. **Emotional appeal :** Leaders will have charisma and a vision. They can alter the mood of their followers and raise their hopes and expectation. Hence, leaders have emotional appeal. But the managers are expected to be rational decision makers and problem solvers. They use their analytical mind rather than emotions in establishing and achieving organizational goals.



3. **Source of power and authority:** Manager gets authority from the position yield by him. A leader may not have authority but gets power directly from his followers.
4. **Fulfilling follower's needs:** The main job of a leader is to satisfy his followers' needs. But the main aim of a manager is to meet organsaitonal goals.

Peter Drucker and Warren Bennis have rightly pointed out this: "Management is doing things right, leadership is doing right things. However, in actual leadership and management gets blurred. They will be acting both in the capacity of managers as well as in the capacity of leaders.

---

## 14.6 IMPORTANCE OF LEADERSHIP

---

The importance of leadership needs no emphasis. Its importance is very well illustrated by the sage Valmiki in the Ramayana to point out the importance of King (leader) to a country, it reads as under:

"Like a heard of cattle without a keeper like an army without a general.

Like a night without moon.

Like a group of cows without a bull.

Such would be the country where the king is not seen.

A Leader is very essential to an organization. He commits his followers to organizational goals, pools needed resources, guides and motivates subordinated to reach the goals.

A Leader identifies, develops and used the potential in an organization and its people. Leadership has the ultimate aim of raising the level of human conduct and ethical aspiration of both the leader and the led.

---

## 14.7 LEADERSHIP STYLES

---

Leadership style is the behaviour of a leader in supervising his subordinates. The study of styles helps use understands how leaders behave in getting work accomplished through people.

The leadership styles can be classified as (1) Automatic, (2) Participative, and (3) Laissez-faire.

We will understand about these styles briefly here.

### (1) Autocratic leadership styles:

This style is closely associated with the classical approach to management. An autocratic leader retains all authority with him. He exercises complete control over the subordinates. The decisions are made by the leader and then passed on to the subordinates along with the instructions for implementation. The subordinates are expected to do what the leader has told them to do. The subordinates should

follow instructions without questioning and ungrudgingly. An autocratic leader closely supervises his subordinates and motivates them through incentives and fear.

This style permits quick decision-making and efficient completion of tasks, but this style may lead to low employee morale frustration and conflict. Employees may lose initiative and innovative behaviour.

But there are some workers who prefer autocratic leader. They feel secure under his leadership. In such cases, conflicts and frustrations will not be there:

## **2. Democratic or participative Style:**

Managers with this style of leadership involve subordinates in decision-making process. They make decisions after consultation with followers and participation. The participative leaders attached more importance to both work and people. This style improves job satisfaction and morale of employees.

The participative style is highly effective where group members are competitive and motivated. When some changes are to be introduced there will be less resistance because those who have suggested the change will usually support its implementation.

However, participative style may not yield results when the subordinates prefer minimum interaction with the leader. Furthermore, members may develop the habit or expecting to be consulted on every issue, even those to which they cannot contribute. When they are not consulted they feel slighted, insulted and become resentful and unco-operative.

## **(2) Laissez-faire or free-rein leadership style:**

Managers adopting this style do less supervision. The leader maintains hands-off policy, where each subordinates work is clearly defined. Subordinates are responsible for their own actions. The free-rein leader avoids power and relinquished the leadership position. This is technically an absence of leadership.

Free-rein leadership works when the group is composed of highly committed members. Otherwise it leads to chaos. Hence, this style is a rare exception and not a general rule.

---

## **14.8 THEORIES OF LEADERSHIP**

---

Leadership theories have evolved over a period of time based on leadership research. Early research on leadership focused on the personality of the leader and then shifted to his behaviour. More recently the situation in which the leader operates has been given much importance. We will understand all these theories in the following pages.



### 14.8.1 Trait theories of Leadership

During most of recorded history the prevailing assumption was that leaders are born and not made. Alexander the Great, Napoleon Bonaparte, and George Washington were considered to be born leaders. This theory is called 'great person' theory and eventually gave way to trait theory.

The trait theories of leadership focus on the individual characteristics of successful leaders. These theories believe that the leaders possessed a set of traits, which make them distinct from followers. Hence, the researchers focus on identifying leadership traits, developing techniques for measuring them, and using the techniques to select leaders.

The important leadership traits identified by the researchers in the beginning included; intelligence, dominance, self-confidence energy, activity and task-relevant knowledge. The results of ensuing studies gave rise to a long list of additional traits. Unfortunately, the list quickly became so long that its practical value was dubious. For example, in one study as many as 17,953 individual traits have been identified.

#### **Evaluation of trait approach:**

The trait theories have been severely criticized by many. We will understand some of these criticisms.

1. The list of personality traits of successful leaders is too long and exhaustive. Although hundreds of traits have been identified, no consistent pattern has emerged.
2. Researchers often disagree over which traits are the most important for an effective leader. There is no universal list of traits for successful leaders.
3. How much of which trait a successful leader must have is not clear.
4. Millions of people may have the traits identified with the successful leaders. But most of them will never attain leadership positions. And many indisputable leaders have not had these traits. For example, a leader is supposed to be extroverted; but Abraham Lincoln was moody and introverted. A leader was identified to be taller, but Napoleon was rather short.
5. It is also possible that individual become more assertive and self-confident once they occupy a leadership position. So some of the traits identified may be the results of experience rather than the causes of leadership ability.
6. There is little consensus on the meaning of words used to label traits. When a researcher, for example, asked 75 top executive to define the term "dependability" the executives defined this trait in 147 different ways. Even after similar definitions had been combined, 25 different definitions remained.

In spite of the limitations, trait theories are relevant because of certain merits.

The studies carried out from 1900 to 1957 showed that leaders tend to be consistently better adjusted, more dominant, more extraverted, more masculine, and more conservative, and have greater interpersonal sensitivity than non-leaders.

Secondly, persons personality is an ever present and massive influence on how and with what successes, he functions as a manager.

Finally, the view that leaders are born, not made is in fact, still popular (though not among researchers).

#### 14.8.2 Behavioural theories

When it became evident that effective leaders did not seem to have a particular set of distinguishing traits, researchers turned their attention to patterns of leaders behaviour. In other words, attention turned from whom the leader was to how the leader actually behaved. That is, how they delegate tasks, how they communicate with and try to motivate their followers or employees, how they carry out their tasks and so on. Unlike traits, behaviors can be learned. It means that individuals trained in appropriate leadership behaviors would be able to lead more effectively.

The researchers have focused on two aspects of leadership behaviours. They are: (1) leadership functions and (2) Leadership styles.

- (1) Leadership Functions: The researchers exploring leadership functions came to the conclusion that an effective leader is required to perform two major functions: task related or problem solving functions and group maintenance or social functions. Mediating disputes and ensuring that individuals feel valued by the group are social functions. In an individual plays both the roles successfully; he will become an effective leader. In practice, a leader may have the skill or temperament or time to play only one role. However, studies have shown that more effective groups have some form of shared leadership. If the formal leader (Manager) performs the task function, another member of the group would perform social function.
- (2) Leadership Styles: The two leadership functions discussed earlier are expressed in two different leadership styles. They are: task oriented style and employee-oriented style.

Managers with task-oriented styles closely supervise employees to ensure the task is performed satisfactorily. For them, a getting the Job done is most important than employees' growth or personal satisfaction.

Managers who have employee oriented style put more emphasis on motivating rather than controlling subordinates. Employees are allowed to participate in decisions that affect them. Managers with this style seek friendly, trusting, and respectful relationships with employees.



Most managers use at least a little of each style, but put more emphasis on either tasks or employees.

### 14.8.3 Tanenbaum and Schmidt theory

Robert Tannenbaum and Warren H. Schmidt were among the first theorists to describe the various factors influencing the choice of leadership style of "force" are considered by a manager before choosing a leadership styles: (a) forces in the manager, (b) forces in employees (subordinates), and (c) the forces in the situation.

#### (a) Forces in the Manager:

Manager's background, knowledge, values and experience will influence his/her style of leadership. For example, a manager believes that the organizational interests are primary and the individual interests are secondary. He is likely to take directive role in employee activities.

#### (b) Forces in employees:

The manager must also consider characteristics of subordinates before choosing an appropriate leadership style. A manager can choose participative style when employees prefer independence and freedom of action, want to have decision making responsibility, identify with the organization's goals, are knowledgeable and experiences enough to deal with a problem efficiently.

#### (c) Situational forces:

Situational forces in choosing leadership style are: the style preferred by the organization itself, the size and cohesiveness of a specific work group, the nature of the group's tasks, the pressures of time, and even environmental factors. All these factors may affect members' attitude toward authority. Most of the managers might follow the style favoured by the top ranking executives of the organizations.

---

## 14.9 CHECK YOUR PROGRESS

---

1. Who defined leadership as "both a process and a property"?
2. When an informal leader can be asset to the organization?
3. Distinguish between management and leadership in one sentence.
4. List the leadership Styles.

---

## 14.10 LET US SUM UP

---

Leadership is the process of influencing and directing the task related activities of group members. Leadership is important because of the critical role the leaders play in-group and organizational effectiveness.

A manager may lead by exercising formal authority. This is called formal leadership. If a manager influences the behaviour of others without formal authority, it is called informal leadership.

There are three distinct styles of leadership: Autocratic, Democratic and Free rein.

There are different theories of leadership. Trait theory suggests that a successful leader possesses distinct characteristics. But no one combination of traits consistently distinguishes leaders from non-leaders or effective leaders from ineffective leaders.

The behavioural theory focuses on leadership functions and styles. Studies have found that both task-related and group maintenance functions have to be performed for effective functioning of the group.

Tanennbaum and Schmidt maintain that a manager's choice of leadership style should be influenced by various forces in the manager, in subordinates, and in the work situation.

---

#### 14.11 KEY TERMS

---

**Leadership:** The process of influencing and directing the task-related activities of group members.

**Leadership Style:** The behavioural of a leader in supervising his subordinates.

**Autocratic Leadership:** When the Leader exercises complete control over Sub ordinates.

---

#### 14.12 ANSWERS TO CHECK YOUR PROGRESS

---

1. G. Moorehead and R.W Griffin.
  2. If he identifies himself with the Job to be done.
  3. Management is doing things right. leadership is doing right things.
  4. (a) Autocratic, (b) Democratic, (c) Free-rein leadership.
- 

#### 14.13 TERMINAL QUESTIONS

---

1. Explain the meaning and importance of leadership.
2. Distinguish between formal and informal leadership, and leadership and management.
3. Describe the functions of a leader.
4. Critically evaluate the trait theories of leadership.
5. Discuss the behavioral theory of leadership.
6. Explain the contributions of Tanennbann and Schmidt to leadership theory.



---

---

## UNIT 15 : OHIO UNIVERSITY STUDIES, MANAGERIAL GRID TRI-DIMENSIONAL THEORY, PATH GOAL THEORY, LIFE CYCLE THEORY

---

---

### Structure

- 15.0 Objectives
- 15.1 Introduction
- 15.2 The Ohio State Univeristy Studies
- 15.3 The University of Michigan Studies
- 15.4 Managerial Grid
- 15.5 Tri-dimensional Theory
- 15.6 Path-Goal Thoery
- 15.7 Life Cycle Theory
- 15.8 Check Your Progress
- 15.9 Let Us Sum Up
- 15.10 Key Terms
- 15.11 Answers to check Your Progress
- 15.12 Terminal Questions

---

## 15.0 OBJECTIVES

---

The study of this unit should enable you to,

- Explain the Ohio State and Michigan University studies on leadership
- Discuss the Managerial Grid model of leadership
- Explain the Tri-dimensional, Path-goal and Life cycle theory of leadership

---

## 15.1 INTRODUCTION

---

In unit 4 of this block, we studied the meaning and importance of leadership, leadership styles, functions and three groups of theories. In this unit, we will understand the other theories of leadership.

---

## 15.2 THE OHIO STATE UNIVERSITY STUDIES

---

The Ohio University studies fall in the category of Behavioural theories. These studies were carried out in the late 1940s and early 1950s. The Ohio State University studies focused on assessing subordinates perception of their leaders' behaviour.

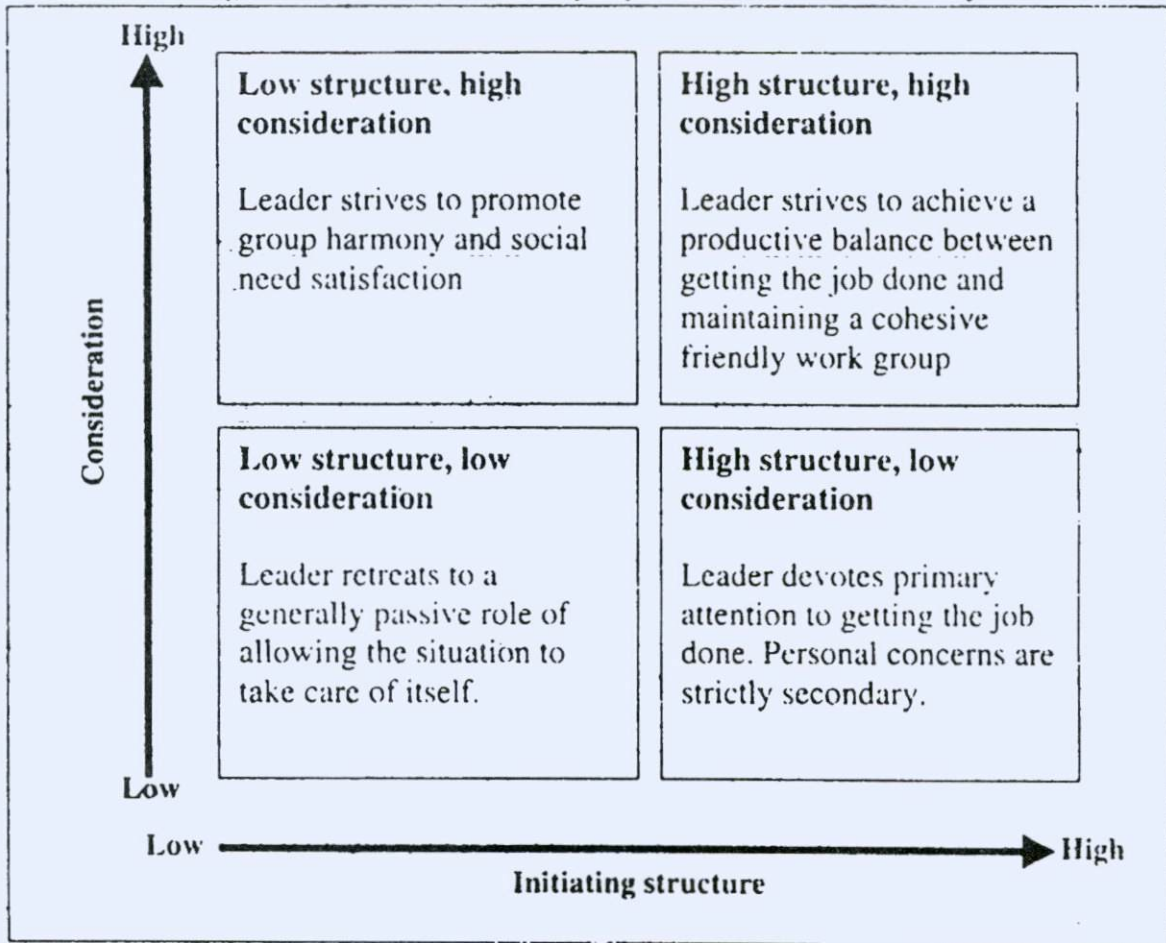
These studies identified two major forms of leadership behaviour: consideration and initiating structure. The leader with 'consideration' behaviour is concerned with subordinates' feelings and respects subordinate relationship is characterized by mutual trust, respect and two-way communication. The employee turnover rates were lowest and satisfaction highest when the leader showed consideration behaviour.

The leader with initiating structure' behaviour clearly defines the leader – subordinate roles. Hence, the subordinates know what is expected of them. The leader also establishes channels of communication and determines the methods for accomplishing the group's task. The leaders who were rated high in initiating structure had high grievance and turnover rates among their employees.

By making a matrix out of these two independent dimensions of leader behaviour, the Ohio state researchers identified four styles of leadership which is shown in figure 5.2.1



Figure 5.2.1: Basic leadership Styles from Ohio State Study  
 Figure 5.2.1: Basic leadership Styles from Ohio State Study



The Ohio study also investigated the stability of leader behaviours over time. They found that the leadership behaviour of an individual changed little as long as the situation remained fairly constant. They also searched for one best style of leadership. At first they believed that leaders who exhibit high levels of both behaviours, (initiating structure and consideration) would be most effective. However, later research showed that the conclusions drawn by Ohio studies were misleading because they did not consider all the important variables.

### 15.3 THE UNIVERSITY OF MICHIGAN STUDIES

These studies were conducted about the same time as Ohio studies. They distinguished between two dimensions of leadership: production centred and employee centred. Production centred leaders set rigid work standards, organized tasks down to the last detail, prescribed work methods to be followed, and closely supervised employees' work. Employee centred leaders encouraged employee participation in goal setting and other work decisions and helped ensure high performance by inspiring trust and respect.

The findings of Michigan studies are:

- (i) The work groups under employee – centred leader were more productive.
- (ii) The most effective leaders had supportive relationships with their employees.
- (iii) They made decisions in group rather than individually
- (iv) The leader encouraged employees to set and achieve high performance goals.

---

## 15.4 MANAGERIAL GRID

---

The Managerial Grid concept is developed by Robert Blake and Jane Mouton. It is republished as Leadership Grid in 1991 by Robert Blake and Anne Adams McCauley. This has been a very popular approach to identifying leadership styles of practicing managers. Figure 5.4.1 shows the Grid. As you can see in the figure, the Grid consists of two dimensions. The first dimension is concern for production' shown on the horizontal axis. The second dimension is 'concern for people' shown on the vertical axis.

Concern for production involves a desire to achieve greater output, cost effectiveness, profits in profit seeking organizations. A managers' concern for production is rated along nine (9) point scale, where 9 represents high concern and 1 indicates low concern.

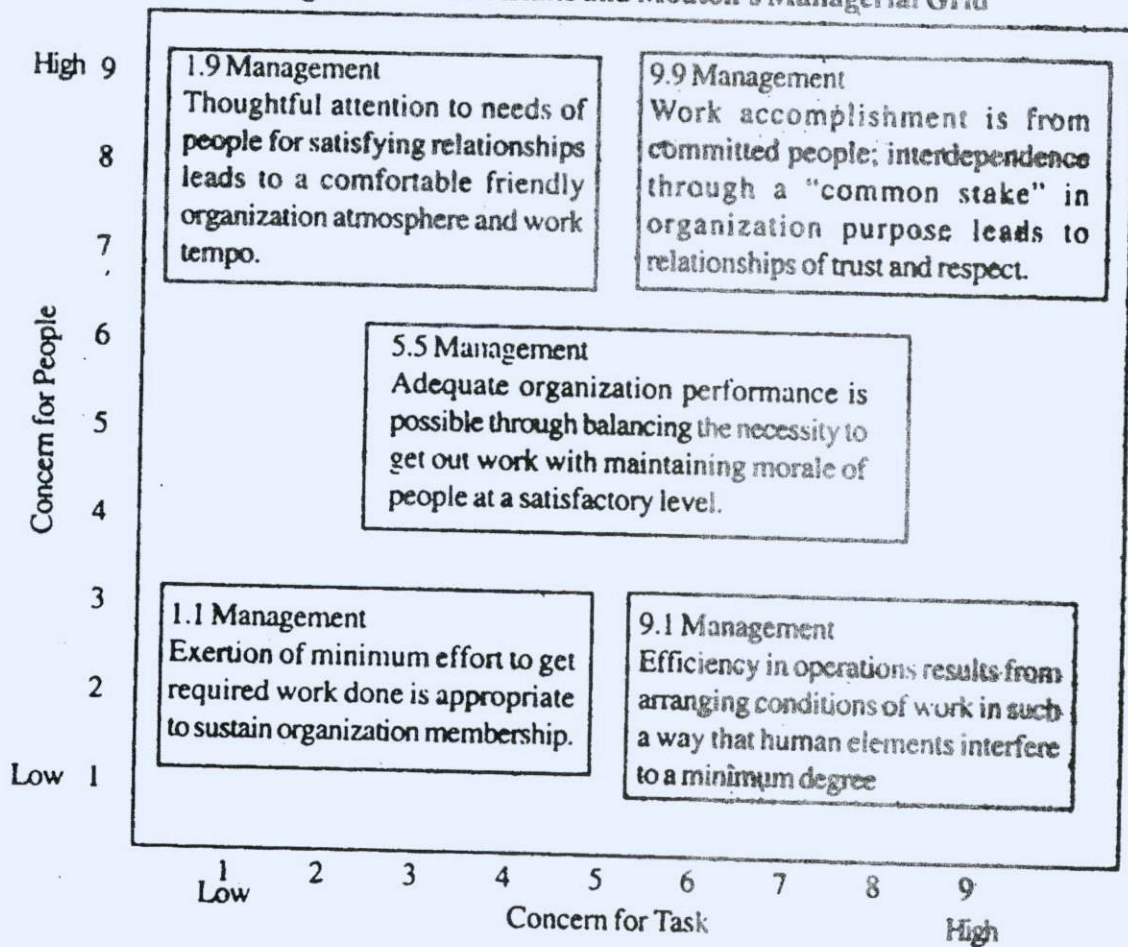
Concern for people involves promoting friendship, helping co-workers in completing the job, giving importance to things which are important to people such as pay and working conditions. The concern for people is also rated on nine point scale with 9 for high and 1 for low.

The two dimensions are integrated to form the grid. This grid is highlighted by five major leader behaviours. They are:

1. 9, 1 Style: This is task or authoritarian management; primary concern for production and efficiency but low concern for employees.
2. 1, 9 Style: This is country club management – high concern for employees but low concern for production.
3. 1, 1 Style: At the lower left – hand corner of the grid is impoverished management. this shows low concern for people and low concern for production. This style is sometimes called laissez-faire management because the leader does not take a leadership role.
4. 5,5 Style: This is middle-of-the-road management – a moderate concern for both production and people to maintain the status quo.
5. 9,9 Style: This is called team or democratic management – high concern for both production and people.



Figure 5.4.1: The Blake and Mouton's Managerial Grid



Blake and Mouton argue strongly that style 9,9 is the most effective leadership style. They believe this leadership approach will, in almost all situations, result in improved performance, low absenteeism and turnover, and high employee satisfaction. They do not agree with the conclusion that there is no one best leadership style. They think that the true 9,9 style has never been adequately tested by the situationists. Hence, the Blake's management training and organization development programmes are designed to help individuals and entire organizations move into 9,9 portion of the Leadership Grid. This model is widely used as a training device for managers.

All the theories we have understood except the trait theories fall in the group of behavioral theories. These behavioural models and theories attracted considerable attention from researchers. But further research revealed significant weakness. They overlooked the enormous complexities of individual behaviour in organizational settings. In the end they all failed to identify universal leader behaviour/follower response relationships. Hence, other theories were developed which fall in the domain of contingency approach. We will understand them in the following pages.

---

## 15.5 TRI-DIMENSIONAL THEORY

---

Three-dimensional theory of leadership is associated with the name of William J. Reddin. He uses three dimensions of task-orientation, relationship – orientation, and the effectiveness.

The Blake and Mouton's managerial Grid is the base to which Reddin added the third dimension, effectiveness. Reddin suggests that all the styles of leadership in the grid are 'effective' or 'ineffective' depending on the situation.

### Effective Styles:

- a) **Executive:** He attaches maximum importance for work and people. Manager using this style is a good motivator utilizes team effectively, sets high standards and is highly successful in accomplishing goals.
- b) **Developer:** The leader with this style gives maximum importance for people and minimum concern for work. He is mainly concerned with developing individuals.
- c) **Benevolent Autocrat:** The leader with this style shows more concern for work and less concern for people. He can get the work done without causing resentment.
- d) **Bureaucrat:** The leader with this styles shows minimum concern for both people and work. He controls the situation by using rules. He is often disliked by subordinates.

### Ineffective Styles:

- a) **Compromiser:** The leader gives importance to both the concerns of work and people through the situation requires emphasis on any one of these. He is a poor decision maker.
- b) **Missionary:** He is relationship oriented where the situation demands otherwise. He is basically do-gooder.
- c) **Autocrat:** The leader is task-oriented even though the situation warrants people orientation. His style is inappropriate. He is interested in the job and has no confidence in others.
- d) **Deserter:** The leader is neither task-oriented nor people oriented. He is passive and largely escapist.

According to Reddin, no style is good or bad in itself. It depends on the situation. If a style is used as per the demands of the situation, it becomes effective, otherwise ineffective.

**Hersey – Blanchard's Three – dimensional model:** using Reddin's 3-D management style, Paul Hersey and Kenneth Blanchard went a step further by adopting 'environment' as the effectiveness dimension. According to them, observed behaviour is not important, but the appropriateness of observed behaviour to the given situation is important.



Hersey and Blanchard chose Ohio State University leadership model as the base. They tried to integrate the concepts of leadership styles (task-behaviour and relationship-behaviour) with the situational demands of a specific environment. They argued that "when the style of a leader is appropriate to a given situation it is termed effective, when the style is inappropriate to a situation it is termed ineffective.

Reddin, Hersey and Blanchard have added a third dimension to the two dimensions of behaviour models. Hence, their theory is three-dimensional.

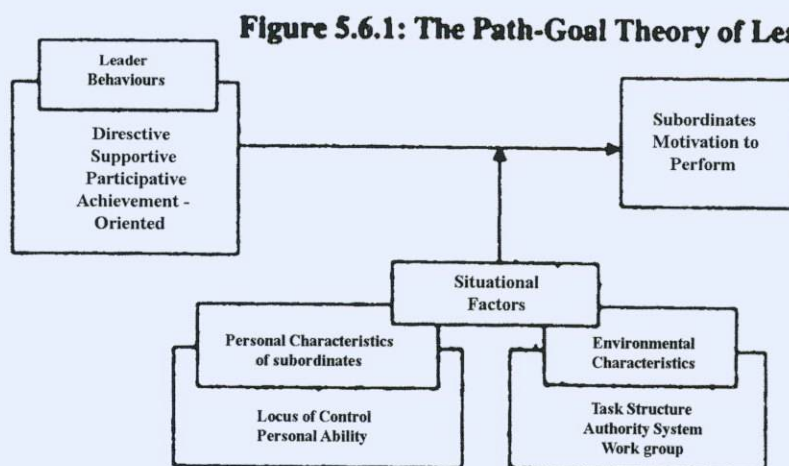
## 15.6 PATH GOAL THEORY

Another situational leadership theory is the path-goal theory. This theory was developed in 1970s by Martin Evans and Robert House, path-goal theory is derived from the expectancy theory of motivation. Expectancy theory states that an individual's motivation depends on his expectation of reward and the valence, or attractiveness of reward. The path-goal theory of leadership argues that subordinates are motivated by the leader to the extent that leader behaviour influences their expectancies. The leader provides rewards (goals) and specifies what employees must do to earn them (path). The path is cleared by the leader by eliminating confusion or conflicting ideas that the subordinates may hold. The leader should also increase the number and kinds of rewards available to subordinates. He should provide guidance and counsel top clarify the way in which these rewards can be obtained.

Path-goal theory suggests that a leader may behave in different ways in different situations. As shown in figure 5.6.1, path-goal theory identifies four kinds of leader behaviour and two categories of contingency variables.

**Leader Behaviours:** proponents of path-goal theory believe that managers need to rely contingently on four different leadership styles. They are:

a) **Directive:** Tell subordinates what is expected of them. Provide specific guidance, schedules, rules, regulations and standards.



b) **Supportive:** Leader is friendly and approachable to the employees. He shows concern for status and well-being of subordinates. He treats them as his equals.

c) **Participative:** Leader consults the subordinates, solicits their suggestions, and seriously considers those suggestions when making decisions.

d) **Achievement – oriented:** Leader sets challenging goals, emphasizes excellence. He maintains high degree of confidence in subordinates. He continuously seeks improvements in their performance.

#### **The situational factors:**

According to path-goal theory, the leadership style is determined by two types of situational variables: (i) personal characteristics of subordinates and (ii) the characteristics of the environment.

##### **(i) Characteristics of subordinates:**

The personal characteristics of subordinates determines the type of leadership style. The employees who attribute the outcomes to their own behaviour like participate style. They feel comfortable and satisfied with the supportive leader. In case of subordinates who attribute outcomes to external causes such as luck or fate, directive style works better.

Another important characteristic of employees which influences leadership style is, employee's evaluation of their own ability with respect to the task. Those who feel highly skilled and capable may resent directive style. Those who feel less skilled may prefer directive style.

##### **(ii) Environmental characteristics:**

The leadership style preferred by employees is also influenced by environmental factors. They are:

- Nature of the employee's tasks.
- For example, when task structure is high, directive leadership is less necessary and therefore less effective.
- Organization's formal authority structure. This clarifies the actions which are likely to be met with approval and which with disapproval.
- The employee's work group. For example, supportive and understanding style is beneficial if the work group is not very cohesive. If an individual gets plenty of support from the work group, supportive leadership style is not attractive.

Thus, the leadership behaviour matches the individuals and the environment will motivate subordinates to perform.



### An Evaluation of the theory:

The path-goal theory was designed to provide a general framework for understanding how leader behaviour and situational factors influence attitudes and behaviours of subordinates. But the theory is backed by little research. It was expected that the theory would stimulate research on its major propositions. That did not happen. Yet the theory is appreciated because it explains the type of leader who can be effective in a given situation and why.

---

## 15.7 LIFE CYCLE THEORY

---

Life cycle theory is another popular model among practicing managers. This theory is now called '**situational leadership theory**'. This model was developed by **Paul Hersey and Kenneth Blanchard**. It is an extension of managerial grid approach.

The Life Cycle Theory is based on the notion that appropriate leader behaviour depends on the level of "maturity" of his followers. The level of maturity is defined by three criteria:

- (i) Degree of achievement motivation
- (ii) Willingness to take on responsibility
- (iii) Education and experience relevant to the task.

Hersey and Blanchard's model identifies two major leadership styles.

- (1) **Task style:** The leader organizes and defines roles for members of the work group. In other words, the leader spells out the duties and responsibilities of an individual and group. The task behaviour includes telling people what to do, how to do it, when to do it, where to do it, and who is to do it.
- (2) **Relationship Style:** The leader has close personal relationships with the members of the group. There is open communication and psychological and emotional support.

The goals and knowledge of followers are important variables in determining effective style. According to Hersey and Blanchard, the relationship between the leader and subordinates moves through four phases – to vary his leadership style with each phase (see the figure 5.7.1). We will understand them here:

- (1) **Telling style:** This is a high task and low-relationship style. This style is effective when followers are at a very low level of maturity. Hence, the leader provides specific instructions and closely supervises performance of subordinates. They are familiarized with the organizations rules and procedures. This style combines high-task oriented behaviour with low-relationship behaviour. The decision is made by the leader.

- (2) **Selling style:** This is high-task, high-relationship style and is effective when followers are on low side of maturity. The leader using this style explains decisions and provides opportunity for clarification.

**Figure 5.7.1: Model of Situational Relationship**

**Task Behaviour**

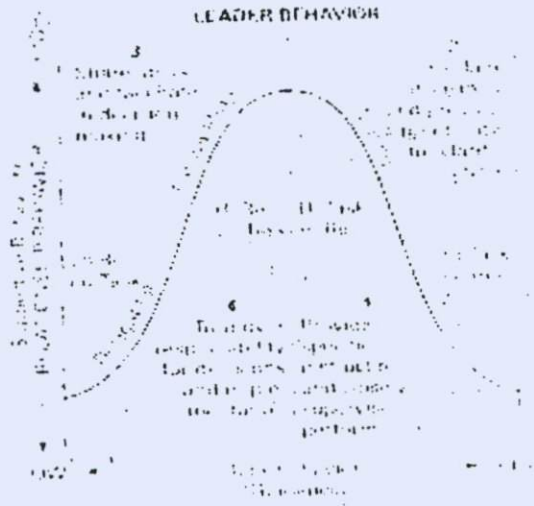
The extent to which leader engages in defining roles telling what, how, when, where and if more than one person, who is to do what in.

- \* Goal - setting
- \* Organizing
- \* Establishing time lines
- \* Directing
- \* Controlling

**Relationship Behaviour**

The extent to which a leader engages in two-way (multi-way) communication, listening, facilitating behaviour, socioemotional support

- \* Giving support
- \* Communicating
- \* Facilitating interactions
- \* Active listening
- \* Providing feedback



**Decision Styles**

- 1 Leader made decision
- 2 Leader made decision with dialogue and / or explanation
- 3 Leader/follower made decision or follower made decision with encouragement from leader
- 4 Follower made decision

FOLLOWER READINESS			
High	Moderate		Low
R4	R3	R2	R1
Able and willing or confident	Able but unwilling or insecure	Unable but willing or confident	Unable and unwilling or insecure

Follower Directed

Leader Directed

Ability has the necessary knowledge experience and skill

Willingness has the necessary confidence commitment, motivation

- (3) **Participating style:** This is a low-task, high-relationship style. Employees have more ability and achievement motivation. They actively seek greater responsibility. Employees exhibit high level of maturity. This is the time to use this style. The leader will continue to be supportive and considerable in order to strengthen the followers' resolve for greater responsibility.
- (4) **Delegating style:** This is a low-task, low-relationship style and is effective when followers are at a very high level of maturity. In this phase, the followers are more confident, self-directing, and experienced. They no longer expect direction from the leader. The leader turns over responsibility for decisions and implementation to followers.



### **Evaluation:**

The life cycle theory (also called situational theory) recommends a leadership type that is dynamic and flexible rather than static. If the style chosen is appropriate, it will not only motivate employees but will also help them professionally. Thus, the leader who wants to develop followers, increase their confidence, and help them to learn their work will have to shift style constantly.

The theory has been criticized on the grounds that it does not provide a coherent, explicit rationale for the hypothesized relationships. Hersey and Blanchard have admitted that they have oversimplified the situation by giving only surface recognition to follower maturity. The instrument used to measure leader effectiveness has also been criticized. Further, there is a noted absence of any empirical tests of the model.

However, this approach has found some value in training and development work. The Leadership Effectiveness and Description (LEAD) scale and related instruments are widely used in industrial training programmes.

---

### **15.8 CHECK YOUR PROGRESS**

---

- 1) ----- The two major forms of leadership behaviour identified by Ohio University studies are
- 2) Managerial Grid has two dimensions, namely:
- 3) Tri-dimensional theory added a third dimension to Managerial Grid which is .....
- 4) What are the four kinds of leader behaviour identified by path – goal theory?
- 5) According to path-goal theory, leader behaviour is influenced by two situational variables.  
They are: (i) ..... (ii) .....
- 6) The basic premise of life style theory is .....
- 7) Two leadership styles identified by Hersey and Blanchard are:
- 8) The different styles of leadership to be adopted depending upon the followers maturity as per life cycle theory are:

---

### **15.9 LET US SUM UP**

---

Ohio University studies and the University of Michigan studies fall in the category of behavioural theories. In fact, these studies were carried out in support of behavioural theories. Ohio State University studies focused on assessing subordinates perception of their leaders' behaviour. Two major forms of leadership behaviour identified by Ohio State University studies are: consideration and imitating structure.

Michigan University studies also identified two dimensions of leadership behaviour. They are production centred and employee centred.

Managerial Grid concept developed by Blake and Mouton has been a very popular approach to identifying leadership styles of practicing managers. Reddin used three dimensions of task-orientation, relationship orientation and effectiveness.

Path-goal suggests that a leader may behave in different ways in different situations. Hersey and Blanchard propounded life style (situational) theory which added a new dimension to leadership, viz. maturity of subordinates. The theory hypothesizes that the leaders' style depends on the maturity levels of subordinates.

---

#### 15.10 KEY TERMS

---

1. **Managerial Grid:** Diagrams developed by Blake and Mouton to measure a managers' relative concern for people and production.
2. **Path-goal model:** A theory which suggests that effective leaders clarify the paths (behaviours) that will lead to desired rewards (goals).
3. **Maturity:** Subordinate's degree of motivation, competence, experience and interest in accepting responsibility.

---

#### 15.11 ANSWERS TO CHECK YOUR PROGRESS

---

- 1) (a) Consideration (b) initiating structure
- 2) (i) concern for production  
(ii) concern for people
- 3) effectiveness
- 4) (a) Directive, (b) Supportive  
(c) participative (d) Achievement-oriented
- 5) (i) personal characteristics of subordinates  
(ii) characteristics of environment
- 6) the appropriate leader behaviour depends on the level of 'maturity'
- 7) (a) a Task Style, (b) Relationship style



8) (i) Telling style

(ii) Selling style

(iii) Participating style

(iv) Delegating style

---

## 15.12 TERMINAL QUESTIONS

---

1. Discuss the findings of Ohio State University studies and the University of Michigan studies.
2. What is Managerial Grid? Explain the major leader behaviours under the model.
3. Write a note on Tri-dimensional theory of leadership.
4. Critically evaluate the path-goal theory of leadership.
5. What is the basic premise of Life-cycle theory? Discuss the leadership styles to be adopted by the leader depending upon the maturity of his subordinates.

---

---

## **UNIT 16 : INDIAN LEADERSHIP STYLES**

---

---

### **Structure**

- 16.0 Objectives
- 16.1 Introduction
- 16.2 Leadership Styles in Indian Organizations
  - 16.2.1 Paternalistic Style
  - 16.2.2 Leadership based on professional relationship
- 16.3 Research findings on Indian leadership styles
- 16.4 Check your progress
- 16.5 Let us sum up
- 16.6 Key terms
- 16.7 Answers to check your progress
- 16.8 Terminal Questions
- 16.9 Reference Books



---

## 16.0 OBJECTIVES

---

After completing the study of this unit you should be able to :

1. Explain the leadership styles in Indian organizations
  2. Discuss the differences, if any, in styles
- 

## 16.1 INTRODUCTION

---

Most frequently asked question is, which is the most popular leadership style in the Indian context. This question is usually raised after studying the leadership theories developed in the west. Then naturally this question was aimed at knowing if there were any leadership theories or styles specific to Indian industries. This question was really important because the Indian industrial scene was dominated for decades by family owned run concerns though they had adopted the modern joint stock form of organization. Though there is no significant change as far as top management is concerned, but professional managers have been recruited into these organizations. We will understand these issue in this unit.

---

## 16.2 LEADERSHIP STYLES IN INDIAN ORGANIZATIONS

---

We have studied so much about the leadership styles. We came to the point that leadership styles depends on the situation.

In the Indian context, it was generally believed that the commonest styles was autocracy and only a limited degree of participation was allowed to subordinates. The important reasons were the prevalence of different socio-cultural environment and the organizational culture

### 16.2.1 Paternalistic Style

The Indian business are largely family run and the family members are directly involved in the management. The head of business who is also the head of family is highly paternalistic. He perceives his organization as if it was an extended family and his senior executives, who directly report to him as the members of this family. He has a paternalistic concern for people. He is never ruthless. He gives enough freedom to his executives to perform and operate, but consulting and informing him, atleast after the action is taken, is essential. Thus there is adequate freedom in work.

The organization structure is rather loose. Managers are given all types of assignments depending on tasks in hand, their abilities and availabilities. All arrangements are informal and subject to changes as and when required.

This leadership style is found to be producing good results in many family run organizations. The managers are committed to the leader. They know about his genuine interest in them and trust him, and know that their leader would stand by them in their hour of need even in personal crisis. The leaders deep concern for people produced high performance even from average managers.

**Disadvantages:**

The paternalistic style is considered to be having the following demerits:

1. The loyalty of the managers is to the leader and not to the organization. This is personal loyalty and not professional or organizational commitment. The managers would work hard as long as the boss is around the scene and after him, the deluge.
2. The person who inherits the chair of this leader will have to work hard to create personal loyalties again among the managers.
3. Since all are working for a god father, team spirit is less. People are jealous of those who are seen close to the boss.
4. The managers develop a sort of physical and emotional dependency. What would please the boss alone is important.
5. This dependency syndrome creates a lot of time pressure on the leader. The managers try to be with him on the pretext of consulting or informing him on each little action.
6. The chief considering the managers as members of his extended family distributes the rewards in such a way as to keep all the members of the family happy. The high performing executives might feel unhappy about the rewards.

**16.2.2 Leadership based on professional relationship**

As against the paternalistic style, there exists a leadership style in other Indian organizations and multinationals operating in India which is impersonal. The professional relationship exists between the leader and his subordinates. These organizations are sustained by norms and systems evolved instead of a paternalistic leader at the helm of affairs.

This leadership suffers from drawbacks. Managers lack loyalty to the organization. They perceive their employment as a contract, valid as long as they find it convenient. They stick on as long as the going is good, but lookout elsewhere when the company has problems, and in fact when they are needed most by the company.



---

## 16.3 RESEARCH FINDINGS ON INDIAN LEADERSHIP STYLES

---

There are studies, of late, on the leadership styles exercised in Indian organizations. A review of this research studies will help us to know the leadership styles prevalent in the Indian organizations.

Myer's study of leadership behaviour in both Indian and foreign owned organizations concluded that the most of the Indian top managers exercise relatively authoritarian style. Dhawal Mehta also came to the same conclusion. According to him, the Indian culture is not permissive and is highly authoritarian. The prevalent caste system encourages the tendency for security and dependency. Under these circumstances the 'negative incentives of firing, layoffs, or disciplinary action have more efficacy here'.

The study of 56 top managers conducted by Rangaswamy and Helmick showed a different picture. They found that the Indian managers were more employee-oriented as compared to their American counterparts. They attributed this to the helpfulness and co-operation embedded in the Indian culture and religion.

Elhance and Agarwal made a study of 123 executives at various levels of management working in two private and two public sector companies. They found that the 67% of executives in private companies and 57% of executives in public sector units adopted democratic style of leadership.

The study of 280 managers in four private and two public sector units conducted by Das and Singh found that the bureaucratic style was most predominant. It was followed by benevolent autocratic, developer and democratic in that order. The study also found that more the managers are exposed to the formal management education, more democratic in their leadership style. Jaggi's study of 120 managers revealed that the leadership style is influenced by various factors such as age of the managers, their levels and responsibilities, and the size and structure of the organization. It was found that the younger managers in the bigger organizations are less authoritarian while the managers in production technical areas were more authoritarian in their styles.

The above review of literature on leadership in Indian organizations shows that the leadership is varied like anywhere else.

---

## 16.4 CHECK YOUR PROGRESS

---

### Say true or false

1. Paternalistic style has been successful in family owned and managed organizations.
2. Leadership styles found in Indian organizations reflect the styles practiced in the west.

---

## 16.5 LET US SUM UP

---

Are there any leadership styles specific to India and Indian organizations?

This question is asked because of different socio-cultural environment existing in India. There are research studies which have answered this question. It has been found that the paternalistic style has been successfully working in family owned and managed organization. Besides, all the variants of leadership styles are found in the Indian organizations also.

---

## 16.6 KEY TERMS

---

**Paternalistic styles :** A leadership style where the leader treats his subordinates as members of his own family.

---

## 16.7 ANSWERS TO CHECK YOUR PROGRESS

---

1. True
  2. True
- 

## 16.8 TERMINAL QUESTIONS

---

1. What do you understand by paternalistic leadership style? Explain its merits and demerits
  2. "Leadership styles practiced in Indian organizations are not different from the styles practiced elsewhere". Discuss.
- 

## 16.9 REFERENCES

---

1. Gregory Moorehead and Ricky W. Griffin. **Organisational behaviour**, Jaico Publishing House.
2. Fred Luthans, **Organizational Behaviour**. McGraw-Hill Education (Asia),
3. Judith R. Gordon, **organizational Behaviour**, Allyn and Bacon,
4. Keith Davis. **Human Behaviour at work**, Tata-McIraw-Hill publishing company,
5. Stephen P. Robbins, **organizational Behaviour**, Prentice Hall of India, New Delhi,
6. O. Jeff Harris and Sandra J. Hartman, **Organizational Behaviour**, Jaico Publishing House,
7. Richard M. Hodgetts, **Organizational Behaviour**, McMillan,
8. George R. Terry and S.G. Franklin, **Principles of Management**,



9. James A.E. Stoner, et.a. Management, prentice Hall of India, New Delhi.
10. K. Aswathappa, Organizational Behaviour, Himalaya Publishing House.
11. Edwin B. Flippo and Gary M. Munsinger, Management, Allyn and Bacon.
12. V.S.P. Rao and P.S. Narayana, Principles and Practice of Management, Konark Publishers Pvt. Ltd..
13. Kinard, Management, D.C. Heath and Company, Toranto.
14. Kreitner, Management, AITBS Publishers, Delhi.
15. David A. Decenzo and Stephen P. Robbins, Personnel/Human Resources Management, Prentice Hall of India,
16. John Arnold, Ivan T. Robertson, Cary L Cooper, work Psychology, MacMillan.
17. Richard Pettinger, Management, MacMillan.
18. Milkovich and Boudreace, personnel/Human Resource Management, Richard D. Irwin.
19. Rustom S. Davar, Principles of Management.
20. H.K. Shivadasani, Developing people and organizations, Business book publishing house, Bombay.
21. Khanka, Organizational Behaviour





**BLOCK - V : INTERNAL ENVIRONMENT OF ORGANIZATION**  
**UNIT 17 : ORGANIZATIONAL CULTURE**

---

---

**Structure**

- 17.0 Objectives
- 17.1 Meaning and nature of culture
- 17.2 Dynamics of organizational culture
- 17.3 Types of culture
- 17.4 Culture and structure
- 17.5 Culture and leadership
- 17.6 Let us sum up
- 17.7 Terminal Questions
- 17.8 Books for reference

---

## 17.0 OBJECTIVES

---

After studying this unit you should be able to :

- Understand the meaning and nature of organizational culture
- Explain the dynamics of organizational culture
- Describe the types of organizational culture
- Identify the relationship between culture and structure and culture and leadership

---

## 17.1 MEANING AND NATURE OF CULTURE

---

### Meaning & Definition of culture:

As you know, in the last unit you have studied about the motivation and leadership. In this paper it is also important to study the internal environment of organization i.e. organizational culture and climate.

Organizational culture represents a common perception shared by the members of an organization. Culture implies a pattern of beliefs and behaviour. It is cultivated behaviour in the sense that it is learnt from other members of the society. Culture is the totality of beliefs, customs, traditions and values.

The organizational culture is a system of shared beliefs and attitudes that develop within an organization and guides the behaviour of its members. It is also known as "corporate culture" and has a major impact on the performance of organizations and specially on the quality of work life experienced by the employees at all levels of the organizational hierarchy. The corporate culture consists of the norms values and unwritten rules of conduct of an organization as well as management styles, priorities, beliefs and inter-personal behaviours that prevail. Together they create a climate that influences how well people communicate, plan and make decisions.

Culture is the set of important understanding that members of a community share in common. It consists of patterned ways of thinking, feelings and reacting that are acquired by language and symbols that create a distinctiveness among human groups.

"According to Campbell, "organizational culture is concerned with how employees perceive the basic characteristics like individual, autonomy, structure, reward, conflict and consideration. Every organization has a unique and distinct culture of its own. Therefore, one organization can be distinguished from others in terms of culture".

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



Thus, organizational culture is quite complex. All the definitions of culture includes the importance of shared norms and values that guide organizational participants behaviour. Organizational culture is very important to study because it conveys some important assumptions and norms governing values, attitudes and goals of the members of an organization.

### **Nature of culture:**

Culture can be considered as a constellation of factors that are learned through our interaction with the environment during our developmental and growth years. While culture has been a continuous development of values and attitudes over many generations, at least the organizational culture can be partially traced back to the values held by the founders of the organization. Such founders are usually dynamic personalities with strong values and a clear vision as to where they want to take their organizations. The organizational culture is influenced by the external environment and the interaction between the organization and the external environment.

Work culture is also a function of the nature of the work and the mission and the goals of the organization. Much has been written and talked about Japanese management styles. Almost invariably the economic success of Japanese society is associated with Japanese culture.

---

## **17.2 DYNAMICS OF ORGANIZATIONAL CULTURE**

---

Organizational culture represents a complex pattern of beliefs, expectations, ideas, values, attitudes and behaviours shared by the members of an organization. More specifically organizational culture includes:

- Routine behaviours when people interact, such as organizational rituals and ceremonies and the language commonly used:
- The norms that are shared by teams throughout the organization, such as a fair days work for a fair days pay.
- Some dominant values like high product quality, low absenteeism and high efficiency etc are observed.
- There are policies /philosophy that set forth the organizations beliefs about how employees/ customers are to treated.
- The feeling or climate conveyed in an organization by the physical layout and the way in which managers and employees interact with customers and other outsiders.

---

### 17.3 TYPES OF CULTURE

---

There are different types of culture in an organization. They have distinctive features and contributions. These types of culture are – Descriptive culture, value culture and perceptual culture

- i) **Descriptive culture** - The descriptive culture explains the behaviour of an organization. Employees describe the prevailing culture in an organization. When people are not satisfied, they talk too much about the organization. It measures effective performance, reward system, policies and procedures. Employees are always critical about the present setup.
- ii) **Value culture (Strong & weak culture)** – The value culture defines the culture based on strength, namely strong and weak cultures. Strong cultures are intensely held values which are widely shared. Strong cultures have a great impact on the employees behaviour. Greater the commitment to the values of an organization, stronger is the culture. A strong culture has the intensity of an internal climate. It transforms the employees into high performers who are loyal and highly committed. A strong culture has formalized rules and regulations which are automatically followed.

A weak culture has a low intensity of value. Employees are careless less responsible and weak workers. They have a low commitment and are less loyal to their jobs. They do not develop the spirit of belonging to their organization. Rules are obviated. It is not possible to predict the behaviour under this culture. Consistency is absent in this case.

- iii) **Perceptual culture** – The feeling of employees are included under the perceptual culture. How they view their organization is included under this culture. Organisations are differentiated with different culture. Common culture sub-culture and core culture are the different types of perceptual cultures. Common culture is the majority culture of an organization. While different groups of employees differ in their cultural approach, there may be some common culture applicable to all of them. Common culture is also known as the dominant culture. Sub-culture are the identifiable culture of each group. Their common problems, experience and members attitudes from the sub-culture. Core culture is the differing value culture of the employees. Core values are the basic values preserved by the employees.

---

### 17.4 CULTURE AND STRUCTURE

---

The organizational structure is a part of culture. Bureaucratic and mechanic structures have a different culture than the democratic and organic structures. The feeling of one's responsibility and self development are visible in the organisation's climate. The degree of autonomy has a great influence on culture.



Culture influences the performances of the employees. It is an attractive factor for remaining in the organization. Employees exercise their creativity with goal autonomy.

An organization that values formality, rules, standard operating procedures and hierarchical coordination has a bureaucratic culture. Recall that the long term concerns of a bureaucracy are predictability, efficiency and stability. Its members highly value standardized goods and customer service. Behavioural norms support formality over informality. Managers view their roles as being good co-ordinators, organizers and enforcers of written rules and standards. Tasks, responsibilities and authority for all employees are clearly defined. The organizations many rules and processes are spelled out in thick manuals and employees believe that their duty is to go by the book and follow legalistic procedures.

---

## 17.5 CULTURE AND LEADERSHIP

---

**Leadership :** Leadership is an integral part of management and plays a vital role in managerial operations. If there is any single factor that differentiates between successful and unsuccessful organizations, it could be considered as dynamic and effective leadership. Perhaps, it would be a valid assumption to state that the major cause of most business failures would be ineffective leadership and bad culture. All managers, in a way, are business leaders, even though management primarily relies on formal position power to influence people whereas leadership stems from a social influence process. Most management writers agree that leadership is the process of influencing the activities of an individual or a group in efforts towards goal achievement in a given situation. The leadership style prevailing in an organization has a profound influence in determining several dimensions of organizational culture. The influence is so pervasive that you may often wonder whether organizational culture is a product of the philosophy and practices of prominent persons in an organization.

**Theory Z :** The modified theory Z emphasizes the following aspects in relation to the specific areas of differences between the operating styles of a typical American organization and a typical Japanese organization. The important specific aspects are –

- Long term employment. Recycling of human talent through training, this will develop a sense of loyalty and dedication among workers.
- Relatively slow evaluation and promotion. The emphasis is more on training and enhancement of skills and promotions are based on skills rather than seniority.
- Career paths are not highly focused so that a person acquires a variety of skills through job rotation and training so that he/she has a better feel of the entire organization rather than just his/her job.
- Control is both explicit and implicit. Self-control is encouraged along with respect for established policies and regulations.

- Decision making is by consensus, specially on those key issues which would affect the activities of the workers.
- Responsibility is not collective but is assigned to individual managers who are then held accountable for their decisions. They do have the authority to delegate some of their decision making authority to their subordinates but the accountability will still remain with the individual managers.
- In addition to the work and performance of workers, the organization takes active interest in the workers family and social life and provides facilities where social interaction among all members of the organization, irrespective of rank is encouraged.
- While many of these factors are common to all successful organizations such as participative decision making and encouraging team spirit by rewarding group efforts, some other factors are indeed culturally based and the organizations must take decisions in accordance with their own unique culture.

---

## 17.6 LET US SUM UP

---

As we know organizational culture is the pattern of beliefs and expectations shared by members of an organization. It includes norms, common values, company philosophy, the rules of the game for getting along and getting things done and ways of interacting with outsiders. Such as customers organizational culture develops as a response to the challenges of external adaptation and servival and of internal integration. The formation of an organizations culture also is influenced by the culture of the larger society within which the organization must function.

Although all organizational cultures are unique, three general types were identified and discussed. Descriptive culture, value culture and perceptual culture. They are characterized by differences in the extent of formal control (ranging from stable to flexible) and focus of attention (ranging from internal to external).

Culture may be related to organizational structure and leadership. Organizational structure and strong leadership find that these culture bolster performance because they align employees with the organizational goals and the means that employees should follow to reach these goals. Effective organizational cultures are usually found in organizations that practice participative decision making. Such cultures foster employee commitment and high involvement.

---

## 17.7 TERMINAL QUESTIONS

---

1. What do you mean by organizational culture ? Explain the different types of organizational culture.
2. Explain the nature and dynamics of organizational culture.



3. Explain briefly about culture and structure.
4. Write a note on culture and leadership.
5. Write brief note on theory Z.

---

## 17.8 BOOKS FOR REFERENCE

---

- J.T.S.Chandan "Organisational Behaviour". Vikas Publishing House Pvt. Ltd. New Delhi.
- VSP Rao & P.S. Narayana "Organization Theory and Behaviour" Konark Publication Pvt. Ltd. Delhi.
- Rakesh Gupta "Organisational Behaviour" Published by Kitab Mahal , Allahabad.
- Hellriegel, Slocum, & Woodman "Organizational Behaviour". Thomson Asia Pvt. Ltd. Singapore.

---

---

## **UNIT 18 : ORGANIZATIONAL CLIMATE AND MORALE**

---

---

### **Structure**

- 18.0 Objectives
- 18.1 Meaning and definition of organizational climate
- 18.2 Factors affecting organizational climate
- 18.3 Measurement of organizational climate
- 18.4 Concept of Morale
- 18.5 Factors affecting/influencing Morale
- 18.6 Measurement of Morale
- 18.7 Let us sum up
- 18.8 Terminal Questions



---

## 18.0 OBJECTIVES

---

After studying this unit, you should be able to:

- Know the meaning and definition of organizational climate
- Explain the factors affecting organizational climate
- Describe the measurement of organizational climate
- Understand the concept of morale
- Explain the factors affecting / influencing morale
- Describe the measurement of morale

---

## 18.1 MEANING AND DEFINITION OF ORGANIZATIONAL CLIMATE

---

As we know every individual is different from each other in attitude behaviour and culture and they requires a different kind of social and organizational environment. When a person joins any organization, he brings to it his individuality that affects the other members of the organization and is also affected by their behaviour and culture. So each organization has its separate or individual climate in which its members develop.

Organizational climate is very important factor to be considered in studying and analyzing organizations because it has a profound influence on the outlook, well being and attitude of organizational members and thus, on their total performance. Climate for an organization is some what like personality for a person. Just as every individual has a personality that makes each person unique, each organization has an organizational climate that clearly distinguishes its personality from other organizations. The concept of organizational climate was introduced by the human relationists in the late 1940s. Now it has become a very useful metaphor for thinking about and describing the social system.

Organizational climate is a relatively enduring quality of the internal environment that is experienced by its members, influences their behaviour and can be described in terms of the values of a particular set of characteristics of the organization.

Forehand and Gilmer have defined organizational climate as a "set of characteristics that describes an organization and that : (a) Distinguish one organization from another (b) are relatively enduring over a period of time and (c) influence the behaviour of people in the organization".

According to Bowditch and Buono "organizational culture is concerned with the nature of beliefs and expectations about organizational life while climate is an indicator of whether those beliefs and expectations are being fulfilled:

Thus, organizational climate is the summary perception which people have about an organization. It is a global expression of what the organization is. Organizational climate is the manifestation of the attitudes of organizational members toward the organization itself. An organization tends to attract and keep people who fit its climate, so that its patterns are perpetuated at least to some extent. A sound climate is an asset for the organization and good management must protect it for betterment of the organization.

---

## 18.2 FACTORS AFFECTING ORGANIZATIONAL CLIMATE

---

In every organization there exist certain elements that exert profound influence on the existing climate. In some organizations certain factors like structure, or process plays a major role, whereas in others the level of technology may be the major influential factor in climate. Lawrence James and Allan Jones have tried to identify the factors influencing climate and they grouped these factors under five heads.

- |                             |                              |
|-----------------------------|------------------------------|
| i) Organizational context   | ii) Organizational structure |
| iii) Process                | iv) Physical environment     |
| v) System values and norms. |                              |

**1. Organizational Context :-** The first and foremost influential factor that affects the climate is the management philosophy. If the company is wedded to such a policy that it effectively utilize its resources, both human-as well as non-human, then it can be concluded that the climate is good. The manpower philosophy is generally expressed by rules, regulations and policies etc. The point here is that the reactions of the employees and the degrees to which they welcome and accept the managerial philosophy is very crucial to the development of sound and favourable organizational climate. The climate is said to be highly favourable when the existing management techniques are such that employees goals are perfectly matched to the ideals of organization.

**2. Structure :-** Structure of the organization represents another variable that affects climate. It needs no reiteration that structure is a framework that establishes formal relationship and delineate authority and functional responsibility. Further, the actual arrangement of hierarchy is also to be considered, for it affects climate. Highly decentralized structure results in sound climate when the management feels the necessity of high degree of employee input in the total output. In other words, a management that has a strong belief in participative decision making will promote decentralization. In a sharp contrast, if the management feels the necessity of maintaining greater degree of consistency in operations regarding decision-making it will be wedded to centralized structure. Thus structure also affects the climate of organizations.



**3. Process :-** In every organization certain processes are vital so that it runs. Communication, decision making motivation and leadership are some of the very important processes through which the management carries out its objectives. In all these processes, the relationship between superior and subordinate is visible and therefore the supervisor cannot afford to ignore this visible interface. For instance, if we consider leader follower relationship in leadership process, it is the leader's choice whether to allow subordinates in decision-making, give assignments, does performance appraisal etc. A leader has to be aware of the possible influence of his actions on the climate when deciding about the most appropriate supervisory technique for a given situation. It should be noted that failure to give consideration to the affect on climate would be a monumental error that could be reflected adversely on the performance of employees. Further more, when a leader mismatches his style to the situation it might about any hope of attaining organizational objectives.

**4. Physical Environment :-** The external conditions of environment, the size and location of the building in which an employee works, the size of the city, weather or the place, all affect the organizational climate. All employee performing his job in a relatively clean, quiet and safe environment will undoubtedly have a favourable perception of the organizational climate. Office décor, size and space a person has in doing the work are the important factors to be born in mind, for these affect the climate. Noise has also been considered instrumental in influencing the climate of organisations. High levels of noise brings a bad feeling and leads to frustration, nervousness and aggression and will have a negative effect upon organizational climate. Loud, intermittent noise converts an organization into a market place.

**5. System Values and Norms :-** Every organization has discernible and fairly evident formal value system where certain kinds of behaviours are rewarded and encouraged and certain kinds of behaviour forces an individual to formal sanctions. The formal value system is communicated to employees through rules, regulations and policies. Although in every organization informal organization also exists, the value system of informal organization is very difficult to ascertain. But from the point of view of organizational climate, both formal and informal groups are very powerful in exerting influence on climate. For instance, the organization that treats employees with respect to understanding will have certainly a different climate than one which is very cold and impersonal.

---

## 18.3 MEASUREMENT OF ORGANIZATIONAL CLIMATE

---

A number of instruments have been developed to measure that organizational behavioural climate. Generally these instruments try to measure the totality of the psychological environment in which people work. Trying to measure organizational climate is an attempt to capture the essence, environment, order and pattern of an organization or a subunit. There are many questionnaires designed to measure climate. These structured survey questionnaire, containing usually fewer than twenty five items (questions) are given to employees to respond. Usually the questions are answered on some form of a scale which may vary from one point to six points or from one to ten point scale. The numerical scale is normally accompanied by certain descriptive terms for each point on the scale.



An example of the type of questions and the scale that might be used is presented as under:

Example of two questionnaire items designed to measure the risk property of organizational climate.

1. Decision – making in this organization is too cautious for maximum effectiveness:

- |                        |                         |
|------------------------|-------------------------|
| a) Definitely disagree | b) Inclined to disagree |
| c) Neutral             | d) Inclined to agree    |
| e) Definitely agree    |                         |

2. You won't get ahead in this organization unless you stick your neck out and take a change now and then:

- |                        |                         |
|------------------------|-------------------------|
| a) Definitely disagree | b) Inclined to disagree |
| c) Neutral             | d) Inclined to agree    |
| e) Definitely agree    |                         |

Almost all questionnaire use slightly different terminology but all are very closely related in terms of concept and 'dimensions'. Generally, the dimensions studied will be the conformity, responsibility standards, rewards, organizational clarity, warmth and support and leadership. It is possible that organization may have more than one climate

For instance, if perceptions are measured then different groups may have different perceptions. Johnston in his research found two climate in a study of professionals in a small consulting firm. He noticed that long term employees deemed the climate flexible, supportive, non-authoritarian concerned with integrating individual with organizational goals and generally organize adaptive in its environment. Whereas newer employees saw as rigid, procedural, strongly based on hierarchy and authority more impersonal and emphasizing organizational goals. In some other studies, it has been found that climate also can differ with respect to hierarchy and to the degree of environmental uncertainty.

---

## 18.4 CONCEPT OF MORALE

---

Morale is perhaps the most frequently used term in organizational literature. Yet it remains one of the more evasive, controversial topics that lacks universally acceptable and comprehensive definition. Morale in spite of its importance is largely unacknowledged and poorly understood by managers. Some social scientists consider morale as a feeling of an individual whereas others treat it as group feeling. Almost all scientists unanimously agree to the importance of morale for: it is the hallmark of sound behavioural climate.



Morale is the vital ingredient of organizational success for it reflects the attitudes and sentiments and individual or group has toward the organizational objectives. These feelings and sentiments largely affect the productivity and satisfaction of individuals. When people are enthusiastic in their works environment we generally label them to be having high morale.

Morale is an individual's Zest for working or the lack of it. A person with a high morale will have confidence in himself, in others, and in his future. An individual with a high morale feels his work is worth doing well and that he is doing good job. It also helps him take minor irritation in stride and to work under pressure without blowing up.

Morale is an ambiguous concept that sometimes considered to be a component of satisfaction. Morale is defined as a composite of feelings attitude and sentiments that contribute to general feelings of satisfaction. In this connection morale is understood as one's attitude towards accomplishing his work rather than emotions he displays during works. It is a state of mind and spirit, affecting willingness to work, which in turn affects organizational and individual objectives.

According to Keith Davis "Morale can be defined as the attitude of individuals and groups towards their work environment and towards voluntary co-operation to the full extent of their ability in the best interest of the organization".

Thus, morale is multi-dimensional in nature in the sense that it is a complex mixture of several elements. It recognizes the influence of job situation on attitudes of individuals and also includes the role of human needs as motivational forces.

---

## 18.5 FACTORS AFFECTING / INFLUENCING MORALE

---

The factors affecting or influencing morale of employees in a work organisation can be logically grouped into two categories-

### 1. External factors (Exogenous factors)

### 2. Internal factors (Endogenous factors)

i. External factors (Exogenous factors) :- These are the factors external to the organization. These comprise of the personality of the individual employee, his psychological make-up, level of intelligence, his physical health, family background and relations with social groups and friends. Every human being is unique just like fingerprints. When an individual comes to the work place he carries all these factors with him. These factors influence his perceptions, attitudes that, in turn, affects the morale. Since these are external factors that are outside the control of managers, managers can do very little to change, control or influence them. But it cannot be denied that external factors also influence morale of employees.



## 2. Internal factors (Endogenous factors) :

These are the factors that come under the domain of control of management. These include:

- i) Organizational goals
- ii) Organizational structure
- iii) Nature of work
- iv) Working conditions
- v) Management philosophies
- vi) Compensation
- vii) Groups

a) Goals of an organization:- Perhaps the single most important factor that can have profound influence on the morale of employees is the organizational objectives. If the goals set by management are worthwhile, valid and useful, then workers develop a positive feeling toward the job and the organization. Allowing workers participation in setting goals enhances morale of the employees to a larger extent.

b) Structure :- Structure is another influential factor of morale. In a sound structure where lines of authority are clearly specified, and responsibility is precisely defined and where there is candid communication among the people, morale tends to be high. Further, if the structure of the organization is such that employees associate with management at least now and then, helps remove the sense of isolation and misunderstanding among employees, about the organization serves to build morale. Normally in decentralized structure morale will be high.

c) Nature of task :- Perhaps the biggest factor that affects morale of employee is the nature of the task he confronts. If he is asked to do time and again the dull, monotonous and repetitive jobs, he might feel depressed adversely affecting his morale. On the other hand, if an employee is asked to do some challenging tasks his morale may be high. But one point to note is that nature of job should not be viewed in isolation. Management has to consider the skills, competence and willingness of the individual to perform the job. A job that may be quite dull and dead may be satisfying to the individual resulting in high morale.

d) Managerial philosophy :- An employee's strong feeling toward his job may be seen by some as caused by how permissive his supervisor is. The treatment of subordinates by their leader can have profound influence on the morale of the employees. Further, the style of leader also affects morale. It is generally felt that a participative style will enhance morale and a directive style will have a negative impact on the morale. Thus, managerial philosophy is another factor that can affect morale of people in work organization.

e) Working conditions :- Morale is also a direct function of the conditions in the place of work. Morale will be generally high when employees are placed in a clean, safe, comfortable and pleasant environment. The surrounding milieu must be congenial for work and this necessitates the attention of management on



such aspects like decoration of work place (building), floor covering, free from noise and dust, availability of ample space to do the job etc. People generally feel suffocated if they are placed in a congested environment, which adversely affects the morale. Good working conditions are, therefore, sine qua non for high morale of the employees in an organization.

f) Compensation :- Morale of the employees is also influenced by the compensation schemes in the organization. Inadequate compensation leads to low morale and low job satisfaction and may also result in low productivity. Organizations cannot afford to ignore the financial and non-financial rewards to the employees. Organizations generally come out with such schemes of compensation that high employee morale will be maintained.

g) Group:- Each individuals as a unique storehouse of perceptions, attitudes, and beliefs about the work environment, organizations and people. Social forces and work groups also exert strong influence on these individual perceptions and attitudes and to this extent the morale of individual employees will also be affected. Top management should realize the importance of work groups in maintaining high morale in individual employees and as such should not promote conflicts between group goals and organizational goals.

---

## 18.6 MEASUREMENT OF MORALE

---

The methods of measurement of employees morale are as follows:

- i) Observation methods – A manager can measure the morale of his subordinates by observing their attitudes and behaviour towards the management, co-workers and the work. Normally there is a direct relationship between morale and productivity. But it is possible that low productivity is associated with high morale. Therefore, it is better not to depend upon the criterion of productivity to measure the morale of the employees. Overall behaviour of the employees should be observed to determine the level of their morale.
- ii) Morale survey - This is a formal method of knowing the morale of the employees. A questionnaire may be drafted and the employees may be asked to provide answers about their attitudes towards supervision, peers, management and work. The data may be compiled and classified to draw inferences about the morale of the employees.
- iii) Study of Morale Indicators - The attitudes of the workers can be known by studying a large number of factors which reflect their behaviour. Some of these factors are discussed below.
  - a) Productivity – Generally, low level of productivity is associated with low degree of morale.
  - b) Absenteeism - Greater rate of absenteeism is a low moral. But exceptions may be there due to sickness etc.

- c) Job satisfaction – If the workers are satisfied with their jobs their morale will be higher.
- d) Relations with other employees – The morale of the workers is high, if they feel belongingness and togetherness among themselves.
- e) Number of grievances – If the number of grievances increases, there will be low morale of the workers.
- f) Employee turn – over – If there is higher employees turn – over due to avoidable courses, there will be lower morale.

---

## 18.7 LET US SUM UP

---

By organizational climate, we mean traditions and methods of action in an organization. New entrant to the organization always think of its climate in which they will have to work and meet their economic, social and psychological needs. If they find it not suitable they will verysoon move to the some other organization. As we know a sound climate is an asset for the organization. It appreciates slowly but only if management sincerely cares for its maintenance and makes sincere efforts rather to improve it.

Certain factors affects the organizational climate. These factors are i) Organizational context ii) Organizational structure iii) Process iv) Physical environment and v) System values and norms.

Morale in general sense is referred to willingness to work. High morale is the result of job satisfaction which is again the result of motivational attitude of the management. It is very difficult to measure the morale because measurement refers to the collection of data, their analysis and assigning statistical values. It can only be appraised because appraisal has a qualitative aspect and morale is also an inner feelings of human being at work.

---

## 18.8 TERMINAL QUESTIONS

---

- 1) What is organizational climate ? Explain the factors affecting organizational climate.
- 2) Describe the measurement of organizational climate.
- 3) What do you mean by morale ? Explain the factors affecting morale.
- 4) Describe the measurement of morale.



## **BLOCK - VI :**

### **UNIT 19 : CHANGE**

---

---

#### **Structure**

- 19.0 Objectives
- 19.1 Introduction
- 19.2 Need for Change Socio-Cultural Conditions
- 19.3 Meaning and Nature of change
  - 19.3.1 Types of change
  - 19.3.2 Human resistance to change
  - 19.3.3 Why do people resist change
  - 19.3.4 Causes of resistance to change
  - 19.3.5 Implementation of change
- 19.4 Guidelines for overcoming resistance to change
  - 19.4.1 Force - field analysis
  - 19.4.2 Planed change
  - 19.4.3 Process of planned change
- 19.5 Let us sum up
- 19.6 Key words
- 19.7 Check your progress: questions
- 19.8 Answer to check your progress
- 19.9 Terminal Questions
- 19.10 Reference

---

## 19.0 OBJECTIVES

---

After reading this unit, you should be able to:

- Understand the concept of change
- Appreciate the controllability of the institution to work change and the effects on the quality of life of employees
- Identify organizational and environmental forces causing change
- Development awareness of various types of changes, human resistance to change, causes of change, implementation of change, and guidelines for change
- Understand the analysis of Force-Field change planned and process of planned change

---

## 19.1 INTRODUCTION

---

One of the major problems facing the developing and developed world is the quality of working life of a vast majority of employees engaged in productive pursuits. This issue is not just one of achieving greater human satisfaction but it also aims at improving productivity, adaptability and overall effectiveness of organizations. The equality of working life movement in a broader sense seeks to achieve integration among the technological, human, organizational and social demands which are often contradictory and conflicting.

Quality of Working Life is not based on a particular theory. It does not advocate a particular technique for application. Instead, Quality of Working Life is more concerned with the overall climate of work and the impact that the work has on people as well as on organization effectiveness. Direct participation of employees in problem solving and decision making particularly in areas related to their work is considered to be a necessary condition for providing greater autonomy and opportunity for self direction and self control to workers with the ultimate objective of upgrading the quality of life at work. The recognized purpose is to change the climate at work so that the human-technological-organizational interface leads to a better quality of work life and eventually to an improved quality of life in community and society.

The workplace for most people in organized sector of human activities is confluence of the organization's objectives, values and practices; the individual attitudes potentials and aspirations; and the larger objectives of the society and the demands that the society places on him. There are multiple inter-linkages among the work system, the organization, the individual and the society at large. It is necessary to look into the institution of work and examine the nature of inter linkages between work and some aspects of socio-cultural and psychological milieu.

In recent years a growing interest among concerned professionals in bringing about improvement in quality of working life in organized sectors is indicative of their efforts to exercise the choice in a



deliberate and planned manner in designing new work systems which alone can meet the aspirations of the people in a given socio-cultural context. Work system changes have wider implications for society as a whole because improvement of quality of life in any society presupposes enhancement of quality of working life.

Although physical and technical conditions of work and their effects on individuals and so on productivity have been a subject matter of study for the past few decades, it is only recently that socio-psychological dimensions of work and their relationship with socio-cultural environment of people have received systematic attention. A growing body of knowledge has made it possible to draw certain broad conclusion with regard to the meaning of work to an individual and the relationship between work life and other aspects of life.

Work plays a central role in the life of most people engaged in productive activities. Jerome M Rosow (1974: 2-3) with long experience in government and business has summed up the centrality of work in following statements:

“Work is at the core of life. Consider the deeper meaning of work to the individual and the life values; work means a good provider, it means autonomy, it pays off in success, and it establishes self-respect of self-worth. Within this framework, the person who openly confesses active job dissatisfaction is virtually admitting failure as a man, a failure in fulfilling his moral role in society. Since work resides at the very core of life values, self-esteem colours the response to job satisfaction attitude surveys. A negative answer may negate the life style and the very ego of the individual. It may well involve a painful, if not impossible, denial of basic goods in life. It is tantamount to an admission of an inability to achieve and perform an economic, useful, and productive role in society, in the family, in the church, and in the community”.

Commenting on the impact of routine work on individuals and its subsequent dysfunctional manifestations, George Strauss (1972 : 75) sums up the research finding as follows:

“There is overwhelming evidence that many (but not all) workers react negatively to work that is routine and without challenge. A whole series of studies from mass production industry shows, for example, that dissatisfaction appears directly related to short job cycles, lack of autonomy and control over work place, and jobs which require attention but not challenge. Such factors also relate to absenteeism, turnover, strikes and even poor mental health”.

With regard to the adjustment of individuals to non-challenging jobs, the same author (1974) based on the reviews of numerous literature comes to the conclusion:

“Challengeless bureaucratic jobs inhibit the normal development of human personality, thus leading to poor mental health, apathy, and even the delusion that one prefers highly structured work. Workers suffering from such conditions attempt to redirect their limited energies to activities off the job, to social life on the job, or to sheer fantasy-but never with great success and always with considerable emotional cost”.



What is of great significance in Strauss observation is that "whole cultures may adjust to job opportunities which call for little challenge and so change "personality". Although such adjustment may be unhealthy, it can be stable and not leading to revolt unless the underlying conditions change". Responses of such culture with changed personality to challenges in other aspects of life are likely to be one of inaction, apathy and withdrawal rather than of positive action, commitment and involvement.

An in-depth study of the automobile workers by Kornhauser clearly shows the psychological salience of the job within the factory population studied. Job remains very much in the forefront of workers at least on par with family interests and decidedly more prominent than other segments of their lives. Kornhauser's (1965) conclusions which are highly relevant for appreciating the effect of jobs on mental health of workers are summarized below:

- Large numbers of automobile workers manifest feelings, attitudes and behaviour that signify none too satisfactory life adjustments or mental health. Their responses reveal feelings of adequacy, low self-esteem, anxiety, hostility, dissatisfaction with life, and low personal morale.
- Mental health varies consistently with the level of jobs the workers perform. That is, higher the occupation (in respect of skill and associated attributes of variety, responsibility and pay), better the average mental health.
- By far the most influential attribute in determining job satisfaction and dissatisfaction is the opportunity the work offers-or fails to offer-for use of the workers abilities and for associated feelings of interest, sense of accomplishment, personal growth, and self-respect.

There is enough evidence to indicate a high degree of inter-connectedness between work life and community life. Thus according to Harold Wilensky (1961), "where the technical and social organization of work offer freedom – e.g. discretion in methods, or schedule, and opportunity for frequent interaction with fellow workers... then work attachments will be strong, work integrated with the rest life, and ties to the community and society solid. Conversely, if the task offers little workplace freedom... then work attachments will be weak, work sharply split from leisure and ties to community and society uncertain".

If a person is to be considered whole and not segmented or a set of fragmented parts then the natural corollary is that work life and community life cannot be seen as disjointed either. They form a continuum. In the context of traditional societies moving towards modernization it is all the more important to take into account the interplay of forces in work and non-work lives of the individual and to examine the structural and dynamic action properties of the multiple interlinkages between them.

---

## 19.2 NEED FOR CHANGE: SOCIO CULTURAL CONDITIONS

---

It is not a question of affluence or reaching certain in the development of technology as in the western countries, it is more a question of seeking to build such systems which are adaptable and therefore sensitive to their environmental realities. In transitional societies with an elaborate system of social



stratification, innumerable number of interest groups interdependencies among which will increase as the society modernizes, and sets of differential values, attitudes and practices which are deeply rooted in the past, it is all the more necessary to devise such systems of organization as are capable of generating appropriate responses to meet the uncertainties of the environment.

Some of the characteristics of socio-cultural conditions which may necessitate change in work system can be stated as follows:

- Work organizations are open systems and thus do not operate in isolation. On the contrary, they operate on a high level of interaction through multiple linkages with other systems. This gives rise to multiple organizational connectedness and individuals who enjoy membership in multiple organizations tend to bring in properties and values of those organizations as well. A work organization superimposed on a socio-cultural system with different structural and dynamic action properties, therefore, is likely to have negative consequences on the system as a whole unless a planned effort is made to deal with these consequences. In India as in other developing countries it is not only technology that has been borrowed but also the associated organization of work which do not necessarily fit within the prevailing socio-cultural framework.
- A number of studies relating to introduction of an alien form of organization and technology have shown the shattering effect it can have on the social structure and system of values of a people. Sharps analysis of introduction of steel axes among the stone age tribe of Australia and its consequences in terms of the total disintegration of the social system is a well known example. Linton's analysis of introduction of wet rice cultivation system in a Madagascan tribe is yet another case where the tribe accepted it and then went back to the old dry rice cultivation as the former was not in consonance with their value system and ways of life. Our experiences in India are too well known to be mentioned here. Consequences of this kind can be discerned in one form or another in complex societies as well.
- Rural societies in India place high premium on group cohesiveness and solidarity and the role of competition within a group – be it a joint family, caste or village – is minimized through such institutional arrangements as "jajmani system" reinforced by social, moral and religious sanctions. Competition in occupational spheres is minimized by emphasis on ascription. Collaborative orientation, therefore, seems to be a predominant value.
- Concepts of time and space and their structuring in rural societies differ considerably from the prevailing concepts in urban-industrial areas. In so far as space is concerned, sense of territoriality – desire to own and identify with definable space – is very high in rural areas. The village for example has been an important source of identity for the rural masses. In some castes, particularly in the southern parts of India, name of the village to which one belongs is added to ones name. concept and structuring of time is yet another important variance. The tribal/rural workers, particularly in the coal mines, construction industries etc. tend to be absent from their work



immediately following the pay day, their own festivals or during sowing, plantation and harvesting season. In a sugar factory located in a tribal area in Maharashtra, the organizers of tribal workers entered into agreement with the management to regulate working hours to eight hours a day. The tribal workers, however, continued to work longer hours as in the past unmindful of the superimposed time structure.

- In the last one decade or so there has been a qualitative change in the nature of work force particularly in those industries where skill requirements are high. Most workers in these industries are young, educated and have relatively high level of aspiration than their counterparts of older generation. The young workers look for opportunities to utilize and develop their potentialities. They look for intrinsic factors in their work. Our finding among a cross-section of young workers from a large public sector undertaking confirms this.
- The presence of two cultures side by side – one having its roots in the traditional modes of living with emphasis on “ascribed statuses” where the primary sources of ones identity are social groups, and the other associated with advanced technology with emphasis on “achieved status” where the primary source of ones identity are the formal work groups and organization, creates problems of its own. People who live in these cultures tend to adjust to the new demands of production process not by accepting their imperatives but by creating informal groups based on caste, language, religion and region which in most cases are detrimental to the realization of organizational and social objectives. The needs for status and for seeking identity if not satisfied by the given organization of work in a production system, it is only logical for the workforce to seek the satisfaction of these needs by extra organizational means.
- Social and economic relations that are prevalent in most rural and semi urban areas particularly in eastern and central India provide useful insight in the dynamics of adjustment and adaptation of a population to the demands of changing technology. Most dramatic example comes from the coal mining belt in eastern India. An excerpt from the editorial in a leading weekly throws light on this problem: “More dramatically, than anything else, the happy co-existence of the advanced technology of deep-shaft coal-mining with the most ferocious forms of accumulation involving usury, extortion and terror, only proves how we too are able, in our own way, to resolve contradictions”.
- The near absence of work culture among practically all levels of employed workforce has been yet another important characteristic of the prevailing socio-cultural reality. Loss of interest in ones work and consequent apathetic responses to diverse situations is not confined to blue collar workforce only; manifestations of these can be seen among all sections and in all sectors including the educational institutions. Even among the white collar workers in relatively affluent sectors such as banking, insurance etc. one can discern a growing apathetic response to work situations provided one looks into the pattern of work behaviour over a period of time.



Some of the obvious characteristics of the existing socio-cultural realities in India highlight the need to have a fresh look at the way in which we have organized our work in industrial and government sectors. To the extent organizational processes are geared to deal with and channelising the contradictions and conflicts prevalent in the socio-cultural system in the direction of innovative and constructive pursuits, these will obviously contribute to the enhancement of quality of life of millions of people at work place and in the community. And it is here that exercise of choice on our part in designing work organization geared to these needs is profound significance.

It is all the more important in our context to design alternative form of work organization because the western industrial model based on bureaucratic principles has already begun to disintegrate. In case of developing countries observations of the Eric Trist (1975) based on his experiences in Peru are quite relevant:

“It (bureaucratic model) would retard development of their productivity, increase their comparative economic disadvantage, and all too rapidly create alienated workers likely to cause severe political problems. Their best strategy would be to ‘century skip’ – to ignore nineteenth century models of industrial organization and the dehumanizing values embodied in them – and experiment in ways suitable to the conditions of the Third World, with new forms of organization that give first importance to the quality of life in the work place”.

In a developing country where increased productivity and quality of life of the people are legitimate and desirable goals, one cannot sacrifice one for the sake of the other. If one, however does sacrifice then in the process, experience has shown, one gains neither.

---

### 19.3 MEANING AND NATURE OF CHANGE

---

The term ‘change’ refers to any alteration which occurs in the overall work environment of an organization. It has the following characteristics:

- Change results from the pressure of forces which are both outside and inside the organization.
- The whole organization tends to be affected by change in any part of it.
- Change takes place in all parts of the organization, but at varying rates of speed and degrees of significance.

An organization is an open system which means that it is in a constant interactional and inter-dependent relationship with its environment. Any change in its environment, such as changes in consumer tastes and preferences, competition, economic policies of the government, etc. make it imperative for an organization to make changes in its internal system. Further, organization is composed of a number of subsystems which are also in a dynamic relationship of interaction and inter-dependence with one another. Any change in a subsystem creates a chain of changes throughout the entire system.

### 19.3.1 Types of Change:

Joseph Massie has discussed the following types of changes in the management field:

- **Changes in Knowledge, Information and Technique:** The profession of management has its deep roots in the engineering problems of production. The technique aspect of the management field is advancing greatly. New techniques of production are being invented. Now a great deal of research is also being conducted in various institutions of the world on behavioural science. It is recognized that wherever a manager must deal with other persons, some aspect of behavioural science comes into play. Therefore, the application of behavioural science to the management field is getting top priority.
- **Changes in the Scope of Management:** The writings of early management thinkers were primarily concerned with technical problems and their solutions. But with the passage of time, it was found that the process of management has universal application. Many problems in different types of organizations like industrial, educational, religious, hospital, etc. are common and they call for the application of certain management principles. This has broadened the scope of management and given birth to the demand for specialization of the application of management knowledge.
- **Changes in the Issues and Problems before Managers:** There has been a greater change both in magnitude and number in the problems before present-day managers. These changes are caused by the emergence of large scale organizations and the separation of management from ownership. Moreover, there has been an awakening of the working class. Trade unionism has spread throughout the world. Consumers have also become conscious about their power over the organizations.
- **Changes in Environment:** The world is changing fast. Population changes are becoming extremely significant to managers. Other changes can be viewed as changes in consumption patterns, factors of production, social conditions, political conditions and economic trends. The increase in the size of consumer markets and the segmentation of markets into strata have created new problems. Consumption patterns are changing widely and managers continually search for market information to help them make sound decisions. Values, expectations and aspirations of the customers are continually undergoing transformation.

### 19.3.2 Human Resistance to Change:

Management of an enterprise cannot be a silent spectator of external changes. It has to develop adaptability in the organizational variables so that the organization is able to survive and grow in the face of changes. In order to do this, management has to introduce work changes in the enterprise which may be resisted by the people working there. Work change, here, means alterations in the overall work environment. Keith Davis has given two generalizations in regard to such change. First, the whole organization tends to



be affected by change in any part of it, and second, technological change is a human relations problem as well as a technical problem.

Overcoming resistance to change is a problem of great importance in effecting organizational changes. Resistance to change is a type of human behaviour which arises to protect human beings from the real or perceived effects of change. Man by nature abhors ways of life and thought and action which are unfamiliar to him. This is partly because he fears the new and the unknown and partly because adapting to new ideas is an arduous and painstaking process. Whenever a person thinks that the effects of change are likely to be adverse to him, even if they are really not so, he will try to protect himself through his resistant behaviour. Thus, resistance is opposition to change. Opposition to change may be logical and justified in some cases. Sometimes, people do not resist change, but they oppose the change agent or the mode of implementing change. Resistance may take the form of passive acceptance, sloppy effort, subtle sabotage, aggressive refusal, violent behaviour, complete breakdown of work and so on depending on the situation. If it is not handled properly, it may affect the enterprise adversely in the long-run.

### ***19.3.3 Why do People Resist Change?***

Resistance to change implies human lags in understanding changes, in willingness and ability to absorb the volume and pace of change and to make the necessary psychological and other adjustments while meeting the requirements of change. There is nothing unusual about such lags. Any change is likely to destabilize a person's existing alignment with his environment. It can be observed that "people develop an established set of relations with their environment. They learn how to deal with each other, how to perform their jobs and what to expect next. Equilibrium exists; individuals are adjusted. When change comes along, it requires individuals to make new adjustments as the organization seeks a new equilibrium. When employees are unable to make adequate adjustments to changes which occur, the organization is in a state of imbalance or disequilibrium. Management's general human relations objective regarding change is to restore and maintain the group equilibrium and personal adjustment which change upsets".

All changes are not necessarily resisted. Some are liked by the workers. For instance, if the workers have to stand before a machine throughout the shift, they will like the introduction of a new machine which will allow them to sit while like the introduction of a new machine which will allow them to sit while working. Thus resistance to change is offset by their desire to have better working conditions. Sometimes, people themselves want change and new experience as they are fed up with the old practices and procedures.

### ***19.3.4 Causes of Resistance to Change:***

Resistance to change is caused by the attitudes of people which are influenced by many economic, psychological and social factors. Now we shall discuss these causes:

- **Economic Factor:** These factors relate to the basic economic needs of the workers like necessities of life, job security and safety. These factors are:
  - i) Workers apprehend technological unemployment. Generally, new technology is expected to reduce the proportion of labour input and, therefore, people resist such a change as it will affect the security of their jobs.
  - ii) Workers fear that they will be idle for much of their time due to increased efficiency of new technology.
  - iii) Workers may fear that they will be demoted if they do not acquire the skills required for the new technology.
  - iv) Workers resist the change of setting higher job standards which may reduce opportunity for bonus or incentive pay.
- **Psychological Factors:** These factors arise when workers perceive that factors relating to their psychological needs will be affected adversely by the proposed changes. These needs are sense of pride, of achievement, of self-fulfillment, etc. These factors are:
  - i) Workers may not like criticism implied in a change that the present method is inadequate and unsuitable.
  - ii) Workers may fear that there will be fewer opportunities for developing their personal skills because new work changes will do away with the need for much manual work. This will lead to reduction of their personal pride.
  - iii) Workers may apprehend boredom and monotony in the new jobs as a result of specialization brought by the new technology.
  - iv) They may fear that harder work will be required to learn and adapt to new ideas.
  - v) Workers may resist a change because they do not want to take trouble in relearning the new things.
  - vi) Workers may not have the knowledge of entire change or they may be incapable of understanding the implications of new ideas or methods.
- **Social Factors:** Individuals do have certain social needs like friendship, belongingness, etc. for the fulfillment of which they develop informal relations in the organization. They become members of certain informal groups and act as members of the group to resist change. The social reasons for resistance to change are:
  - i) New organizational set up requires new social adjustments which are not liked by people because these involve stresses and strains. This also means discarding old social ties which is not tolerable to the workers.



- ii) Workers are carried by the fear that the new social set-up arising out of the change will be less satisfying than the present set-up.
- iii) Workers oppose the people who sponsor and implement the change as they are strangers to them.
- iv) Workers also resist the changes which are brought abruptly and without consulting them.
- v) Workers may feel that changes being introduced will benefit the organization or the employer rather than themselves or the general public.

Thus, it is obvious that resistance to change tends to focus on human relations problems, although it may appear to be related to the technological aspect of change. Workers resist the changes which will affect their social relationships, upset their status and threaten their security. A change may give them a feeling of insecurity since it challenges their way of doing things and may bring less labour-oriented process. Moreover, it is difficult for the workers to give up their old habits and customs. They also resist the change if they do not know it well.

#### 19.3.5 Implementation of Change:

The following measures may be taken to overcome resistance to change by the people and to introduce change successfully:

- **People Planning:** Adaptation to change is the antithesis of resistance to change. Management of an enterprise should plan the change in such a way that it is easy to implement it. The planned change should strike a balance between the needs of the organization and those of the individuals. It should focus upon making the transition smoother and less disruptive. For this, management must take the workers representatives into confidence. If it can do so, there will be less problems in implementing the change. The management should properly emphasize the need for change. If the management implements change by properly informing those who are affected by it and by explaining to them the logic of change, there will be less resistance. Reactions of the people should be analyzed properly and modifications may be introduced wherever necessary. Management should also see that there is two-way communication between the management and the workers so that the former comes to know the reaction of the latter directly without any delay. Two-way communication will go a long way towards removing fears and apprehensions of the workers and bringing understanding between the management and the workers.
- **Effective Communication:** In order to implement the change smoothly, the management must inform the workers the justification of change and its benefits to the organization and the workers. The workers should not be caught unaware. Before introducing the change, the reactions of the people should be analysed properly and modifications may be introduced wherever necessary. Management should also see that there is two-way communication between the management



and the workers so that the former comes to know the reaction of the latter directly without any delay. Two-way communications will go a long way towards removing fears and apprehensions of the workers and bringing understanding between the management and the workers.

- **Consultation with Union Leaders:** Management is regarded as the instigator of change and unions are regarded as the forestallers of change. It would be prudent for management to take labour leaders into confidence before introducing any change. Their cooperation may be sought to implement the change. The leaders can convince the workers about the need and utility of change and have the way for smooth change.
- **Facilitation and Support:** Easing the change process and providing support for those caught up in it is another way managers can deal with resistance to change. These include listening, providing guidance, allowing time off after a difficult period, and offering facilitative and emotional support. Facilitative support means removing physical barriers in implementing change by providing appropriate training, tools, materials, etc. Emotional support is provided by showing personal concern to the subordinates during periods of stress and strains.
- **Negotiation and Agreement:** Negotiation with resisters and offering them incentives may be a useful technique for overcoming resistance. Examples are union agreements, promotion of nominees of the union, increased economic benefits to employees, etc. It may become relatively easy to avoid major resistance through negotiation.
- **Use of Group Dynamics:** Management can use group dynamics to bring about the desired change. A group is a cluster of persons related in some way by common interests over a period of time. Members of the group interact with each other and develop group cohesiveness among themselves. Therefore, management should consider the group and not the individual as the basic unit of change. Group interactions are one of the social situations which facilitate adaptation to change. This was very well shown by the Hawthorne Studies. Each individual did not feel to set up for himself a production quota; it was set and enforced by the group. Workers who deviated significantly in either direction from the group norms were penalized by their co-workers. It was found that a person who resists pressure to change his behaviour as an individual will often change it quite readily if the group of which he is a member changes its behaviour. "As long as group standards are unchanged, the individual will resist changes more strongly the farther he is to depart from group standard. If group standard itself is changed, the resistance which is due to the relation between individual and group standard is eliminated".

Experiments conducted by Kurt Lewin on changing habits showed the power of the group to produce changes in behaviour of group members and thus overcoming resistance to change. An experiment studying how to get mothers to give their children orange juice and codliver oil is discussed below.



The objective of the experiment was to convince mothers with newborn children to feed codliver oil and orange juice to their babies immediately following their departure from the hospital. The investigators divided the mothers into two groups. In the first, a doctor talked to each mother singly for about 25 minutes, telling her the virtues of new types of food for her child. In the second, group of six mothers discussed with the doctor and among themselves the value of the use of the new food items for their children for about 25 minutes.

The results were conclusive. Checking the two groups after two weeks and again after four weeks, the investigators found that the mothers who participated in to the discussion group have their children orange juice and codliver oil more frequently than the other mothers, although both the groups were more inclined to feed their children orange juice than codliver oil. After four weeks, 90% of the mothers who received group instruction were feeding their children codliver oil as compared with about 50% of the mothers who were instructed individually. In the case of orange juice, the comparable figures were 100% and about 58%. Other experiments on changing peoples eating habits consistently revealed the same phenomenon. Group discussions were much more effective in changing attitudes than other methods such as two person discussions or lecture groups.

---

#### 19.4 GUIDELINES FOR OVERCOMING RESISTANCE TO CHANGE

---

“There is nothing more difficult of success, nor more dangerous to handle than to initiate a new order of things”, said Machiavelli. The truth of this is forcibly brought home to the manager attempting to put into effect any change. There is generally resistance to change by the workers in the organization. But that should not discourage the management to bring change. Change is a necessary way of life for any individual or organization. If an organization does not change when the forces of change require, its survival will be in danger. It is the responsibility of management to bring the necessary changes by overcoming the resistance put by the workers.

The following guidelines should be followed to successfully implement a change:

- Before any change is initiated, it is essential to lay down its objectives and study its implications. Those who are to be affected by the change should be identified. The time, pace and quantum of change should be determined and the mode of introduction of change should also be planned.
- It is necessary to anticipate the likely reaction of the subordinates to the proposed change. The management should discuss the change with the subordinates because people who have an opportunity to participate in planning for change will have some feeling of commanding their own destiny and not of being pushed around like so many pawns on a chess board. Participation will give the people involved a feeling of importance. They are likely to be more committed to the change if they are convinced about the rationale of change.



- There should be effective two-way communication in the organization. Management should make every effort to let people know about organizational changes. Internal announcements may be best made through the medium of conferences and meetings, the employees newspapers and bulletins. These should include as much information as can be released. Managers at various levels should also pass on necessary information to their subordinates. Feedback should be encouraged to know the reactions of the subordinates. The subordinates should be given opportunity to ask questions and satisfy themselves about the proposed changes.
- In order to successfully implement the change, subordinates must be indoctrinated in new relationships, taught new skills, helped to change attitudes, given the information they need to understand where they fit into the picture and how they will be expected to operate under the new set-up. The educational process can be aided by training classes, meetings and conferences.
- Management should consider the group and not the individual as the basic unit of the change. Group interactions are one of the social situations which facilitate adaptation to change. Group discussions should be encouraged. In order to make group adaptable to change, it should be provided with full information by the management. The management should also explain the rationale of change and try to convince that the interests of the group members would not be adversely affected.

#### 19.4.1 ***Force – Field Analysis:***

Kurt Lewin introduced Force Field Analysis for implementing change. Force Field Analysis identifies i) What forces are likely to restrain it (i.e. driving forces) and ii) What forces are likely to restrain it (i.e. restraining forces). The number and the strength of the driving and restraining forces must be identified. According to force field theory, any situation in which change is to be attempted is a quasi-state equilibrium of driving forces and restraining forces. This can be changed by strengthening the driving forces or by weakening the restraining forces. All these forces reside in the group. Lewin propounded that it is usually easier to change individuals formed into a group than to change any one of them separately. As long as group standards are unchanged, the individual will resist changes more strongly the farther he is to depart from group standards. If the group standards are changed, the resistance which is due to the relation between individual and group standards will be eliminated.

The implication of Force Field Analysis for the manager is that before embarking on a change strategy, he must properly identify and evaluate the forces favouring change (driving forces) and those opposing change (restraining forces). This will enable him to remove the hindrances that block change efforts. He will not waste his time and energy on those forces over which he has no control.

#### 19.4.2 ***Planned Change:***

Change may be either necessitated by the pressure of external forces or brought by deliberate and conscious efforts of the management. The latter type of change is called the volitional or planned

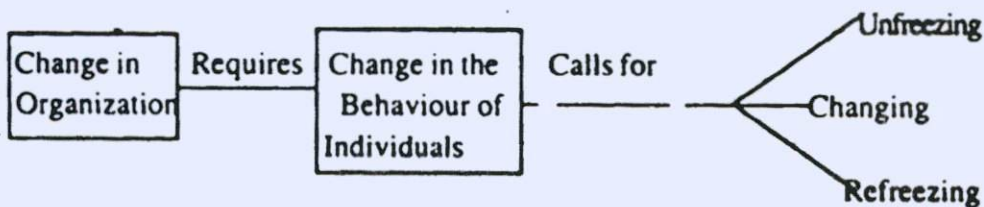


change. According to Warren Bennis, the method of planned change “encompasses the application of systematic and appropriate knowledge to human affairs for the purpose of creating intelligent action and choices. Planned change aims to relate to the basic disciplines of the behavioural science as engineering does to the physical sciences or as medicine relates to the biological sciences”. The management may decide to go in for planned change to cope with complex problems of modern society and the growth of behavioural sciences.

### 19.4.3 Process of Planned Change:

Resistance to change could be overcome on an ending basis by systematically planning and implementing the process of change. Kurt Lewin identified the following phases in the process of planned change:

- **Unfreezing:** The manager as a change agent has to assume the responsibility to break open the shell of complacency and self-righteousness among his subordinates. He has to identify the background factors contributing to resistance. Subordinates may resist change for economic, social or personal reasons. The interplays among the several factors responsible for resistance have to be isolated. Through a series of discussions with the subordinates, it should be possible to explain to them the problems with the present state of affairs, the need for change, the pace and volume of proposed change, the direction and the implications of such change. This is a process of mutual learning between the manager and his subordinates. The manager should clear all the nagging doubts of the subordinates about the proposed change.
- **Moving to the New Level:** Once the subordinates become receptive to change, the manager, as a change agent, should introduce the proposed change in a systematic manner with the full cooperation of subordinates. They should be given intensive orientation as to the behavioural changes necessary for successful introduction of the proposed change so that adaptation to the new environment takes shape as desired. Several problems crop up during the process of implementation, some of which might be totally unforeseen. These are to be handled by the manager in consultation with his subordinates.



- **Freezing at the New Level:** It is the phase of stabilization, assimilation and institutionalization of the change which are successfully implemented. The changes which are accomplished should remain as a stable and permanent characteristic of the system until another need arises for change.

The new roles, relationships and behavioural patterns should be allowed to take on the characteristics of habits. The subordinates should get a genuine feeling that the benefits generated by the change are worthwhile.

---

## 19.5 LET US SUM UP

---

Change is an important characteristic of most organizations. Nothing is permanent except change. It is the duty of management to manage change properly. An organization must develop adaptability to change otherwise it will either be left behind or be swept away by the forces of change. There are many forces which are acting on the organization which make change not only desirable but also inevitable. These forces include technology, market forces and general socio-economic environments. These are the external forces which necessitate change in internal organizational variables like machinery, equipment and processes, policies and procedures, structural relationships, etc.

---

## 19.6 KEY WORDS

---

CHANGE - BEHAVIOUR

SOCIO CULTURAL CONDITIONS

NATURE OF CHANGE

RESISTANCE TO CHANGE

FORCE FIELD ANALYSIS

PLANNED CHANGE

PROCESS OF CHANGE

UNFREEZING

---

## 19.7 CHECK YOUR PROGRESS: QUESTIONS

---

State whether the following statements are True or False:

1. Work plays a central role in the life of most people engaged in productive activities.
2. Whole cultures may adjust to job opportunities which call for little challenge and so change personality.
3. In the third world with new forms of organization that does not give first importance to the quality of life in the work place.



4. Change results from the pressure of forces which are both outside and inside the organization.
5. People themselves do not want change and new experience as they are fed up with the old practices and procedures.

---

#### 19.8 ANSWER TO CHECK YOUR PROGRESS

---

- 1) True    2) True    3) False    4) True 5) False

---

#### 19.9 TERMINAL QUESTIONS

---

1. How does social cultural conditions of change affect the Quality of working life?
2. "People sometimes resist change for the sake of resistance". Comment?
3. Trace the reasons for human resistance to change in Industry? How can this be overcome?
4. Write short notes on:
  - a) Resistance to change
  - b) Planned change
  - c) Process of change
  - d) Force – Field analysis
5. Examine the role of people in the management of change?

---

#### 19.10 REFERENCES

---

1. Daris. 'E and AD Chems (eds). The Quality of Working life. Free press, New Delhi, 1975.
2. Keith Davis, Human Behaviour at work, Tala-Mc Grow – Hill co. Ltd. New Delhi, 1975.
3. Kurt Lewin. Group Decision and Social change. Holt, New York, 1952.
4. Kurt – Lewin. Frontiers in group dynamics, Holt, New York, 1952.
5. Lovis A Allen. Management and organization. Mc Graw – Hill Book co. INC, New York, 1958.
6. ML Tushman. A political approach to organizations. Academy of management Review, 1977.

---

---

## **UNIT 20 : CONFLICT**

---

---

### **Structure**

- 20.0 Objectives
- 20.1 Introduction
- 20.2 Conflict
  - 20.2.1 Causes
  - 20.2.2 Consequences
  - 20.2.3 Mechanism
- 20.3 Power and influence relations in organizations and groups
  - 20.3.1 Power relationships
  - 20.3.2 Bases of power
  - 20.3.3 Distinction between power and authority
  - 20.3.4 Concept: of power equalization
  - 20.3.5 Influence relationships
  - 20.3.6 Means of conflict
- 20.4 Dynamics of conflict
  - 20.4.1 Nature
  - 20.4.2 Traditional view
  - 20.4.3 Human relations view
  - 20.4.4 Interactionist view
  - 20.4.5 Positive view
  - 20.4.6 Dysfunction view
- 20.5 Issues involved in conflict
  - 20.5.1 Types
  - 20.5.2 Stages
- 20.6 Let us sum up
- 20.7 Key words
- 20.8 Check your progress: questions
- 20.9 Answer to check your progress
- 20.10 Terminal questions
- 20.11 References



---

## 20.0 OBJECTIVES

---

After reading this unit, you should be able to:

- Know the conflict in the organization
- Understand causes of conflict, consequences of conflict and conflict management
- Establish the relevance of power and influence in organizations and groups in detail
- Appreciate the dynamics of conflict such as traditional view, human relations, positions, interactions, basic functional views, types and stages of conflict.

---

## 20.1 INTRODUCTION

---

Conflict is form of clash between individuals and groups arising out of opposing ideas, perceptions, values, interests and goals. It denotes lack of understanding, agreement, compatibility and cordiality in people who share an environment and tend to come into contact with other in way or the other in an organization for example, it is a behavioural condition of people which affect their normal activities and outcomes.

Conflict is a common situation in the complex world we live in. it infact is a cause and consequence of the complexity of the world we live in. It is an element of interpersonal and inter-group relations. It exists in various degrees, at several levels and takes different forms. It arises between individuals, within a group of members and between groups and other similar entities. It arises out of multiple causes and gives rise to multiple consequences.

---

## 20.2 CONFLICT

---

### 20.2.1 *Causes of Conflict:*

Basically, conflict within and between groups in an organization germinates when people compete for obtaining scarce resources of value, which are perceived to meet their respective needs – physical needs, safety needs, social needs, ego and other related needs. conflict occurs if an individual or a group feels that another individual (or a group) is trying to thwart his efforts to meet his needs, protect his interests and promote his goals. From this basic proposition of the source of conflict, several related proposition can be derived to identify the cause of conflict in organizations. They are:

- Differences and ambiguities in goals and in the means for achieving the goals.
- Competition for scarce resources and rewards-physical resources and rewards as also intangible resources and rewards like power, status, freedom, competence, recognition, esteem, and so on.

- Task interdependence among groups and failure of one group to meet the task demands of another group.
- Acute differences in work environments, habit patterns, cultural backgrounds, life style, status levels in an organization.
- Personal dislikes, jealousies, prejudices, egos etc.
- Attempt of one group to gain domination over another group and to impose its will over its activities.
- Inconsistencies in authority responsibility roles and communication patterns.

### 20.2.2 Consequences of Conflict

**Negative consequences:** Inter-personal and inter-group conflicts are said to lead to undesirable consequences. Conflict is generally painted to be unpleasant and disruptive and hence something to be avoided. It breeds hostility and hatred among people. It leads to aggressive behaviour at one end and psychological withdrawal at the other. It is a sign of disorder and disease and gives rise to social tensions and disequilibrium: It encourages emergence of autocratic and coercive tendencies. It fosters rigid and unco-operative attitudes among people and groups. It results in destructive behaviour and activities and hence represents a wasteful diversion of human energies skills and abilities away from achievement of goals. It distorts the perceptions of people and restricts communication between them.

**Positive consequences:** As against the above negative consequences, it is often argued that conflict has certain positive properties which make it welcome. All conflict is not automatically bad. Some types and amount of conflict are viewed as constructive and desirable because they active people to reexamine their behaviour. A situation of conflict questions the value of blind conformity and bland harmony in groups. Conflict is a mean of development of individuals and groups because it stimulates attitudes in favour of accepting challenge and change. It also stimulates creative and innovative thinking and healthy diversity in goals, roles, values and viewpoints. It opens up fresh opportunities and ideas to do things.

The need for conflict is justified on the ground that it triggers change in organization in favourable directions. A bland situation of conformity and harmony in organizations is more often achieved at a great cost to human aspirations. In most cases, conformity and harmony are also surface phenomena. They tend to help the process of perpetuation of status quo and protection of the privileges of the entrenched vested interests. On the other hand a measure of conflict can play constructive and creative role in shaking off the smugness of managers and to set them looking at their own approaches and behaviour. It provides the needed stimulation for executives to behave in a more dynamic manner. It tends to lead to restructuring of role and relationships in a more realistic manner. Constructive conflict is the major avenue for learning and organizational development.



Organizations have to learn to function with conflict; they have to develop tolerance and even an attitude of acceptance towards conflict. They have to evolve ways of making conflict serve the goals of the organizations. Conflict situations need not be viewed as abnormal; they are as normal as situations of cohesiveness and co-operation.

### 20.2.3 Mechanism of Conflict Management:

Conflict management includes skillful encouragement and handling of constructive conflict on the one hand and resolving or limiting dysfunctional conflict in groups and organizations, on the other. So far as encouragement of constructive conflict is concerned, the following strategies may be of some help:

- Encouraging creative, innovative, novel and deviant thinking and action processes among members of a group or organization.
- Fostering competitive situations in inter-personal and group relations.
- Rousing expectations and needs among members, setting high performance goals for people, and demanding high performance from them.
- Introducing major and meaningful changes in structure, technology and behavioural requirements of people.
- Making extensive onslaught on mediocrity, incidence of low level of skills and poor performance of concerned people, lack of honesty and commitment among members and so on.
- Discouraging compromises and compatibility on goals, roles and values among members.

As records strategies for resolving dysfunctional conflict, the following appear to be relevant:

- Introduction of participative management at all appropriate levels.
- Installation of monetary and non-monetary incentives for the group as a whole-instead of an individual basis, for higher productivity and performance.
- Design and implementation of training programmes for improving inter-personal and group relations, and socialization of members.
- Effective exercise of authority/power by the manager/leader of the group over the activities and job behavioural patterns of group members, so as to solve problems of conflict.
- In case of goal conflict, diversion of members energies and efforts to "super-ordinate" goals-higher level goals on which consent possible.
- Integration of individual and organizational goals through job enrichment and MBO.
- Articulation of information and communication systems in such a way as to reduce or resolve conflictful situations.

- Employment of consultants or arbitrators and co-ordinators who may directly handle conflicts in groups and try to resolve them.
- Introduction of a system of periodic transfer of people from one work unit to another and establishment of work groups with over-lapping memberships.
- Separation of conflict-prone groups by reducing the occasions for functional inter-dependence.
- Adoption of "political" processes such as smoothing (playing down differences and dissensions; emphasizing areas of agreement, building on common interests etc.), compromise (give and take, modification of goals, division of resources and rewards etc.), avoidance (pretending that there is no conflict, hoping that time will take care of all conflicts etc.) and confrontation (problem solving by identifying the sources and causes of conflict, evolving alternative courses of solving them and choosing the best course and implementing it effectively).

---

### 20.3 POWER AND INFLUENCE RELATIONS IN ORGANIZATIONS AND GROUPS

---

Groups and organizations are characterized by complex power and influence relations. These relationships determine the internal structure of groups and organizations and affect several aspects of their behaviour such as interaction, communication, conformity, role assumptions and perceptions, decision-making, conflict management and so on.

*Organizations are often viewed as power structure and influence systems:* Power and influence relations often take the form of superior-subordinate relations, although such relations do exist between persons holding equal ranks or positions. Power and influence relationships exist within groups and between groups. Intera-group behaviour are strongly determined by power and influence relations.

We may define the concepts of power and influence, identify their bases or sources, distinguish them from authority and examine their implications.

#### 20.3.1 *Power Relationships:*

The term power is defined as the ability of an individual to gain control, influence and even dominance over events, things and people in ways desired by him. It is an energy endowed/acquired by the person to persuade or pressurize others to comply with his desires and dictates. It includes manipulative ability to get hold of certain key variables in the environment and use them to make events and people fall in line.

We may now discuss briefly the major bases (or sources) of power and means of influence in group and organizational situations.



### 20.3.2 Bases of Power:

Bases of power refer to the origins or sources from which power is 'generated' and acquired by individuals. John French and Bertalan Raven, two American authors, have identified six major bases of power, which are discussed as follows:

- **Reward:** Reward is a remuneration or return which is offered by one to another in exchange for some behavioural act like effort, performance, obedience, conformity and so on. The person who has the ability and is in a position to dispense and control rewards commands power. Rewards may be monetary or social or psychological. In organizations, employees and managers are in a position to dispense or without rewards to their employees and subordinates. In social situations, rewards are sought and exchanged without reference to superior-subordinates linkages. Those who seek rewards from others may come into dependence relationships with the latter.
- **Coercion:** Coercion is the act of forcing or compelling an individual to do or not to do something against his liking. The person who is in a position to coerce another on some matters commands power. Coercion may be direct or indirect, physical or psychological. The potential, as also actual ability to coerce are bases of power. For example, powerful employee unions often 'gherao' the chief executive for hours together to force him to agree to their demands. The person who feels coerced or the pressurized complies for fear of punishment in the form of deprivation of something or the other which he values—for example, freedom, sense of security, regular income, and so on. People have to do many things in their daily organizational life against their will and by force of circumstances. In groups and organizations, both rewards and punishment are pervasive.
- **Expertise knowledge or information:** It is said that knowledge is power. An individual who knows more and has information at his command which others do not have in equal measure, commands power over those who seek his knowledge and information. Examples are power relationships between a teacher and his students, between a lawyer and his clients, between a doctor and his patients. People tend to value expertise, experience, knowledge, skills and information which are commanded by others. For example, the private secretary of a chief executive in an organization, possesses much information regarding the decisions, activities, preferences and moods of his/her boss. Many members of the organization try to get closer to the private secretary and come under his/her power by virtue of the latter's access to key information. In many societies; elders are respected and obeyed because they are supposed to be more experienced and knowledgeable. Within a small group also, some members, by virtue of their superior knowledge or skills may be in a position to command compliance from the other group members.
- **Charisma:** Charisma may be described as a magnetic and magical personality attribute or quality of a person which arouses spontaneous attraction from others. Charismatic personalities have some 'mystique' about them and have a natural propensity to influence people and to



command considerable following. Examples of charismatic personalities include Indira Gandhi, John Kennedy, Fidel Castro and Charles de Gaulle. They commanded personalized charm and attraction. Charismatic personalities find it easy to influence their followers with little effort.

- **Reference:** Reference as a base of power arises when an individual or a group possesses certain inner or outer attributes which others admire and even try to imitate. For example, many youths tend to admire popular film or sports heroes and imitate them by adopting their hair styles, dresses and mannerisms. Similarly certain groups (for example 'Beatles group') serve as frames of reference for people who identify themselves with the activities, values and habit patterns of the former. To that extent, such individuals and groups command referent power.
- **Legitimate formal position:** This is derived from the position a person occupies in a formal organized setting as for example, the manager of accounts department in a business enterprise. Formal legitimate power which is vested in managerial position is called authority. Authority is institutionalized power and is vested in specific positions in organizations.

### 20.3.3 Distinction between Power and Authority:

We have earlier defined the concept of power as the ability of a person or a group to influence behaviour of events and people. Though the concepts are related to each other, there are some differences between them which are outlined as follows:

- **Ability vs. Right:** Power is a generalized ability endowed in an individual to influence the actions of others. Authority is vested in formal managerial or administrative positions which gives the position holders the right to influence behaviour and to compliance. Legitimate formal position is only one of the bases of power. Thus authority is a form of power. Power is a broader concept than authority.
- **Formal-non-formal:** Authority is generally associated with formal organizations. But the other bases of power operate and become effective in non-formal situations also. Authority has rational legal implications while power may or may not have such implications.
- **Personal-impersonal:** Authority is impersonally vested in job positions. But the other bases of power, as for example, charisma, knowledge, and reference have personalized sees and need not flow from the position held by the individual power holder concerned. It means that authority can be delegated. But power based on other sources – for example, experience cannot be delegated.
- **Degree of structure:** Authority is more structured in organizations and governed by several due process, procedures and constraints. It flows downwards and can be exercised in a well-defined, functional manner only. On the other hand, some forms of power are less structured. They are more flexible and open. They flow not only downwards, but also upwards and sideways



as for example, the power of subordinates to withhold co-operation to their superior or the power of the private secretary to a chief executive to provide key information at the right time. In power relationships based on sources other than authority, there are no fixed superiors and subordinates.

- **Association with responsibility:** Authority and responsibility go together while in the case of other forms power, a sense of responsibility may or may not co-exist with them. For example, an individual may make use of his expertise in making bombs and explosives, to terrorise people. It amounts to exercise of expert power without responsibility.
- **Nature of compliance:** Compliance to 'authority attempts or to the exercise of authority by a manager in organizational situations and on task related matters, is mandatory on the part of subordinates and is not left to their free will. Defiance of authority by subordinates is normally regarded as insubordination and is liable to be viewed seriously. But in the case of some other bases of power, compliance is not mandatory. For example, one may disregard the expert opinions of a group or individual and get away with it.

The above-discussed neat conceptual categorization of bases of power and distinction between authority and power, breaks down in real life organizational situations – A manager in an organization commands several bases-of power at a time of his authority. He is in a position to reward his subordinates (reward power), pressurize or force his subordinates in some situations (coercive power), and is expected to command knowledge/expertise in his own field (knowledge power). He is more than an authority center. He is a power center – Several such power centers are pervasive in organizations which complete and collaborate with each other, depending on the situation. Power struggles and power politics are endemic in many organizations have been the subject of empirical studies.

It is not to be assumed that the power structure and the associated power struggles are confined to top levels only – They are quite common at all levels in some form or the other and tend to distort and disrupt the desired and planned functioning of the organization. Even on major problem areas of the organization, as for example promotion or dismissal of a senior officer, plant location, new technology adaption, collaboration with another company, capital expenditure decisions etc. the decision, action, initiatives and responses of the key decision makers tend to considerably depart from the best interests of the organization, because of the complex constellation of power variables.

#### 20.3.4 **Concept of Power Equalization:**

One of the useful ways of analyzing organizations is by viewing them as structures of power within an individual organization, power i.e., the ability to influence events, activities and behaviour and performance, is differentially distributed, Authority is the most pervasive form of power in formal organizations and is vested in managerial positions in a hierarchical manner. In formal hierarchical organizations, there are serious disparities in the distribution of authority and the associated status,



remuneration and perquisites. This is one of the sources of organizational conflict and strife. To combat it, behavioural scientists suggest relative power equalization in organizations – a system wherein members feel free to interact on the basis of equality. In this system, hierarchy is de-emphasised; managers do not show off their authority; they would rather strongly blend it with knowledge, competence understanding and goodwill; they respect the dignity and worth of individual member of the organization, value their contribution and knowledge, enlist their co-operation and commitment, solicit participation and involvement, offer them more freedom and discretion, believe in informality, candour and frankness in interactions, consider their interests and views and give due weightage to them in decision making. In such a system, all organizational members have relatively equal opportunities for self-development and realization of their potential. They develop confidence and a sense of adequacy which in turn boost their morale and motivation. Power equalization provide the basis for democratization and humanization of organizational and managerial practices and processes. It enables the organization to develop multiple power centers in the organization which will be in a position to deal competently with emerging problems at their level. The overall organizational power and control over its sub systems and over the larger environmental system increase as a result of relative power equalization. A more even and balanced distribution of power imparts flexibility and dynamism to the organization in its attempts to adopt to change to contain conflict and to integrate the diverse elements and variables in the organization. In an environment of power equalization, organizational members are in a position to influence one another both in related and other matters.

#### 20.3.5 *Influence Relationships:*

Influence refers to the act or art of affecting the attitudes and behaviour of a person or group by another person or group. For example, as between two individuals, A and B, if A holds sway over B on some matters and arouses compliance from him in certain respects, we say that A has influence over B. Influence flows from power, which is clear from the very definition of power given above. In the example, A is the influencer and B is the influencee, A commands power over B. The latter allows himself to be guided by the wishes of the former in his actions in specific areas of activity, which he otherwise would not have done. Perhaps, B is dependent on A for something which B needs. In a sense, A is in an advantageous or superior position in relation to B. A and B have power relationships.

In a broad sense, influence connotes such process as leading people, motivating them, as also shaping, regulating and changing their behaviour. Power and influence processes and relationships pervade in groups and organizations. Management itself may be viewed as an to gain command over situations for achievement of organizational goals.

In groups and organizations, power and influence relationships exist among members, whether or not they are in superior – subordinate relationships. In a formal work group, the leader or the group supervisor has power over the other members to assign tasks, to give instructions and to seek compliance. Similarly, in organizations, superiors exercise influence over subordinates in task-related and other matters. Influence and power relationships exist among persons of equal status also. They may be unilateral or bilateral.



Influence is inoperative without some form of power; in other words, influence is always to be backed by power if it is to be effective. Power provides the necessary ability to influence. The several bases of power—rewards, referent, expert, legitimate, coercive—help the influencing process. In this sense, influence is an adjunct of power. Power and authority are exercised to influence people. People engage in the influence process because they feel, either as influencers or as influencees, that thereby they can maximize the positive consequences or utilities or minimize the negative consequences or disutilities. These consequences are symbolic. The influencee especially may comply with the control power of the influencer either enthusiastically or by force of circumstances.

#### 20.3.6 ***Means of Influence:***

Just as power has several bases or sources, influence can be exercised in several ways and means which are outlined as follows:

- ***Emulation:*** It is an indirect and subtle means of influence. Some people tend to imitate and adopt the behaviour of their favourite heroes who become their models. In a group setting, members tend to adopt the patterns of attitudes, postures and behaviour of their leaders. For example, Gandhiji's simple living habits used to be emulated by inmates of his Ashram.
- ***Suggestion:*** It is a more direct form of influence. It is an attempt to affect behaviour of others by presenting an idea or indicating a specific line of action. For example, an employee may advise his boss to adopt particular course of action to solve an acute problem. Adoption of the suggestion is voluntary and is up to him.
- ***Persuasion:*** It includes the acts of explaining things, urging and inducing others to adopt a particular course of action, to do or do not to something, and to behave or not to behave in a particular manner. A supervisor may try to adopt persuasive tactics to influence his group members to attend the office in time.
- ***Coercion:*** This is a hard means of influence as compared to the soft types of emulation suggestion and persuasion. It includes threats of punishment or sanctions to actual punishment for defiance.

Processes of influencing behaviour are present whether in groups or in organizations. Influence systems in groups and organizations are quite complex and exist as part of power systems and structures. As stated earlier, influence relationships could be reciprocal between superiors, subordinates and peers.

---

## 20.4 DYNAMICS OF CONFLICT

---

Conflicts occur at various levels within the individuals, between the individuals in a group and between the groups. They may have important implications on the work and effectiveness of the persons and groups involved. The nature and intensity of conflict varies from individual to individual, and from group to group and it may put a manager in a very difficult situation. A manager often experiences his



most uncomfortable moments when he has to deal with conflicts or differences among people or groups of people at work. Presence of conflicts complicates his job in so many ways. Therefore, it is of great importance that the manager should understand the conflict fully and try to handle it effectively.

The term 'conflict' is used by different people to convey different meanings. For instance, 'conflict in mind' conveys that the individual is in a state of dilemma over a certain issue and is not able to arrive at any decision. The term 'conflicting views' denotes difference of opinions between two or more persons or groups. An advanced state of stage of this situation may be conveyed by the following words: "They are in conflict", meaning thereby each party to the conflict is planning to meet the challenge of the other. But the term 'conflict' is not synonymous with 'quarrel' and 'fight'. However, it represents a clash in the less literal sense between goals, ideas, ideologies and actions.

Conflict may broadly be viewed as a breakdown in the standard mechanism of decision-making. Let us take the case of an intra-individual conflict, the individual is in a state of conflict in his mind as he is not able to take any decision in a given situation. In case of inter-individual conflict, two persons are not able to reconcile their views and hence there is a breakdown of mechanism of decision-making. Similarly, in case of intra-group, and inter-group, the process of conflict can be explained as breakdown of decision making mechanism between the members of the group and between groups respectively. Thus, a conflict arises when an individual or a group of individuals experiences difficulty in selecting an action alternative.

Follett most simply defines conflict as "the appearance of difference, difference of opinions, of interests". This definition assumes the presence of friction between the opposing parties, which lends energy and investment to the interaction; once differences are experience of conflict. Follett looks at integration as an orientation toward conflict management, an attitude toward the potential for cooperation inherent in conflict situations.

In management literature the term 'conflict' has been used to describe: 1) antecedent conditions, e.g., scarcity of resources, policy differences among individuals, etc.; 2) effective states of the individuals involved, e.g. stress, tension, hostility, anxiety, etc.; 3) cognitive states of individuals, i.e. their perception of awareness of conflictful situations; and 4) changed behaviour ranging from passive resistance to overt aggression. We may call these the four classes of conflict. They also represent different stages in the development of a conflict episode. Conflict may be more easily understood if it is considered a dynamic process.

A conflict relationship between two or more individuals in an organization can be analysed as a sequence of conflict episodes. Each conflict episode begins with conditions characterized by certain conflict potentials. Depending upon a number of factors, their behaviour may show a variety of conflictful traits. Each episode or encounter leaves an aftermath that affects the course of succeeding episode. Thus, the entire relationship can be characterized by certain stable aspects of conditions, perceptions and behaviour,



#### 20.4.1 Nature of Conflict:

In the context of an organization, broad features of a conflict are as under:

- Conflict occurs when individuals are not able to choose among the available alternative courses of action.
- Conflict between two individuals implies that they have conflicting perceptions, values and goals.
- Conflict is a dynamic process as it indicates a series of events. Each conflict is made up of a series of interlocking conflict episodes.
- Conflict must be perceived by the parties to it. If no one is aware of a conflict, then it is generally agreed that no conflict exists.

#### 20.4.2 Traditional view of Conflict:

Traditionally, conflict in organizations has been viewed very negatively. It has been considered dysfunctional primarily because of the adverse effects it could have on organizational productivity. Conflict could cause losses in productivity because groups wouldn't cooperate in getting jobs finished and wouldn't share important information. Too much conflict could also distract managers from their work and reduce their concentration on the job.

The classical writers believed that conflict is inherently bad and so it must be curbed. They believed that conflict indicates a malfunctioning within the organization and it represents management's failure to bind the workers and the organization together. For instance, Fayol advised that whenever there is a clash between the interest of the organization and that of an individual, the interest of the organization must prevail. Thus, traditional writers had a very conservative view about conflict as they considered it totally bad and advocated that conflicts must be avoided.

#### 20.4.3 Human Relations view of Conflict:

The human relations contended that conflict is a natural occurrence in all group and organizations. Since conflict is inevitable in any group or organization, it must be resolved amicably to achieve good human relations. Conflicts are bound to happen because of the organization is composed of individuals having different values, goals, and perceptions. Conflicts arise due to faulty policies and structure of the organization leading to distortion and blockage in communication. The human relationists perceived conflicts as harmful and advised their resolution in the interest of the organization and the individuals.

#### 20.4.4 Interactionist view of Conflict: Modern Viewpoint:

This view is based on the belief that conflict is not only a positive force in a group but is also necessary for a group to perform effectively. This approach encourages conflict on the ground that a harmonious, peaceful and cooperative group is prone to become static and non-responsive to the needs

for change and innovation. It is the task of the group leader to allow conflicts to happen to keep the group viable, self-critical and creative. He may stimulate conflict to make the group members innovative and imaginative. However, conflicts must be kept under control to avoid their dysfunctional consequences.

Thus, it is inappropriate to say that conflict is all good or bad. It will all depend whether the conflict is functional or dysfunctional. A functional conflict encourages the group to work for the attainment of its goals and improve its performance. But a dysfunctional conflict is destructive in nature as it hinders group performance.

#### 20.4.5 Positive Aspects of the Conflicts:

Traditional management theory considers conflict as inherently bad and harmful and recommends its suppression. But this view no longer holds good. Conflicts are inevitable in organizations where members have different perceptions, attitudes, values, etc. Moreover, a conflict is not altogether bad. It has creative elements as well. Therefore, the emphasis should be on harnessing it for improvement rather than fighting considering it harmful. The conflicting parties should approach the conflict in terms of problem solving rather than in terms of 'win-lose'. The 'win-lose' tendency generates hostilities, rules out constructive solutions, and the parties think in terms of sectional gains and concessions rather than mutual benefits.

Modern writers feel that a minimum level of conflict is necessary in the organization to keep the members alert and creative. Conflict is also integral to the process of change, if we look at conflict from this point of view, conflicts are supposed to serve the following functions:

- **Release of Tension:** Conflict provides an opportunity to the group members for releasing tension which might otherwise remain suppressed. The members get an opportunity to express themselves and obtain some psychological satisfaction. This also leads to reduction of stress among the members involved in the conflict.
- **Creativity:** When a group is faced with a conflict, its members display creativity in identifying various alternatives. In the absence of a conflict, they might not have been creative or even might have been lethargic. The conflicts among individuals and groups often lead to innovations in policies, procedures and practices.
- **Stimulation of Change:** At times, conflict stimulates change among the people. When they are faced with a conflict, they might change their attitudes and be ready to change themselves to meet the requirements of the new situation.
- **Identification of Weaknesses:** When a conflict arises, it may help identify the weakness in the system. The management can take steps to remove the weaknesses.
- **Group Cohesiveness:** Inter-group conflict brings about solidarity among the group members. The members of a group face the external pressures unitedly and show greater degree of group



loyalty. This increases group cohesiveness which could be utilized by the management for the attainment of organizational goals in an effective manner. As cohesiveness increases, differences are forgotten.

- ***Challenge:*** Conflict tests the abilities and capacities of individuals and groups. It creates challenges for them for which they have to be dynamic and creative. If they are able to overcome the challenge, they feel satisfied and their zeal to work harder is increased.

#### 20.4.6 Dysfunctions of Conflicts:

The negative consequences of conflict are not uncommon. Just as conflict within an individual can destroy his ability to function, similarly conflicts within an organization may result in some sort of blocks in decision-making. In complex organizations, the results may range from insurrection and schism to the creeping paralysis of deadlock in disinterest. For those who want to destroy an organization or its effectiveness, there is probably no more effective method than the promotion of internal conflict. The destructive possibilities of inter-organizational conflict are even more apparent. It may result in unnecessary competition and may put the existence of a small organization in danger.

The undesirable consequences of conflicts at various levels in the organization are listed below:

- ***Resignation of Personnel:*** In case of intra-individual and inter-individual conflict particularly, some dynamic personnel may leave the organization if they fail in the resolution of conflicts in their favour. The organization will be the sufferer in the long-run by the loss of key personnel.
- ***Tensions:*** Conflict may create high tension among the individuals and group and a stage may come where it is very difficult for the management to resolve the conflict. Excessive conflict generates feeling of anxiety, uncertainty, frustration and hostility among the members.
- ***Discontentment:*** Conflict is likely to be a source of dissatisfaction to the losing party which will wait for an opportunity to settle the score with the winning party. As a result, their productivity will suffer.
- ***Creation of Distrust:*** Conflict may create a climate of suspicion and distrust among the people in the organization. It may create discord in place of cooperation. The concerned people may develop negative feelings about one another and try to avoid interactions with each other.
- ***Goal Displacement:*** Conflict may distract the attention of the organizational members from the organizational goals. They may waste their time and energy in finding tactics to come out as winners in the conflict. Personal victory becomes more important for them than the organizational goals.
- ***Weakening of Organization:*** Conflicts may weaken the organization as a whole if the management is not able to handle them properly. If the management tries to suppress conflicts,

they may acquire gigantic proportions in the later stages. And if the management does not interfere in the earlier stages, unnecessary troubles might be invited at the later stages. Frequent conflicts may create tensions among the members and an atmosphere of distrust in the organization. Further, resignation of important personnel due to conflicts will be also weaken the organization.

---

## 20.5 ISSUES INVOLVED IN CONFLICT

---

Tensions and conflicts may arise due to many factors such as economic, social and psychological. Psychological factors no doubt contribute predominantly. For instance, feeling of insecurity is a potent cause of tension and conflict. It is generally the case that fear of insecurity is 20% financial and 80% emotional. Personal earning is not solely the answer to present days growing search fro security. Self-knowledge and recognition, besides a source of livelihood, will probably ensure better security.

Conflict may arise due to lack of consideration, lack of appreciation, misunderstanding or bad handling of situations and problems. Though past decade has been credited for having made unprecedented advances in science and technology, the vast field of human relations still remains unexplored to a great extent. Nevertheless, some industrial enterprises with a view to improve effectiveness and to reduce conflicts, are becoming increasingly conscious of it and want to promote harmonious work relationships. As a result of this consciousness and search, we find today greater emphasis on human relations than ever before.

Diagnosing the issue is a necessary pre-condition for handling the conflict successfully. What is the nature of conflict? Why has the conflict arisen? At what stage has the conflict reached? These are the basic questions which must be answered before finding a solution to the conflict. The nature of conflict varies according to the kind of issue on which people disagree. There are four basic kinds of issues which are discussed below:

- **Facts:** Sometimes, the disagreement occurs because individuals have different definitions of a problem, are not fully aware of the relevant information, accept or reject different information as factual or have different impressions of their respective power authority.
- **Goals:** Sometimes, the disagreement may be about what should be accomplished-the desirable objectives of a department, division, section or of a specific position within the organization.
- **Methods:** Sometimes, individuals differ about the procedures, strategies or tactics which would most likely achieve a mutually desired goal.
- **Values:** Sometimes, the disagreement is over ethics, the way power should be exercised or moral considerations or assumptions about justice, fairness and so on. Such differences may affect the choice of either goals or methods.



### 20.5.1 Types of Conflict Situations:

Four basic types of conflict situations exist in organizations which the managers should be able to recognize. These are discussed below:

- **Vertical Conflict:** It occurs between levels in an organizations hierarchy of authority. A common example is conflict between a supervisor and a subordinate over such things as task goals, deadlines and performance accomplishments.
- **Horizontal Conflict:** It takes place between persons or groups operating at the same level in the hierarchy. It may relate to such things as goal incompatibilities, resource scarcities, or purely interpersonal factors.
- **Line-staff Conflict:** It occurs when line and staff representatives disagree over issues of substance in their working relationships. Because staff personnel (e. g an internal auditor) often have the potential for major impact on certain areas of line operations, line-staff conflict can does appear with some frequency in organization.
- **Role Conflict:** This situation arises when the communication of task expectations from role-set members proves inadequate or incompatible for the role holder. There can be four types of role conflicts: intrasender, intersender, interrole, and person-role.

### 20.5.2 Stages in Conflict:

Five stages of a conflict episode may be identified as 1) latent conflict 2) perceived conflict 3) felt conflict 4) manifest conflict, and 5) conflict aftermath. We shall now discuss these one by one.

- **Latent Conflict:** At this stage, conflict is not apparent as it has not taken a clear-cut shape. It occurs in the sub-conscious mind. Some of the antecedents that establish conditions from which conflict can develop are: a) competition for scarce resource, b) communication barrier, c) divergence of subunit goals, and d) role ambiguities. Competition forms the basis of conflict when the aggregate demands of participants for resources exceed the resources available to the organization. Autonomy needs form the basis of conflict when one party either seeks to exercise control over some activity that another party regards as its own province or seeks to insulate itself from such control. Goal-divergence is the source of conflict when two parties which must cooperate on some joint activity are unable to reach a consensus on concerted action. Two or more types of latent conflicts may also be present at the same time.

The role conflict model treats the organization as a coalition of role sets each composed of the focal persons having different roles. Conflict is said to occur when the focal person receives incompatible role demands or expectations from the persons in his role set. The difficulty in the model is that it treats the focal person as merely a passive receiver rather than an active participant in the relationship.



- Perceived Conflict:** Conflict may sometimes be perceived when no conditions of latent conflict exist and latent conditions may present in a relationship without any of the participants perceiving the conflict. Perceived conflict occurs due to the parties misunderstanding of each others true position. Such a conflict can be resolved by improving communication between the parties.
- Felt Conflict:** There is an important distinction between perceiving conflict and feeling conflict. A may be aware that he is in serious disagreement with B over some policy. But this may not make A tense or anxious and it may have no effect whatsoever on A's affection towards B. The personalization of conflict is the mechanism which causes many people to be concerned with dysfunctions of conflict. In other words, it makes them feel the conflict. There are two explanations for the personalization of conflict. First, the inconsistent demands of efficient organization and individual growth create anxieties within the individual. Anxieties may also result from identity crisis or from extra-organization pressure. Individuals need to vent these anxieties in order to maintain equilibrium. Secondly, conflict becomes personalized when the whole personality of the individual is involved in the relationship. Hostile feelings are most common in the intimate relations that characterize institutions like monasteries and residential colleges.
- Manifest Conflict:** By manifest conflict is meant any of several varieties of conflictful behaviour such as open aggression, apathy, sabotage, withdrawal and perfect obedience to rules. Except for prison riots, political revolutions and extreme labour unrest, violence as a form of manifest conflict is rare. The motives towards violence may remain, but they tend to be expressed in violent forms.
- Conflict Aftermath:** The aftermath of a conflict may have either positive or negative repercussions for the organization depending on how the conflict is resolved. If the conflict is genuinely resolved to the satisfaction of all participants, the basis for a more co-operative relationship may be laid; or the participants in their drive for a more ordered relationship may focus on latent conflicts not previously perceived and dealt with. On the other hand, if the conflict is merely suppressed but not resolved, the latent conditions of conflict may be aggravated and explode in a more serious form until they are rectified. This conflict episode is called "conflict aftermath".



---

## 20.6 LET US SUM UP

---

Conflicts do not constitute a bad thing. Whether a conflict is desirable or not, depends upon what purpose is served by it. For instance, conflicts may provide an opportunity for releasing tension which otherwise would remain suppressed. Conflicts also provide opportunity for review of existing conditions and making better alternatives acceptable to the parties concerned. Though a conflict may threaten the emotional well-being of individuals, it may also be a positive factor in personal development. It may generate a challenging spirit and make the management pool resources to accelerate the pace of progress overcoming the speedbreaker. Conflicts and problems are the price of progress. Conflicts, therefore, are not necessarily discouraging, but the attitude towards them can be. If handled properly, they may produce creative problem-solving situations to help the organization achieve its goals.

---

## 20.7 KEY WORDS

---

CONFLICT

POWER

INFLUENCE

CONSEQUENCES

MECHANISM

CHARISMA

LEGITIMACY

INTERACTIONIST

CREATIVITY

SIMULATION

TENSION

CHALLENGE

DYSFUNCTION

LATENT, FELT, MANIFEST AND AFTERMATH

---

**20.8 CHECK YOUR PROGRESS: QUESTIONS**

---

State whether the following statements are True or False:

1. Conflict is a uncommon situation in the complex world.
2. Conflict is generally painted to the unpleasant and disruptive and hence to be avoided.
3. The role conflict model treats the organization as coalition of role sets.
4. The nature of conflict does not vary according to the kind of issue on which people disagree.
5. Modern writers feel that a minimum level of conflict is necessary in the organization to keep the members alert and creative.

---

**20.9 ANSWER TO CHECK YOUR PROGRESS**

---

1) False      2) True      3) True 4) False      5) True

---

**20.10 TERMINAL QUESTIONS**

---

1. What are the causes of organizational conflict? How do you revolve them?
2. What is power and how is the different from authority?
3. What are the bases of power and influence?
4. Define conflict? What are the factors?
5. Write a short notes on:
  - a) Influence relationships
  - b) Charismatic power
  - c) Types of conflicts
  - d) Dysfunctional conflict
  - e) Conflict Issues



---

20.11 REFERENCES

---

1. Delton M. Men Who Manage. John Wiley and Sons, New York, 1959.
2. Sayles SR. Behaviour of Industrial work groups: Prediction and control. John Wiley and Sons, New York, 1958.
3. Joseph LM. Essentials of management. Prentice – Hall of India Pvt. Ltd. New Delhi, 1990.
4. Keith Davis. Human Behaviour at work. Tata McGraw – Hill. New Delhi, 1975.
5. Kurt Lewin. Group Decision and Social Change. Holt, New York, 1952.
6. Management of differences, HBR, Nov-Dec. 1960.

---

---

## UNIT 21 : LEVELS OF CONFLICT

---

---

### Structure

- 21.0 Objectives
- 21.1 Introduction - conflict levels
  - 21.1.1 Individual
  - 21.1.2 Organizational
  - 21.1.3 Inter - Organizational
- 21.2 Inter - Individual conflict
  - 21.2.1 Role conflict
  - 21.2.2 Goal conflict
- 21.3 Inter - personal conflict
  - 21.3.1 Sources
- 21.4 Intra - group conflict
  - 21.4.1 Inter group conflict
  - 21.4.2 Organizational reward system
- 21.5 Modes of handling conflict - should conflict be suppressed
  - 21.5.1 Avoidance and repression
  - 21.5.2 Defusion of conflict
  - 21.5.3 Containment
  - 21.5.4 Confrontation or sharpening differences
  - 21.5.5 Problem solving
  - 21.5.6 Conflict stimulation
- 21.6 Inter - personal conflict - reasons
  - 21.6.1 Transactional analysis
  - 21.6.2 Ego states
  - 21.6.3 Social Transactions
  - 21.6.4 Complementary Transactions
  - 21.6.5 In crossed transactions
  - 21.6.6 Johari window
  - 21.6.7 Stroking
  - 21.6.8 Life positions
- 21.7 Let us sum up
- 21.8 Key words
- 21.9 Check your progress: questions
- 21.10 Answer to check your progress
- 21.11 Terminal questions
- 21.12 References



---

## 21.0 OBJECTIVES

---

After reading this unit you should be able to:

- Understand what is levels of conflict
- Describe the process of level of conflict
- Know more about classes of conflict
- Explain what are the different modes of handling conflict
- Get an idea as to how the conflict resolved in an organization systems.

---

## 21.1 INTRODUCTION

---

March and Simon have classified conflicts as:

- Individual conflict,
- Organizational conflict, and
- Inter – organizational conflict.

These classes of conflict are discussed below:

### 21.1.1 *Individual Conflict:*

In this case, the individual is not in a position to take a decision about certain matter. He faces difficulty to choose out of the alternative courses of action, which are either unacceptable or uncertain or uncomparable. The management can help the individual in such a situations by providing him counseling service.

### 21.1.2 *Organizational Conflict:*

Organizational conflicts may take the form of: a) Inter-individual conflict, b) Inter-individual conflict, c) Inter-group conflict, and d) Inter-group conflict.

### 21.1.3 *Inter-Organizational Conflict:*

Such types of conflicts arise when there are differences of opinion over certain issues between different organizations. These arise out of the daily contact between the organizations. The inter-organizational conflicts are generally resolved through bargaining process between the organizations.

---

## 21.2 INTER – INDIVIDUAL CONFLICT

---

Inter-individual conflict arises within an individual member of the organization. It is same as individual conflict described above. But the organizational problem may be that none of the individuals

has a known acceptable alterable alternative in terms of his own goals and perceptions. Thus, there is widespread uncertainty and scarcity of acceptable alternatives of action.

Inter-individual conflict generally arises because of incongruity between individual goals and organizational goals and other situations where there is widespread uncertainty and scarcity of acceptable alternatives. Goal incongruity occurs because the individual feels that all his personal goals can't be reconciled with the organizational goals. Uncertainty in a situation may be caused by complexity of the problem and lack of past experience in handling such problems. Conflicts also arise because the organizational alternatives are not acceptable to the individual. March and Simon are of the view that individual dissatisfaction is the outcome of disparity between aspiration levels and achievements. The greater the disparity between aspiration levels and achievements, the higher is the probability of inter-individual conflict.

Inter-personal conflict arises due to role conflict and goal conflict discussed below:

### **21.2.1 Role Conflict:**

A role is a set of activities expected of a person holding a particular position in a group or organization. The various people who have these expectations regarding the behaviour of someone in a role are considered members of the role set. Managers are part of the role sets of their subordinates. For a subordinate, the role expectations communicated by the manager are likely to include, instructions about desired behaviour and behaviour to be avoided, intentions regarding the allocation of rewards, and evaluations about past performance. When the communication of role expectations is distorted, role ambiguity and role conflict may occur.

Role ambiguity occurs when an individual is not certain about the role expectations (or responsibilities) of one or more members of the role set. If a person is not clear about his job duties, the resulting role ambiguity can be stressful for him. He will lose his self-confidence and will draw less satisfaction from the job. Role ambiguity arises if either the manager has not properly communicated the duties of the subordinate or the subordinate has not properly understood the boss.

Role conflict arises when the person in a role is not able to respond to the expectations of other persons. For instance, a supervisor is caught between the conflicting expectations of management and workers. The role expectations are understood, but for one reason or another, they cannot be complied with. Role conflict is another source of potential tension that may result in a loss of job satisfaction, decreased confidence in one's boss, and/or a tendency to avoid the unpleasant work situation.

A common form of conflict is role overload. This is a situation in which there are simply too many role expectations being communicated to a person at a given time. There is too much to be done and too little time to do it. Managers may create role overload for their subordinates, especially when they rely on one-way communication. When cut off from valuable feedback, it is hard for these managers to learn when or why a subordinate is experiencing stress.



Four kinds of role conflict arise which are discussed below:

- **Inter - sender role conflict:** This conflict arises when a person is asked to do a job which he is not capable of doing or time and resources are not sufficient to do the job. For instance, a purchase agent is asked by his superior to buy materials which are not easily available and is also instructed not to buy in the black market.
- **Inter - sender role conflict:** Different role-sets members may have conflicting expectations from a particular member. For example, the boss asks the supervisor to exercise strict control over subordinates, but subordinates want loose supervision.
- **Person - role conflict:** This conflict occurs when a person is asked to do a job which is incompatible with his own value system. For instance, a manager may be asked to get favours from public officials by bribing them, but his value system does not permit him to do so.
- **Inter - role conflict:** Such conflict arises when an individual holds multiple and divergent roles. For example, a worker spends overtime at the work at the order of the boss, and his family is upset as he is not devoting sufficient time to the family.

Role ambiguities and conflicts can create tensions among individuals and affect their attitudes and behaviours adversely. The managers should try to minimize such situations by maintaining effective two-way communication among all members of his role sets.

#### 21.2.2 **Goal Conflict:**

Inter-personal conflicts also include actual or perceived pressures from incompatible goals or expectations of the following types:

- **Approach-Approach conflict:** Such a conflict arises when a person has to choose from two or more equally attractive goals. He can choose only one goal at the cost of other. For instance, a person has to choose between accepting a promotion in the present organization and taking a desirable job with another organization.
- **Avoidance-avoidance conflict:** This conflict arises when a person has to choose between two alternatives each with negative aspects. Both the alternatives are equally unattractive. For instance, a person may dislike his present job but the alternative of resigning and looking for another job is equally unattractive.
- **Approach-avoidance conflict:** In this type of conflict, an individual is faced with an alternative that has both positive and negative consequences. For example, a person may be offered a promotion carrying much higher pay but away from his home town.

In the above cases, the individual will feel dissatisfied with the organization as his expectations are not met by the organization. This will lead to incongruity between the individual goals and those of the organization.

### 21.3 INTER –PERSONAL CONFLICT

Inter-individual conflict arises from differences between the choices made by different individuals in the organization. Each individual has a separate acceptable alternative of action and different individuals prefer different alternatives. The organization itself creates situations in which two individuals are placed in conflict situations. For instance, the quality control inspector's job is to find errors in others' work. Similarly, the organization may have a reward system based upon individual performances. But performance of an individual is dependent upon others. Such situations cause inter-individual conflicts throughout the organization.

#### 21.3.1 Sources of Inter-Personal Conflicts:

The sources of conflict are found in some degree of actual or perceived divergence of interest. At one extreme, conflict is rooted in a sharp incompatibility or head-on collision of interests. Any satisfaction or victory for one side means dissatisfaction or defeat for the other. In a game theory, this limiting case is described as a zero sum game. At the other extreme, conflict may be rooted in the interests that are different but not necessarily incompatible. It may be noted that people disagree over facts, goals, methods and values because they have different interests and perceptions.

The important factors which contribute to inter-personal and even intra-group conflicts are as follows:

- **Informational Factors:** These exert their influence when various points of view have been developed on the basis of different sets of facts. Because each of the participants has contact with a different set or has a limited knowledge, they disagree.
- **Difference in Perceptions:** The perceptual factors exert their influence when the persons have different images of the same stimulus. Because of perception, each will attend to and select from the information available, those items which he thinks important. Each picture which he gets from his own experience is unique to him. Thus, it is not surprising that the same basic facts may produce distinctive perceptual pictures in the minds of different individuals.
- **Difference in Value System:** Two persons may have misunderstanding between themselves because of difference in their value systems and social backgrounds. For instance, production manager may suggest lowering of product quality to increase profits, but the marketing manager may term it unethical.
- **Scarcity of Resources:** Inter-personal conflicts also arise when individuals compete for one higher vacancy, conflict may develop among them. Similarly, availability of a common telephone facility to a number of executives may be a source of conflict among them.
- **Difference in Status:** Each individual occupies a certain position or status in the society and in the organization. The fact that he occupies such a position or status may put certain constraints on him if the discussion is related to his role. For example, a higher level executive may consider



it below status to go to a junior executive to seek some clarification. Such status differences also block communications which lead to inter-individual conflict.

- ***Divergent Roles:*** A role is a set of expectations people have about the behaviour (or responsibilities) of a person in a position. Role conflict is the result of divergent role expectations. It exists when the expectations of a job are quite different and the individual cannot meet one expectation without rejecting the other. Such situation arises when the roles are so conflicting that one does not know which set of expectations one should follow in the given situation.

---

## 21.4 INTRA -GROUP CONFLICT

---

A group consists of two or more persons who are in interaction with each other, have a well-defined structure of role and status relations and have a system of values and norms of behaviour for the smooth working of the group. Intra-group conflict arises when differences over an issue group up between the members of the group. Intra-group conflict may arise in three ways:

- When the group faces a novel problem.
- When new values are imported from the social environment into the group, or
- When a person's extra-group role comes into conflict with his intra-group role.

Individuals are generally members of different groups for different purposes. Inter-individual conflicts may gradually lead to an intra-group conflict. It is also possible that in case of an intra-group conflict of serious nature, members of the group may be divided into two groups and, thus, the intra-group conflict may be transformed into inter-group conflict.

Intra-group conflict is like an inter-personal conflict with the difference that the persons involved in the conflict episode belong to a common group. The causes of intra-group conflicts are similar to those of inter-personal conflicts.

### 21.4.1 *Inter-Group Conflict:*

Conflicts between different groups in the organization are known as inter-group conflicts. A conflict between production team and marketing team is an example of inter-group conflict. Such conflicts arise when: a) there is the existence of a positive felt need for joint decision-making; b) there is differentiation of goals, i.e., different persons have different views regarding goals; and c) there is difference in perceptions of reality. These conditions are prerequisites of inter-group conflict to arise because there would be no difficulty in decision-making if all the people have common views about goals and think alike. Similarly there is no chance of a conflict if the people do not feel the need of joint decision-making even though there are different views about goals and or different perceptions.

Besides the above three factors, inter-group conflicts may also be caused by task ambiguity, differences in work orientation and conflicting reward system. These factors are discussed below:

- **Joint Decision-making:** The need for joint decision-making is felt because of the following factors:
  - **Sharing of resources:** The resources at the disposal of the organization are limited and they have to be shared by different groups. Each group wants a greater share of the limited resources.
  - **Inter-dependency:** Interdependency of various departments requires decisions regarding sharing of resources and fixing of schedules for the completion of various jobs. For instance, there may be misunderstanding between marketing and production departments if the later is not able to complete an order as desired by the former.
  - **Need for coordination:** Coordination at the higher levels requires joint decision-making by various departmental heads. If they are not able to pool their knowledge and resources effectively, conflicts are likely to arise.
- **Difference in Goals:** Various groups differ in their about organizational goals because of the following reasons:
  - There are differences in sub-goals of various groups. If a person is a member of various groups, he may face role conflict because goals of the organization are different from the sub-goals of various groups.
  - Individuals who are members of different groups differ in family background, culture, education, training, etc. Professionals look at the organizational goals from their respective professional point of view. Thus, conflicts over goals arise.
  - Division of work and departmentation may lead to certain groups which might internalize their group goals. They may not be able to relate their group goals to the organizational goals which might be highly non-operational or vague.
  - Pattern of interaction among the group members may lead to differentiation of goals. For example, if people in a group do not interact frequently, there is bound to be differentiation of goals. But if the group members interact quite often, they are likely to share some goals with the other groups.
- **Difference in Perceptions:** Difference in perception of people arise because of the following factors:
  - When people differ in their view about goals, perceptions are bound to be different.



- Perceptions of people may differ because of differences in background factors such as family background, culture, education, training, etc. The value system also influences the perception of people to a great extent.
- People may have different perceptions or if the flow of information is not smooth. Lack or inadequacy of information with some people is bound to affect their perceptions.
- ***Task Ambiguity:*** Inter-group conflict is likely to arise when it is not certain which group is responsible for certain activities. This lack of clarity over job responsibilities is called task ambiguity, and it frequently leads to hostility between work groups. Important job duties fall between the cracks, and each group is upset with the other for what it perceives to be the others shortcomings. Task ambiguity often arises when the firm is growing fastly or its external environment is changing rapidly.

Task ambiguity leading to intergroup conflict may occur in the recruitment of new employees. Both the personnel department and the specific functional departments (e.g. marketing, operations, finance) of a firm have responsibilities in recruiting; identifying candidates, interviewing candidates, making selection decisions, etc. Sometimes there is conflict over who has the final authority to make and execute selection decisions. Final offers are held up as personnel and the functional areas each assert what they perceive to be their prerogatives.

- ***Differences in Work Orientation:*** The ways in which employees handle their work and deal others vary widely across functional departments of an organization. Firstly, functional groups differ in their time perspectives. For example, research and development (R & D) scientists have much longer-range goals than do manufacturing groups. Secondly, the goals of different functional groups vary greatly. The goals of manufacturing unit are more specific than the goals of an R & D unit; manufacturing has precise targets for volume, cost savings, and percentage of defectives while R & D has much broader and less easily measurable goals such as developing new products and suggesting potential market applications. Thirdly, the interpersonal orientations of people in different departments vary. R & D labs need and encourage a level of informality, an organic structure, and a collegiality that might be dysfunctional in a manufacturing department.

The greater the differences in goal, time, and interpersonal orientation between two work units, the more likely it is that conflict will arise between them when they have to coordinate their work efforts. These differences in work orientation lead groups to be frustrated with, and to misinterpret the behaviour of other groups. This explains why there are frequent conflicts among the purchase, production, finance and marketing departments.

#### 21.4.2 ***Organizational Reward System:***

Inter-group conflicts also arise because of the way in which an organization monitors group performance and distributes rewards-both economic and non-economic. If the reward system allows

only one group to accomplish its goal at the expense of other groups, there are bound to be conflicts and even power struggle among the groups. For instance, an organization may reward the sales unit for higher sales. The advertisement group and production group who are denied the rewards may feel bad develop conflicts with the sales unit and may even sabotage the efforts of the sales unit in achieving higher sales turnover.

---

## 21.5 MODES OF HANDLING CONFLICT

---

For the resolution of various types of conflicts in an organization, several methods have been suggested. For instance, Thompson suggested five modes; competition, collaboration, accommodation, compromising and avoidance. Schmidt and Tannenbaum have discussed the following strategies for handling the conflicts: Avoidance, repression, sharpening the differences into conflicts and transformation of conflicts into problem solving. However, we have classified the conflict handling strategies under the following headings:

- Avoidance and Repression of Conflicts
- Defusion of Conflicts
- Containment of Conflicts
- Confrontation
- Problem Solving
- Conflict Stimulation

These modes are discussed below:

### 21.5.1 Avoidance and Repression of Conflicts:

Avoidance strategies call for avoidance of conflicts through reorganizing the groups, regulating the inter-personal contacts. Repression of conflicts calls for putting down of conflict by the manager. These strategies includes the following:

- **Avoidance or ignoring the conflict:** Under the avoidance strategy, the manger avoids dealing with the conflict. He may close his eyes and pretend that conflict does not exist. A shrewd manager does not recognize the conflict between persons or groups over trivial matters. It is assumed that such a conflict would soon be eliminated as the issue involved is of a trivial nature and has no long-term impact.

This approach is useful when the differences are not relevant to the organization's task. Individuals may differ on many things like religion, politics, castes and so on, and there may be no need to reach agreement on some of these differences in order to work together effectively on the job.



- **Reorganization of groups:** A manager can present the occurrence of many differences by reorganization of groups. For example, he can place people in groups whose experiences are similar, who have had similar training and who come from a similar level of society. Because of something in common, these people tend to see things in the same perspective, to have common interests and objectives, to approach problems in much the same way. The behaviour of such groups is more predictable and it is easy for the manager to avoid conflicts.
- **Reduction of inter-dependence between groups:** There is some potential for inter-departmental groups when they are inter-dependent and share some of the common resources. Such conflicts could be prevented if different departments are provided the resources independently and their inter-dependence is reduced.
- **Dominance of repression of differences:** It means forcing the conflicting parties to accept a solution devised by a higher-level manager. In effect, this strategy does not allow much conflict to surface or offer much room for the participants to air their grievances. It is a useful strategy when quick, decisive action is needed. For instance, when there is a conflict over some investment decisions, where delays can be very costly, forcing a solution may be the only strategy available to the top management. Another situation in which forcing the solution may be necessary occurs when unpopular decisions need to be made and there is very little chance that the participants involved could ever come to an agreement.

Dominance is an autocratic response to a conflict. It may prove to be an ineffective conflict resolution strategy. The peace it achieves is frequently short-lived. The real issues do not get addressed, and conflict reappears under other guises and in other situations.

- **Regulation of inter-personal contacts through transfer:** The manager can check inter-personal contacts of people involved in conflicts by invoking the transfer policy of the firm. He can transfer some of the employees to different departments and even to units at different physical locations. Rotation of employees among different departments has also the advantage of making them realize the problems and functioning of different departments. They also learn different roles.

### **Should conflict be suppressed?**

The important question that arises here is whether the conflicts should be suppressed in the beginning or not.

Many people view conflict as something very bad and so according to them it should always be avoided. This approach may work well in certain situations only. The manager who uses this approach continuously runs the risk of reducing the total creativity of his staff. In an atmosphere where differences are avoided, no new idea will come into surface and the old ideas are likely to go unexamined. There is a danger of the organizations slipping unknowingly towards complacency.

### 21.5.2 Defusion of Conflicts:

The strategies under this category call for keeping the conflict in abeyance and cooling the emotions of the parties involved. Tensions are sought to be reduced by the following methods:

- **Smoothing:** It is a diplomatic plea for empathy among the members. It avoids resolving conflict issues. This strategy plays down differences among the conflicting parties and highlights similarities and areas of agreement. The manager using this strategy might try to persuade the groups that they are not as far apart in their viewpoints as they think they are, point out to the groups their similarities rather than their differences, try to appease group members whose feelings have been hurt, or downplay to the groups the importance of the issue. By smoothing the conflict, the manager hopes to decrease the intensity of the conflict and avoid an escalation of open hostility.

Smoothing is generally ineffective because it does not address the real issues, which are likely to keep resurfacing. However, smoothing can sometimes be effective as a stop-gap measure to let people cool down and regain perspective. In the heat of battle, people are likely to make statements that escalate, rather than de-escalate, the conflict, and smoothing can bring the disagreement back to a manageable level. For instance, when unpopular actions are discussed in meetings, tempers often run high and hostile behaviour increases dramatically. Smoothing helps get the groups back to a point where they can deal with each other in a cool atmosphere.

- **Superordinate Goals:** By appealing to superordinate goals, the manager may be able to divert the attention of groups from the current problem. A superordinate goal is a common goal that appeals to all the parties and cannot be achieved by the resources of any single party. Perhaps, the most frequently used superordinate goal is organizational survival. In order to achieve the superordinate goal, conflicting parties sink their differences and cooperate with each other. For example, severe competition may force different departments to sink their differences and work together to ensure the survival of the organization.

The defusion strategies help the manager in keeping the differences under cover. He can avoid open confrontation between groups by emphasizing team work, cooperation and loyalty to the organization and also emphasizing super-ordinate goals like survival of the organization.

### 21.5.3 Containment of Conflict:

Using certain strategies, the manager allows some conflict to surface, but fully regulates the issues to be discussed and the manner in which they are to be resolved. Such strategies are: compromise or trade off and restructuring the interactions between the groups.

- **Compromise or Bargaining:** It is a form of trade-off under which two exchange concessions until a compromise solution is reached. This strategy does allow some conflict to surface, but usually without much openness on the part of the groups involved and without much real problem solving.



Each side begins by demanding more than it really expects to get. Both sides realize that some concessions will be necessary in order to reach a solution, but neither side wants to make the first concession because it will be seen as a sign of weakness. A lot of what happens in bargaining is tacit communication; each party signals a willingness to be flexible in exchanging concessions, without actually making an explicit offer or promise. Bargaining continues until some sort of mutually satisfactory agreement is reached.

Bargaining often results in a compromise agreement that fails to deal with the underlying problem in a rational manner and that is not in the long-term interests of the parties. The party which has a greater bargaining power comes out to be a winner in the power struggle.

- ***Restructuring the Interaction between Groups:*** The manager may restructure the interaction between groups to deal with the conflict. He may reduce the frequency of direct interaction between the groups for the time being or use third party mediators to resolve the conflict. The structuring of interaction is especially useful in two situations: 1) when previous attempts to openly discuss conflict issues led to conflict escalation rather than to solution of problem; and 2) when a respected third party is available to provide (and maintain) some structure to the interactions between the groups and to serve as mediator.

#### ***21.5.4 Confrontation or Sharpening differences in to Conflicts:***

When a manager is aware that differences exist among the members of the group, he may try to create an arena in which conflicting parties may fight it out. The parties may mobilize their strengths and capitalize on the weaknesses of each other. He will, however, ensure that persons understand the issue over which they differ and the procedures by which they can discuss their differences and the kinds of roles which each person is expected to perform during the struggle. This approach may be followed when the parties to the conflict follow a rigid stand and are ready to find tactics to win over each other. But it may perpetuate ill-will rather than resolve the conflict. This is why, this technique should be used with great care.

#### ***21.5.5 Problem Solving:***

The transformation of conflict into problem solving situation may help to deal with some of the feelings which often accompany disagreement, frustration, resentment and hostility. The manager using this approach may help to channel the energy generated by feelings into creative rather than into destructive activities. For this, he should clarify the nature of the conflict and give recognition to feelings of individuals involved. He should also give attention to maintaining relationships between the parties to the conflict and should create appropriate vehicles for communication between them.

The strategy of problem solving attempts to find a solution that reconciles (or integrate), the needs of both parties. The two groups work together to define the problem and to identify mutually satisfactory solutions.

In order to implement problem solving, organizations generally bring in an outside consultant. The consultant tries to establish some initial trust between the conflicting groups, and to set up ground rules for further discussions. The consultant also helps the groups identify their most important problems working with each other and assists them in designing solutions.

#### 21.5.6 Conflict Stimulation:

The strategy of conflict stimulation is based on the interactional view of conflict discussed earlier. It involves the following tactics:

- **Communication:** A manager can give ambiguous or threatening messages to the group so as to increase conflict levels. For instance, he may spread the message that a work unit is to be disbanded. It will reduce apathy among the managers, stimulate new ideas, and force reevaluation of existing practices. However, such types of messages (or rumours) should be planted intelligently in the communication network so that conflict is stimulated and heat is generated among the people.
- **Encouraging competition:** Healthy competition between individuals and groups may be stimulated through properly administered incentive system. Bonus, incentive pay and awards for excellent performance can foster competitive spirit in the organization. As one group struggles hard to outperform the other constructive conflict will occur in the organization.
- **Bringing in new employees:** The management can add new employees to a group whose backgrounds, values and attitudes differ from those of present members. This will disturb the status quo or existing group equilibrium. New opinion and innovative ideas will be developed by the group to restore equilibrium in the group.
- **Restructuring the organization:** The management can realign work groups, alter rules and regulations, increase inter-dependence between groups and make structural changes to disrupt the status quo. This will stimulate conflict and the members will get activated to bring the desired adjustments.

---

## 21.6 INTER-PERSONAL CONFLICT

---

Inter-individual conflict occurs between two individuals in an organization. It arises mainly because of differences in perception, temperaments, personalities, values systems, socio-cultural factors, and role ambiguities. Transactional Analysis (TA), Johari Window, Stroking, and Life Positions seek to explain the phenomenon of inter-personal conflict.

### 21.6.1 Transactional Analysis:

When two people interact with each other there results a social transaction. Analysis of the social transactions is called Transactional Analysis (TA). / formal definition of TA is that it is "The study



of moves people make in their dealings with each other and is based on the idea that people's interactions resemble moves in games".

TA was introduced by Eric Berne and popularized by Thomas Harris in the 1960s. TA has found its acceptance every where because of several advantages associated with it. The advantages are:

- The bases of TA are simple to learn.
- The validity of TA is demonstrable.
- It provides means for reducing the amount of bad feelings experienced by an individual.
- It increases efficient use of time.
- Helps promote effective communication.
- It is applicable at home as it is at work.
- It reinforces and implements other management development activities, including communication, leadership, brainstorming, management by objective, job enrichment, conflict resolution, and the like.

TA has certain limitations which are not to be ignored. They are:

- Few scientific studies of its outcome are available.
- Ego states, basic to understand and utilize TA, are difficult to define (although easy to teach and demonstrate operationally).
- If inappropriately applied, TA tends to encourage "amateur psychologising".
- TA jargon may lead to more "cuteness" than insight into human encounter.
- It can be used as a put down, or a discount, in inter-personal relations.

#### 21.6.2 Ego States:

Basic to TA is the assumption that a person has three ego states, viz; parent, adult and child.

- **The Parent Ego State:** Represents the part of a person's personality that is authoritative, dogmatic, over-protective, controlling, nurturing, critical, and righteous. These characteristics are usually learnt from one's parents or other adults who guided one's early life experiences. The parent is, therefore, the "taught" ego state.
- **The Adult Ego State:** Represents the mature, rational, and objective part of a person's personality. These characteristics are acquired as one matures into adolescence and adulthood.

The individual gathers relevant information, analyses it carefully, generates alternatives, and makes logical choices. The adult is the "thinking" ego state. In the adult state people do not act impulsively or in a domineering way. In dealing with other people the adult state is characterized by fairness and objectivity.

- **The Child Ego State:** Represents the childish, dependent, and immature part of a person's personality. These characteristics grow out of one's childhood experiences. Behaviours that are influenced by this ego state are laden with emotion, insubordination, joy or rebellion. Child is the "felt" ego state.

### 21.6.3 Social Transactions:

According to Berne, people interact with each other from the child, adult or parent ego state. Depending on the kinds of ego state involved, the interaction can be either complimentary, crossed or ulterior (see figure)

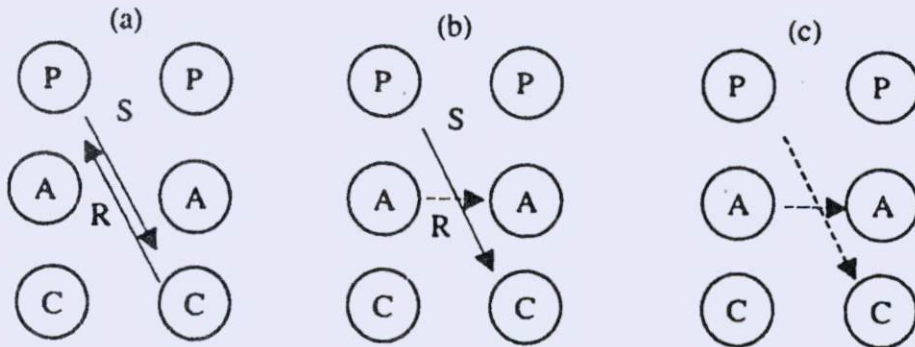


Fig: Complimentary, Crossed and Ulterior Transactions

P=Parent, A=Adult, C=Child, S=Stimulus, R=Response.

### 21.6.4 Complimentary Transactions:

These occur when the message sent or the behaviour exhibited by one person's ego state receives the appropriate or expected response from the other person's ego state. As shown in figure a, stimulus from the first person is under the influence of the parent ego state and the response from the other person is under the child ego state. There can be more complimentary transactions than shown in figure. For example, parent-parent, adult-adult, parent-adult, and child-child transactions are complimentary in nature. Since these transactions meet the needs and expectations of the initiators, communications flow freely, interactions will continue as inter-personal relations will improve. There is, therefore, no scope for conflict in complimentary transactions.

### 21.6.5 Crossed Transaction:

The stimulus and response lines are not parallel. Stimulus comes from the first person under the adult ego state, but the response from the other person is under the child ego state. There are many more possible crossed transactions than there are complimentary transactions. Since the receiver's response is not what was expected by the sender and does not satisfy the sender's needs, the sender sooner or later withdraws from the interactions with the receiver.



Crossed transactions are the source of much inter-personal conflict in an organization. The result can be hurt feelings and frustrations on the part of the parties involved and possible dysfunctional consequences for the organization.

The most complex and subtle are the ulterior transactions. Like crossed transaction, ulterior transactions cause much damage to interpersonal relations. As shown in figure, the ulterior transactions involve at least two ego states on the part of the first person. The individual may say one thing (as in adult) but mean something quite different (as a parent). Although there are many other possibilities besides the one shown in figure, an example can be, where the boss says, "My door is always open, come in and we shall discuss the problem together and arrive at a solution" (adult state), when what he really means is, "Don't come to me with problems. You solve them yourself, that is what you are getting paid for" (parent state). Obviously, these ulterior transactions are the most difficult to identify and deal with.

### 21.6.6 Johari Window:

Developed by Joseph Luft and Harry Ingham (thus the name Johari Window) this model is highly useful in analyzing the causes for interpersonal conflict. The window is figuratively shown in figure with four quadrants representing four distinct aspects of every personality.

	The person knows about others	The person does not know about others
The person knows about himself or herself	1 Open Self	2 Hidden Self
The person does not know about himself or herself	3 Blind Self	4 Undiscovered Self

As can be seen from the figure, there are parts of us which are known to ourselves and there are other parts of us that we do not know. Likewise, there are some aspects and characteristics about us that others know and there are other aspects others do not know about us. The same is true of others. There are certain things that we know about others and there are things that are not known. The following summarise the four cells in the Johari Window:

- **Open Self**: Also called public area, this cell represents an ideal situation. Here, the person knows about himself or herself and about others. There would be openness and compatibility and little reason to be defensive. Mutual understanding and friendship between people are the highest in this space. Naturally there is little or no scope for any conflict.
- **Hidden Self**: Also known as the private or secret area, this cell denotes that the person understands about himself or herself but does not know about other persons. The result is the person remains hidden from others because of the fear of how others might react. The person may keep his or

her true feelings, attitudes or secret and will not open up to others. There is potential interpersonal conflict in this quadrant.

- **Blind Self:** Alternatively known as the blind area, this cell represents a situation where the person knows about others, but not about himself or herself. One of the purposes of sensitivity training is to reduce the size of the "blind cell" through providing increased honest feedback from others about the person. The old phrase, "Even our best friend will not tell you" is true in this cell. As in the hidden self, there is potential for conflict in this cell too.
- **Undiscovered Self:** This is potentially the most explosive situation. The person does not know about himself or herself and does not know about others. There is misunderstanding which leads to interpersonal conflict. Alternatively, this area is known as dark area.

The best way to reduce the sizes of hidden self, blind self, and undiscovered self is to have better communication between the person and others.

#### 21.6.7 Stroking:

Stroking refers to recognition of one's presence by others. When we interact with others, we expect others to say "Good morning" or some such gesture to indicate that we are being recognized. Strokes may be positive or negative. The stroke that makes one feel cheerful is a positive stroke. Words of recognition, affection, cuddling, pat on the back, and pleasant smile are some of the examples of positive strokes. Negative stroke, on the other hand, makes one feel sad. Criticism, hatred and scold are examples of negative strokes. People need strokes, mainly positive ones, but not always. In the absence of positive strokes, people seek negative strokes, mainly because of guilt or lack of self-image. Needless it is to stress, that negative stroke cause interpersonal conflict.

#### 21.6.8 Life Positions:

Each of us tends to exhibit one of four life positions. This life position influences our behaviour when we interact with others. What is interesting is that, these positions are acquired by us very early in our childhood and stay with us throughout, hence, the term "life positions". Although one life position tends to dominate a person's behaviour, other positions may be exhibited from time to time in specific situations. In other words, there is one life position, but it is not the only one ever taken.

Life position stems from a combination of two viewpoints, as shown in figure. First, how people view themselves? Second, how do they view other people in general? Either a positive response (OK) or a negative response (not OK) results in four possible life positions. They are:

I am not OK you are Ok  
I am not Ok you are not OK  
I am OK you are not OK  
I am OK you are OK



Positive

I am OK You are not OK	I am OK You are OK
I am not OK You are not OK	I am not OK You are OK

Negative

Negative

Positive

Of the four life positions, the ideal one is I am OK, you are OK. It shows healthy acceptance of self and others. This life positions, surprisingly can be learnt. Here is a good news and hope for society's well being. The other life positions are less psychologically mature and less effective. What is more, they have potential for interpersonal conflict.

---

### 21.7 LET US SUM UP

---

Conflicts often arise in the organization because every group wants a higher share of the organizational resources and does not want to understand the problems and limitations of other groups. Competition among the various groups or departments may lead to high tensions on certain occasions. Different groups may engage themselves in the power struggle in the organization. Some groups may even work for stalling the introduction of changes in organization which are necessary to maintain its viability.

---

### 21.8 KEY WORDS

---

INDIVIDUAL – ORGANIZATIONAL – INTER – INTRA ORGANIZATIONAL CONFLICT  
ROLE – GOAL – GROUP CONFLICT  
TASK AMBIGUITY  
AVOIDANCE AND REPRESSION  
DEFUSION  
CONTAINMENT  
CONFRONTATION  
STIMULATION  
SMOOTHING – COMPROMISE – BARGAINING  
TRANSACTIONAL ANALYSIS  
EGO STATES  
JOHARI WINDOW  
STROKING  
LIFE POSITIONS

---

## 21.9 CHECK YOUR PROGRESS : QUESTIONS

---

State whether the following statements are True or False:

1. Role conflict arises when the person in a role is not able to respond to the expectations of other persons.
2. The managers should not try to minimize conflict situations by maintaining effective two-way communication among all members of his role sets.
3. When people differ in their view about goals, perceptions are bound to be different.
4. Dominance is not an autocratic response to a conflict.
5. The best way to reduce the sizes of hidden self, and undiscovered self is to have better communication between the persons and others.

---

## 21.10 ANSWER TO CHECK YOUR PROGRESS

---

1) True 2) False 3) True 4) False 5) True

---

## 21.11 TERMINAL QUESTIONS

---

1. Classify conflict and mention their sources?
2. Explain Intra-group, Inter-group conflicts in an organization?
3. What are the different modes of settling conflicts in an organization?
4. Define Inter-personal conflict? Discuss Transactional Analysis?
5. Write short notes on:
  - a) Ego states
  - b) Defusion of conflicts
  - c) Johari window
  - d) Stroking and life position
  - e) Conflict suppression

---

## 21.12 REFERENCES

---

1. Stephen P Robins. Organizational Behaviour, PHI, New Delhi, 1991.
2. Dalton M Men who manage. John Wiley and Sons, New York, 1959.
3. Robert A Baron. Behaviour in organizations, Boston Allyn and Bacon, 1986.
4. Mills TM. Sociology of Small groups. Engel wood cliffs, Practice Hall, INC, 1967.
5. Louis R Pandey. Organizational conflict, concepts and models. Administrative science Quarterly. Sept. 1967.
6. T N Chabra. Managing people work. Dhenapathi Rai and Sons, New Delhi. 1977.

ಆದೇಶ ಸಂಖ್ಯೆ : ಕರಾಮವಿ/ಅಸಾವಿ/4-203/2014-15 ದಿನಾಂಕ 06-05-2014

ಮುದ್ರಕರು : ರಾಜಾ ಪ್ರಿಂಟರ್ಸ್, ಬೆಂಗಳೂರು-560 027

ಪ್ರತಿಗಳು : 16000

ಒಳಪುಟ ಕಾಗದ : 60 ಜಿ.ಎಸ್.ಎಂ. ವೆಸ್ಟ್‌ಕೋಸ್ಟ್ ಮ್ಯಾಪ್‌ಲಿಥೋಲಿ, ರೆಕ್ಲಾಪುಟಕ್ಕೆ : 220 ಜಿ.ಎಸ್.ಎಂ. ಆರ್ಟ್ ಕಾಗದ





# Karnataka State Open University

The Open University system has been initiated in order to augment opportunities for higher education and as an instrument of democratizing education.

*National Education Policy 1986*



