

THEORIES OF EMPLOYEE MOTIVATION - I

Unit Structure :

- 1.0 Objectives
- 1.1 Introduction
- 1.2 What is Motivation
- 1.3 Work Motivation Theories
- 1.4 Need Theories
 - 1.4.1 Needs Hierarchy Theory
 - 1.4.2 Two-Factor Theory
- 1.5 Reinforcement Theory
- 1.6 Expectancy Theory
- 1.7 Self-Efficacy Theory
- 1.8 Summary
- 1.9 Questions
- 1.10 References

1.0 OBJECTIVES

After studying this unit, the learner should be able to

- Explain the terms motivation and work motivation
- Describe the two categories of theories of work motivation
- Evaluate the Need theories, Reinforcement Theory, Expectancy Theory and Self-efficacy theory of employee motivation

1.1 INTRODUCTION

Human motivation is a matter of curiosity to Psychologists. Psychologists try to understand why certain behaviour takes place and what drives the person to a particular behaviour. Even in the context of work, I/O psychologists have shown curiosity in understanding the motives underlying the work behaviour. There are different theories put forth to explain the motivating forces behind work behaviour. In this and the next module, we will try to understand the different theories that are put forth to explain employee motivation. We will first try to understand the concept of motivation and then come to some of the important theories of employee motivation.

1.2 WHAT IS MOTIVATION

Employees differ in several respects and one way in which they differ in terms of their motivation to work. While some employees work very hard others avoid work and shirk responsibilities. Motivation is an internal state that energizes an individual and prompts the individual to undertake and continue to undertake different behaviour.

When an employee is motivated to work, it means that he or she is likely to choose work instead of other competing behaviour. For instance, a motivated employee chooses to report to the job place rather than taking a day off. A motivated employee also puts in more hard work and works with greater intensity. Also, there are greater chances of continued efforts when the motivational state of an employee is high.

An employee's motivational state is very important and hence an organization puts in efforts to select an employee who is high on motivation and also undertakes continuous efforts to motivate an employee. This is because motivation helps in the following ways –

- (1) **Determines attention** – Motivation influences what an individual will focus on and what will he or she pay attention to. When an employee is motivated to work, he or she is likely to focus on work and keep all the other things away.
- (2) **Influences the energy level** – Motivation is considered an energizing force. A motivated employee works with greater vigour and may work even beyond work hours to complete the project or the work given to them.
- (3) **Produces persistence** – Motivational state influences the persistence shown by an individual. When an employee is motivated, they put in continued efforts towards the task. They are not likely to get distracted from the task at hand.
- (4) **Task strategies** – Another way in which motivation influences work behaviour is in terms of making an individual goal-directed. An employee who is high on motivation is driven toward developing different strategies that help him or her to reach the goal.

1.3 WORK MOTIVATION THEORIES

Now that we have seen what is work motivation, let us see what are the different theories that are put forth to explain the motivating behaviour in the work setting. Before we individually see some of the important theories, in this section let us discuss the general nature of the theories of work motivation in this section.

There are different theories put forth to explain work motivation. The wide variety of human behaviour is difficult to be explained by any one theory. Every theory has some strength but also has limitations in its ability to

explain the strength of intensity and persistence of efforts shown by the various employees in the work setting.

According to Kanfer (1990), the various theories can be classified into three categories –

(1) Need – Motive – Value Theories

There are some theories of work motivation that see motivation as stemming from an internal source – either an internal need, value, or some personality characteristics. These internal sources may act as an arousing condition that stimulates the individual to work or work with greater intensity.

The Needs Hierarchy Theory by Maslow, Two-Factor Theory by Herzberg, and Reinforcement theory are some of the theories that fall into this category of theory. These theories state that the kind of needs and the extent to which the needs are satisfied determines what will motivate the individual to work. These theories explain work motivation in terms of some internal or external factors which make an individual work or work with greater intensity as compared to another individual.

(2) Cognitive Choice Theories

Another category of theory is the Cognitive Choice Theory. An employee's work may not always be due to the needs of an individual or due to rewards and reinforcements. Also, the rewards and needs do not completely explain how the rewards and needs work to produce motivated behaviour.

The Cognitive Choice theories have been put forth to explain the cognitive processes that explain the differences in the work performance and motivational behaviour of an employee. These theories of motivation describe motivation as a choice exerted by the individual based on the decisions taken by the individual. These theories evaluate the process involved in making the decision of expending energy in a work situation.

Expectancy theory and Equity Theory are some of the theories that fall into this category of the theory of work behaviour. These theories explain the different cognitive factors that influence work motivation.

(3) Self-Regulation –Metacognition Theories

Understanding work motivation also needs to look into the role played by the cognitive factors which are regulated by the individual. The self-regulation theories see motivation as resulting from self-regulating or executive functions. An employee who is motivated employs a number of behaviour to regulate and control his or her own behaviour and this category of theory focuses on those factors. The Theory of Self-efficacy and Goal setting theories fall under this category of theory. These theories state the importance of self-

efficacy and goals and how the goals provide an impetus to undertake the behaviour required to attain the goals. The core feature of this category of theory is that it looks into the mechanisms which facilitate the conversion of motivational force into behaviour and performance. The theories under this category pay attention to the different factors within an individual which need to be regulated for the motivational force to be converted into performance.

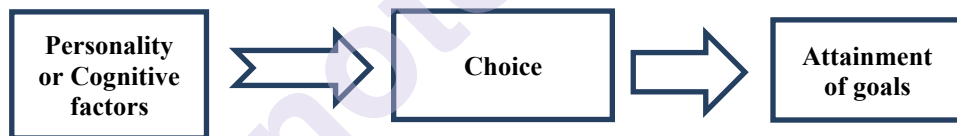
According to Kanher (1990), the different theories of work motivation may be classified into two categories –

- (i) Distal Theories
- (ii) Proximal Theories

Distal Theories –

Some of the theories of work motivation focus on factors such as personality or cognitive factors as determinants of work motivation. Thus these theories describe the factors which are distantly related to motivation. Factors such as personality or cognitive factors do not directly influence the motivational level. These factors make an individual make some choice and it is the choice that makes the individual undertake behaviour which helps him or her to attain the goal.

It may thus be described through the following flow chart



Theories like the Expectancy Theory and the Need theory fall into the category of Distal theory of Motivation.

Proximal Theories

Another category of theory is the Proximal theory. Let us now see what we mean by proximal theories. Some of the theories focus on those factors which have a direct influence on the attainment of goals. These theories are known as Proximal theories. These theories like the goal-setting theories explain work motivation as resulting directly from the goals set by an individual.

Theories like the Goal setting theories fall into the Proximal theories of work motivation.

These two categories of theories show that the sources of employee motivation range from external to internal factors. While some individuals are motivated due to certain forces within them others may be motivated by forces external to the employees. Some factors which motivate an individual are closely connected to performance and motivated state, while

at other times motivation may be linked to some factors which are remotely or indirectly connected to the behaviour.

Now that we have discussed the general nature of work motivation and the different theories of work motivation, we will now see some of the important theories of work motivation. The present unit will introduce some of the theories while in the next unit we will continue with some more theories.

1.4 NEED THEORIES

In this section, we will start with the first theory of work motivation – Needs Theories. Needs Theories were the oldest theories to explain what motivates individuals to undertake different behaviour. According to the needs theories, motivational behaviour can be understood by examining the needs of the individual. These theories state that the needs of an individual can help us to understand whether they will be motivated to take up behaviour and also which behaviour is an individual likely to take up. An employee who aims at getting a promotion and is working hard to gain promotion could be dominated by achievement needs while another employee who likes to interact and associate with others may be dominated by the need for affiliation. These differences in their needs explain why they may show differences in behaviour at the workplace and what type of action they will show in the workplace.

These theories trace the motivational behaviour to the differential needs of the human being. There are different needs theories that classify the needs into different categories.

We will see two important need theories –

- (i) Needs Hierarchy Theory
- (ii) Two-Factor Theory

1.4.1 Needs Hierarchy Theory

This is one of the oldest Needs theories which describes the performance with respect to the needs of an individual. According to the Needs Hierarchy Theory put forth by Abraham Maslow, the various needs which may motivate an individual can be arranged in accordance with the pattern through which the needs are satisfied. Maslow arranged the needs in a hierarchical manner. The hierarchy is based on the order of preference when it comes to deciding which motive will be satisfied when there are multiple needs.

Accordingly, Maslow arranged the motives in the following order –

- (1) Physiological Needs
- (2) Needs for Safety and Security
- (3) Need for Love and belongingness
- (4) Self-esteem
- (5) Self-actualization

This hierarchy states that every human being first strives to satisfy the physiological needs which include the need for food, water, sexual needs, etc. Once these needs are satisfied, an individual strives for safety and security by purchasing a house or insurance etc. After the needs for Safety and security are satisfied, the individual then goes to satisfy the need for Love and belongingness. This may involve friendship and other associations. Followed by the third need, the individual may go on to satisfy the need for self-esteem, where he or she may want to have self-respect and undertakes acts that help the person to attain respect from others (for instance buying a car). Once the need for self-esteem is satisfied, the individual is motivated to satisfy the need for self-actualization. This involves the need to explore oneself, understand oneself, and continuously engage in growth-producing activities.

According to Maslow, different people are at different levels of hierarchy. While one employee may be at the physiological level of the hierarchy, another employee may be at the self-actualization level. The differences in the level of need result in why different people are motivated by different things. An individual who is at the physiological needs level may be motivated by food and money provided by the organization, while another individual who is at the self-esteem level may not be motivated by the money and food. Instead, he may be looking out for a better job title.

According to the Needs Hierarchy Theory, the lowest level of need which is unmet motivates the individual. Thus even if there are many needs of an individual that is not satisfied, it is necessary to find out the lowest level need which is unmet. Satisfaction with this motive may motivate the person.

This theory thus states the following steps to be undertaken to motivate an employee –

- (1) Identify the needs of an individual that are not satisfied.
- (2) Identify the lowest unmet need
- (3) Making arrangements for the satisfaction of the lowest unmet need

This theory is one of the most commonly used theories in the organizational setup. It recommends different ways of motivating individuals depending upon their level in the hierarchy. If an employee is at the Physiological level, then the provision of food coupons and satisfying basic needs may be used to motivate him or her. For the employees at the second level of hierarchy (Safety and security) provision of accommodation facilities, and insurance may motivate them to work. Those employees who are at the third level (Love and Belongingness) may be motivated by putting them into a team and also through methods like providing opportunities for connections through parties and get-togethers. The employees who are at the level of Self-esteem may be motivated by providing status items like a car or through attractive job titles. For the employees who are at the level of Self-actualization, the job can be made more challenging to help them to explore their potential. Thus the Needs Hierarchy Theory offers suggestions for how an organization can motivate its employees.

However, this theory has a certain limitation that needs to be understood.

- (1) The first serious limitation of this theory is that it was not developed primarily to understand work motivation. This theory was developed on the basis of the understanding of the clinical patients. Although this theory has offered some practical solutions to work behaviour, when put into practice in the Industrial setup, it has not always been able to produce motivated behaviour.
- (2) Another limitation is that, according to this theory, at a particular time, an individual will be at one of the levels of the hierarchy. However, there are times when an individual may have two needs that are equally strong. For instance, an individual may have a strong desire for a house (Safety needs) and promotion (Self-esteem). At such a time only providing accommodation may not be sufficient to motivate the employee.
- (3) The Third limitation that has been experienced while implementing this theory is the assumption of the theory, that unless the lower needs are satisfied, an individual will not be motivated by a higher-level need. That is an individual moves from the lower level of the need to the higher level. One practical experience that is often encountered in the workplace is that there are employees whose lower needs are not satisfied, yet they may have a strong need for the higher levels of the hierarchy. For instance, there are employees who may not have proper accommodation or security, yet may be more motivated to take up a challenging job. They may even give up their job to take up a challenging job which may be paying them even lesser than what they have been earning.

This means that the order of the motives may not be the same for all human beings. Despite these limitations, this theory has been helpful in producing useful insight into the pattern through which people satisfy their needs. Also the contribution of the importance of 'self-actualization' has been useful in not only understanding employee motivation but in taking essential measures within the organization to facilitate the satisfaction of these needs in an employee.

1.4.2 Two-Factor Theory

Another theory of work motivation based on the identification of the needs of the employee was put forth by Frederick Herzberg.

Maslow focused on understanding the needs of an individual and what they would want to be satisfied. However, Herzberg used another approach to understand work motivation. His approach involved identifying two aspects of the job –

- (1) Those aspects of the job that produces job satisfaction
- (2) Those aspects of the job produced job dissatisfaction.

He thus explored the factors that contribute to producing satisfaction and those producing dissatisfaction. Unlike what we commonly think, he found that factors that contribute to job satisfaction are not the same as that causing job dissatisfaction.

Thus Herzberg put forth a theory of work motivation by stating that there are two factors that influence employee motivation – One which he refers to as Hygiene factors and another one referred to him as the motivator factor.

Let us now look at these two factors one after the other.

Hygiene factors

These are the factors that reduce job dissatisfaction. This includes factors such as the salary paid to the individual, the approach used by the supervisor, etc. If the salary paid to an individual is low or if the supervisor is too autocratic, these factors may cause the individual to be dissatisfied with the job.

Some of the factors in the works environment which is considered hygiene factors are:

- Work condition
- Various policies of the organization
- Salary
- Kind of supervision and relationship with the supervisor

Since the hygiene factors contribute to job dissatisfaction, the satisfaction of these needs, according to Herzberg, does not result in job satisfaction. It will only help in reducing the level of job dissatisfaction. So increased salary and improved approach by the supervisory will only help in reducing the job dissatisfaction. To improve the job satisfaction of an employee, according to this theory it is necessary to look into the motivator factors. Let us now look at the motivator factors.

Motivator factors

Apart from the lower level of needs, human beings also have a number of growth needs like recognition, responsibility, etc. According to Herzberg, when these higher levels are satisfied in the workplace, it produces higher satisfaction and motivation. These factors are referred to him as ‘motivator factors’.

Some of the important motivator factors are –

- The extent to which the job is interesting
- Recognition
- Opportunities for growth and advancement

Thus motivator factors contribute to job satisfaction and motivating the employees. It stimulates the individual to work harder and put in more effort.

This theory thus talks about two needs – Hygiene needs and Motivator needs. It states that hygiene factors should be taken into account to reduce job dissatisfaction. However only satisfying the hygiene needs will not be sufficient. It is also necessary to take measures to satisfy the growth needs of the employee by giving them more responsibilities and challenging jobs. These changes will improve their job satisfaction and motivate them to work hard.

Herzberg's Theory has provided useful insights into improving motivation by not only reducing the dissatisfaction in the employee but also by improving the satisfaction level provided by the work environment. This theory has prompted employers to make changes in the job to motivate the employees by giving more authority and responsibility to the employee and increasing the opportunities for growth through work conditions. To motivate an employee, this theory suggests making changes in the work and the work condition so that there are more motivator factors introduced in the workplace. When a job is made more challenging and if the condition in which the individual is working helps the employee to grow and become more independent, it will promote better motivation and improved performance of an employee.

However, it is also important to understand the limitations of this theory. This theory has been criticized for the method used in its development of this theory. It was based on employees' reports of conditions related to job satisfaction and job dissatisfaction. It is necessary to understand the conditions from the employer's and supervisor's perspectives as well.

Secondly, Herzberg has classified the factors into two separate categories. However, in the work condition, the two sets of factors cannot be completely separated. For instance – A relationship with the supervisor is a hygiene condition while 'increased responsibility is a motivator. Whether an individual will be given increased responsibility or not depends upon whether the employee has a good relationship with the supervisor or not. Thus, although theoretically, the two factors are separate, in reality, the two are dependent on each other.

Despite the limitations, one important contribution of this theory is the fact that it brought to notice that job satisfaction and job dissatisfaction are two separate facets and both of them have to be understood to improve the work conditions.

1.5 REINFORCEMENT THEORY

Let us now see another important theory of motivation. A very significant behaviour of learning was put forth by B.F. Skinner called the Theory of Operant Conditioning. This theory was put forth to explain how learning takes place. However, the implication of this theory is so widespread that it

has been used in several fields, including industrial and organizational areas.

As stated by Skinner, behaviour is the result of an association or connection that gets formed between the behaviour and its consequences. Any behaviour that is followed by reinforcement gets strengthened and its frequency of occurrence also shows an increase. For instance, when an employee is appreciated for always coming in time, the frequency of punctuality will show an increase. Similarly, when an individual gets a pay raise for his hard work, it will increase his motivation to work hard.

This theory is different from the needs theory, since Needs Theory focuses on internal factors (Needs of an individual) as the determining factor of motivation, while the Reinforcement theory sees motivation as being the result of external factors (rewards and punishments) that occurs as the result of the behaviour.

The Reinforcement Theory focuses its attention on the external situation and suggests how the external environment can influence the motivational level of the employee. It helps the I/O psychologist to understand the role of making changes in the organizational environment to motivate the individual.

The Theory of Reinforcement suggests the following measures to motivate an employee –

- (i) **Positive Reinforcement** – Positive reinforcement is any event; whose presence increases the frequency of response. Praising the employee or a system of rewarding the employee for good attendance, may be considered positive reinforcements if it helps to increase the attendance of the employees.
- (ii) **Negative Reinforcement** – Negative reinforcements, are events, whose absence increases the frequency of response. For instance, an employee who reports in time can avoid backlash from the supervisor. Here ‘Absence of Firing by the Supervisor’ motivates the employee to reach in time.
- (iii) **Punishment** – According to Skinner, when a response is followed by an undesirable consequence, the frequency of that response drops down. Such undesirable consequences are called punishments. Punishments are different from reinforcement because, reinforcement (Positive as well as Negative) increases the frequency of the response, while punishment lowers or reduces the frequency of the response. In an industrial setup, there are different ways in which punishments are used to influence performance. For example, demoting a manager for using abusive language in the organization. Demotion in this case if it results in a reduction in the abusive language usage of the manager, may act as a punishment.
- (iv) **Extinction** – As stated by The Theory of Reinforcement, any behaviour which is reinforced may increase in frequency. Hence,

when the reinforcement is withdrawn, the learned behaviour also reduces in frequency. This process is called extinction. For example, for an employee whose tantrum-throwing behaviour is due to attention and importance given by the manager, reduced attention paid to the tantrums can help in reducing the negative behaviour.

This Theory places importance on the consequences of the response. Thorndike has expressed the importance of reinforcement in terms of a law, which he calls the Law of Effect – The effect that follows the response determines whether the response will strengthen or weaken. If the consequences are positive, it may strengthen the response, but if the consequence of engaging in response is negative, it may weaken the response.

The Theory of Reinforcement thus stresses the importance of providing reinforcements so that the hard work and good performance increase in frequency. However, reinforcements must be introduced carefully and systematically for them to be effective.

For the reinforcement to be impactful, it should follow the following principles –

- (i) **Immediacy** – Reinforcement is effective when it is given immediately. This allows the employee to form the connection between the response and reinforcement. A person, who is hard-working, and is given a promotion after 15 years of his or her service, will find it difficult to associate hard work with promotion. Although it is not necessary to immediately give a large reinforcement like promotion, reinforcements like praise and recognition in front of other workers can definitely be offered immediately.
- (ii) **Consistent** – For the strengthening of the connection between response and reinforcement, the reinforcement should be delivered consistently. If for two days the person is praised for using a safety device but after that, there is no recognition of that act for nearly a month, it is possible that the behaviour will drop down. Hence at least in the beginning, it is necessary to be consistent in delivering positive reinforcement.
- (iii) **Contingent** – The principle of contingency states that the reinforcement should be given only in the presence of the behaviour and not in the absence, only then it may be impactful. For instance, when employees are given a fixed raise in salary, irrespective of whether they work or not, such reinforcement is not contingent upon hard work. This kind of reinforcement is less likely to produce positive behaviour.

This theory has been used in the industrial setup to motivate employees to work, through the Incentive system. It is also used to modify not only task performance but also in other work-related behaviour which is important in the organizational setup. Many organizations have used the Reinforcement theory to manage other behaviour in the organization like absenteeism,

work ethics, use of safety measures while operating the devices, etc. Thus this theory has a wide application in the area of motivation.

There are some limitations of this theory that also need to be understood before applying this theory. One strong criticism of this theory is that it ignores the internal factors that influence motivation. It is not necessary that every employee is only motivated by external events like praise, pay, or incentives. There are many individuals who are internally motivated. This theory fails to take this into consideration.

The second limitation of this method is experienced when employees may get used to positive reinforcement. In this case, they are less willing to show changes in behaviour even when required. For instance, when employees are positively reinforced for manual documentation, they will continue with manual document maintenance and refuse to use computers to store the information.

Thirdly, employees may become dependent on positive reinforcement and would expect reinforcement for every behaviour that they undertake. However, it is not practically possible to always reinforce the employees for every behaviour expected in the job place.

Another limitation of this theory lies in the ethical objection laid down by the Humanistic perspective. Behaviourism involves controlling and manipulating behaviour through external forces. This has raised ethical concerns about externally controlling human behaviour.

Despite these limitations, it is one of the theories that have been commonly used to motivate employees.

1.6 EXPECTANCY THEORY

As seen in the section on motivation theories, there are certain theories that look into the cognitive or mental processes of the human being. We will now be seeing one of the Cognitive theories of motivation in this section.

Human motivation cannot be understood completely only with the help of the needs of an individual. To understand motivational behaviour, it is also necessary to understand the cognitive or mental processes that underlie the work behaviour. Many different cognitive theories have been put forth and each of these theories has tried to explore different cognitive processes which can explain the motivational levels of an employee.

The Expectancy Theory is a cognitive theory that analyses motivation in terms of the cognitive processes that determine the effectiveness of reinforcement. Every employee does not get motivated by the rewards and reinforcements. In fact, this is one of the major drawbacks of Reinforcement theory. Whether the reinforcement will work or not motivate an employee depends upon several factors – one of them being the cognitive processes that are undertaken by the employee in relation to the reinforcement.

Different cognitive theories have brought the importance of various cognitive processes in determining the motivational state. Expectancy Theory states that the efforts that an individual puts in are a choice made by the individual. The employee decides to choose to put in efforts or not put in efforts based on their expectations. The importance of expectations was first pointed out by Victor Vroom in the year 1964.

According to Vroom the expectation that determines the decision to put in efforts are -

- (1) To what extent will I be able to undertake the behaviour that is required?
- (2) To what extent will that behaviour help me to obtain the goal?

Vroom analyses motivation as a function of three cognitive processes –

- Expectancy
- Instrumentality
- Valence

We will now see these concepts in detail –

(1) **Valence**

Valence refers to the extent to which an individual values the rewards that are offered by the organization. Every reinforcement that is offered by the organization may not motivate all the employees. That is because different employees may have different valence associated with the reinforcement. If an employee does not see promotion as a mode to reach their personal goals, he or she will not be motivated by the reinforcement. On the other hand, if an employee sees a promotion as important for their personal goal, he or she is more likely to be working hard for the promotion as reinforcement.

(2) **Expectancy**

Another cognitive process, according to Vroom is the expectations held by the employee. Expectancy refers to the beliefs that the person holds about himself or herself. The belief of whether one will be able to undertake the necessary behaviour that is necessary to obtain the reinforcement. For example, if the individual believes that he or she does not have the capacity to work hard to obtain the promotion, then the level of expectancy is low. On the other hand, if the person believes that he or she has the capabilities to work hard enough to obtain the promotion, then the expectancy is high. According to Vroom, other things remain constant the higher the expectancy, the higher will be the motivational level of the individual.

(3) **Instrumentality**

According to Vroom another expectation that determines the amount of effort put in by an individual is – Instrumentality. Instrumentality

is the belief about the chances of efforts resulting in obtaining the reinforcement. If a person believes that by working hard it is possible to get a promotion, then the instrumentality is high. On the other hand, if the employee believes that even after hard work it is not likely that he or she will get promoted, then the instrumentality is low.

According to Vroom, motivation or the efforts, which he terms, “Force can be seen as the function of these three cognitive processes –

- To what extent do I value the reinforcement (Valence)
- To what extent do I have the capacity to undertake the behaviour (Expectancy)
- To what extent am I likely to obtain the reinforcement by engaging in that behaviour (Instrumentality)

Vroom expressed the relationship among these variables into a mathematical formula that can be used to predict motivation or force on the basis of valence, expectancy, and instrumentality.

Force = Valence X (Instrumentality X Expectancy)

This theory has not only helped in understanding the cognitive processes underlying motivation but also in undertaking different measures to influence the motivational levels of an employee. According to this theory in order to motivate an individual, it is necessary to undertake the following measures –

- (1) Every organization should try to identify what is it that the employee values and incorporate those into their reinforcement system.
- (2) Increase the expectancy by building the confidence of the employees and also offering the necessary training so that the employees feel more competent and capable of performing.
- (3) Increase the instrumentality by making reinforcement contingent upon the performance. The organization needs to put in efforts to keep their promises and offer the promised reinforcement upon the employee putting in the pre-decided efforts.

Let us now have a look at the important strengths and weaknesses of this theory of employee motivation. A very important strength of this theory is that it brings out the role of the different cognitive processes that play an important role in determining the effectiveness of the reinforcement. The second important strength is the mathematical expression of motivation. The quantification has helped in quantifying motivation and made it possible to undertake different researches with respect to motivation. The formula for calculating motivation has shown the possibility of predicting variables like job satisfaction, efforts put in by the individual, and also the likelihood of people staying in a job.

This theory has to be understood in light of some of its limitations. One limitation of this study is the importance that it gives to extrinsic factors of motivation. It sees motivation to be a choice with respect to the external reinforcements that are offered by the organization. It is important to know that many individuals are not motivated only by external factors. Some employees are intrinsically motivated and they may work hard and put in more effort even if they do not value the reinforcement offered by the organization.

Secondly, this theory assumes that people are aware of which reinforcement will help them to reach their personal goals. However, it is not necessary for all human beings to have the knowledge of this, and hence many times a person may make a choice based on their immediate needs even if it does not satisfy their personal goals. For eg., An individual may work for an increment because he right now is in need of money although he is aware that an increment will not help him to attain his long-term personal goal.

Thirdly this theory presupposes that motivation is a conscious choice made by an individual. This may not always be the case. There are many factors that may unconsciously influence the motivational levels of an individual. Another criticism that is generally raised is regarding the possibilities of human beings to perform the calculations as suggested by this theory. The efforts put by an individual may not always involve calculations as suggested by Vroom.

Thus although an important theory, it is not a complete theory and needs further research. It also needs modification so that it incorporates other factors that are important in determining performance, such abilities of an individual and the support offered by the organization. The theory also needs to take into account the complex nature of the work environment. The work environment does not involve only one outcome but may have many outcomes – for instance, although hard work may be associated with promotion as an outcome, it may also be associated with negative factors like stress and working overtime. In this case, the formula does not make it possible to calculate the force or motivation of the individual.

Thus although the theory has limitations, it is a widely researched theory and has been applied extensively in organizational and educational setup.

1.7 SELF-EFFICACY THEORY

Another cognitive theory that explains motivation with the help of cognitive or mental operations is the Self-Efficacy Theory by Albert Bandura. Let us now see the Theory of Self-efficacy in this section.

According to Bandura, one strong factor that influences high performance is the belief pattern, which he called Self-efficacy. We will first see what we mean by the term Self-efficacy and how it plays an important role in the performance of an individual.

Self-efficacy is the belief that one holds about his or her capacity to perform a particular task and achieve a particular goal. For eg. If a person who has

just joined a medical college is asked to conduct surgery, he or she is less confident about the skills and this will influence the performance of the doctor.

Thus as stated by Bandura, a person's performance to some extent is also influenced by the level of self-efficacy. Self-efficacy influences performance in many different ways. Some of the important effects of self-efficacy are as follows –

- (i) **Choice of the task** – When an individual believes that he or she is capable of performing a task, they are more likely to undertake such an act and are less likely to run away from the task.
- (ii) **Persistence at the task** – When an individual is high on self-efficacy, with the belief of being capable of performing the task, he or she is likely to persist in their efforts even if the task is difficult and challenging.
- (iii) **Response to failure** – Belief in one's capabilities makes an individual continue the efforts even if he or she experiences failure. Failure is perceived as a challenge by people who are high in self-efficacy, and they persist with their efforts rather than be disappointed with failure.
- (iv) **Goals setting** – Studies have shown that with a high perception of self-efficacy individuals choose more challenging goals and are also likely to be more committed to the goals. This makes this belief to be associated with high performance.

It is because of these above characteristics that people high on self-efficacy are likely to put in more effort in comparison to people who are low in self-efficacy.

Several types of research have shown a positive and strong correlation between self-efficacy and the performance of an individual in the workplace. For instance, studies have shown the positive influence of self-efficacy of employees in different types of jobs like life insurance agents (Barling and Beattie, 1983) and university teachers (Taylor et al., 1984).

The theory of Self-efficacy thus brings out the important role of an employee's belief in his or her capacity to undertake the work behaviour and it also states that it is possible to make alterations in this belief. According to Bandura, there are different ways of improving self-efficacy, and training the managers to improve the self-efficacy beliefs of their subordinates can help in motivating the employee to perform better. Some of the important ways in which Self-efficacy can be improved are –

- (1) **Mastery experience** – The supervisor or manager may set realistic goals and move gradually with challenging goals. This helps in increasing the success experiences and building self-efficacy.
- (2) **Modelling** – This involves exposure to a model that demonstrates high self-efficacy. The supervisor or managers themselves may serve

as a positive role model demonstrating self-efficacious behaviour. This will help the subordinate to develop the same behaviour.

- (3) **Social Persuasion** – When others who are senior and experienced, persuade the individual through mentoring on the importance of self-efficacy, it may encourage the participant to increase their efficacy behaviour.
- (4) **Physiological states** – Self-efficacy belief is also affected by physiological states like anxiety and apprehension. Guiding the individual to control the anxiety and apprehension can help the person to demonstrate high self-efficacy behaviour.

These techniques can be applied in the organizational setup to improve self-efficacy beliefs. Various studies by Eden have shown how by increasing an employee's self-efficacy beliefs the performance in different areas of work behaviour can be improved. This improved performance through increased belief in one's capabilities is termed by Eden as Galatea Effect.

This theory thus stresses the importance of what an individual believes about himself or herself. It thus emphasizes the role of the supervisor and the organization in creating an environment that will facilitate the development of healthy self-efficacy. This may be done effectively through measures like – the provision of opportunities for the employee to undertake the challenging task in a safe environment, offering constructive feedback, and mentoring processes in the organization. Provision of challenging work in a safe and supportive environment will improve the person's belief in one's capacity to produce the necessary behaviour.

This theory suffers from some important limitations. It gives importance to only the confidence experienced by the individual in performing a task. However, it is necessary that self-efficacy is accompanied by capacity and competency. In the absence of capacity, high self-efficacy alone may not be able to improve performance.

Secondly, this theory emphasizes the association between high self-efficacy and performance. However, it is important to understand that the relationship between self-efficacy and performance also depends upon the complexity of the work. This shows that when the task is complex, mere high beliefs related to one's capacity will not be capable of producing high performance. Thus one's capabilities and the nature of work are also very important.

Despite the limitations, this theory holds a promising role in influencing the motivation levels of employees, especially those who have high capacities but are engulfed by low self-efficacy beliefs. There are many employees who do not show a high level of performance despite having a high capacity to perform. One of the reasons for this could be their low self-efficacy and hence this theory is useful in improving the work performance of individuals falling into this category.

1.8 SUMMARY

Work motivation involves the motivation of an employee to work efficiently and demonstrate high levels of performance. I/O psychologists have put forth different theories to understand the motivation of an employee. Some of these theories have been discussed in this unit. The Needs theory conceptualizes motivation as being determined by the needs of an employee and stresses the importance of satisfying the needs of the individual. Needs Hierarchy Theory and Two-factor theory are the two Needs theory discussed in this unit. The Reinforcement theory, on the other hand, perceives the motivation of an employee as being determined by the external forces – reinforcement. It states that work motivation is determined by the reinforcements received by the employee. Another important theory of work motivation is the Expectancy theory. This theory brings about the importance of cognitive factors – valence, expectancy, and instrumentality, in the determination of the motivational level of an individual. Another cognitive belief whose role has been emphasized in motivation is the role played by –self-efficacy. The theory of Self-efficacy points out the role played by the beliefs that an individual holds about his or her ability to produce a behaviour, in determining the performance of an individual. Each of these theories has been able to explain some forms of motivation seen in the Industrial setup. However, all these theories also have their own limitations. Despite the limitations, each of them has made a valuable contribution to our understanding of employee motivation and also in undertaking different measures to improve the motivational level of an employee.

1.9 REVIEW QUESTIONS

1. What do you mean by motivation?

2. In what way can we apply the Theory of self-efficacy to enhance employee motivation?

3. How will you apply the Expectancy Theory of Motivation in an industrial setup?

Theories of Employee
Motivation - I

4. Describe the Reinforcement Theory of employee motivation.

5. Explain the Needs Theory of Motivation in detail.

6. Discuss the Reinforcement Theory and its application in an industrial setup.

7. Evaluate the Expectancy theory of employee motivation.

8. Explain the importance of the Theory of Self-efficacy in employee motivation

1.10 REFERENCES

Spector, P.E. (2012). Industrial and Organizational Psychology: Research and Practice. Singapore: Wiley. (Indian reprint 2016)

Aamodt, M.G. (2013). Industrial Psychology (7th ed.) Boston, MA: Cengage Learning

Shultz D. & Schultz S.E. (2010). Psychology and Work Today, Pearson Education, Inc.

munotes.in

THEORIES OF EMPLOYEE MOTIVATION - II

Unit Structure :

- 2.0 Objectives
- 2.1 Introduction
- 2.2 Justice Theories
 - 2.2.1 Equity Theory
 - 2.2.2 Fairness Theory
- 2.3 Goal-setting theory
- 2.4 Control Theory
- 2.5 Action Theory
- 2.6 Summary
- 2.7 Questions
- 2.8 References

2.0 OBJECTIVES

After studying this unit, the learner should be able to -

- Develop an understanding of some of the important theories of work motivation: justice theory, goal-setting theory, action theory, control Theory
- Evaluate the strengths and limitations of each of these theories
- Analyse the application of these theories in the work setting.

2.1 INTRODUCTION

As seen in the earlier unit, employee motivation is a very important function of an I/O psychologist and hence it is important for us to understand the different theories that are put forth to explain employee motivation. In the earlier unit (Unit 1) we saw the importance of motivation in the organizational setup. Followed by which we also saw some of the important theories of employee motivation. In this module, we will continue to see some more important theories which explain the nature of work motivation. In this unit, we will be seeing four more theories:

- Justice Theory
- Goal-setting Theory
- Action Theory and
- Control Theory

2.2 JUSTICE THEORIES

In the earlier unit (Unit 1) we had seen a cognitive theory – Expectancy Theory, which analysed the role played by the cognitive processes in the area of work motivation. Another theory that brings about the importance of cognitive processes is the Justice theory.

Justice theories bring out the importance of feelings of fairness and equity in motivation. According to these theories the perception of employee about whether the treatment and outcomes received is just and fair, is an important determinant of the motivational force of the employee. When an employee who is working in an organization thinks that the treatment meted out to him and the way in which he or she is appraised in the organization is not very fair, it may be disappointing and reduce the motivational level of the individual. On the other hand, if the individual feels that he is well treated and has been appraised in a fair manner in the organization, it is likely to make an employee perform well in the organization.

One very important theory which falls under this section of the theory is the Equity Theory put forth by James Adams and another is the Fairness Theory. We will now see these two theories-

- Equity Theory and
- Fairness Theory

2.2.1. Equity theory

James Adam gave a theory of employee motivation which is called the 'Equity Theory'. According to James Adams, the motivational level of an individual depends on certain calculations made by the employee. Two important calculations that are made are –

- (i) **Input-Output ratio** - The employee brings to the work situation different skills and abilities and contributes his or her efforts and expertise. These are considered as forming the Input. In return for the inputs poured in by the employee, the organization provides compensation. The organization may compensate for the efforts through salary, perks, advancements, promotions, etc. These form the outcome. According to Adams, an employee makes a subjective calculation of the inputs and compares them to the outcome.
- (ii) **Social Comparison** - Another calculation that is an important determinant of the individual's motivational level, is the comparison of the input: outcome ratio to that of some other individual or groups of individuals. This is called social comparison.

For example, an individual who has graduated and has got a job in a clerical post, requires him or her to work for 8 hours a day and derives a salary of Rs. 40,000/ per month. He or she may be happy and satisfied in the beginning. However, if he or she comes to know of another individual who is not even a graduate, works for 6 hours a day, and draws a salary of Rs. 50,000. Now, what do you think will happen to the motivational level of the individual?

According to Adams Equity Theory, the individual in the above example will find that his Input: Outcome ratio is not proportionate to that of the other individual (Referent) with whom he is comparing his Input: Outcome ratio, it will create a feeling of disappointment. This will produce a feeling of Inequity and make an individual undertake different behaviour in order to bring about equity.

Let us see the important terms in this theory –

Input – This refers to the contributions made by the individual to the work condition. It includes elements like the person's qualifications, certifications, years of experience, expertise, skills, capabilities, etc.

Outcome – The rewards that the individuals receive from the organization are called the Outcome. This may include the salary, other perks received by the employee, promotions, treatment by the supervisor and others in the organization, etc.

Referent – This is the person with whom the individual compares his or her input-outcome ratio. Whom will the individual chooses as a referent, depends upon him or her.

The four types of groups that an individual may use for comparison are –

- (i) **Self-Inside** – When an individual compares his input-outcome ratio, in two different situations, it is called the self-inside ratio. For example, if the clerk compares and says that when I was working in the finance department, I could go home earlier than what I am doing now in the marketing department. Here the individual is comparing the two self-experiences in different situations but within the same organization.
- (ii) **Self-outside** – In this situation, the individual may compare his own experiences, but in two different organizations. For example, if the clerk thinks that in the present organization he is drawing Rs. 40,000/ but in the earlier organization he was drawing Rs. 30,000/ for the same amount of work, he will be happier. Here the individual's own experiences across different organizations are compared.
- (iii) **Others-inside** – When an individual compares his or her input-outcome ratio with that of another individual within the same organization, it is called the Others-Inside referent group. For example, if the individual realizes that the Clerk from another department draws more salary in comparison to the salary drawn by him, this comparison involves the Others-inside group.
- (iv) **Others-outside group** – In this kind of referent group, the comparison is made with an individual who is not within the organization, but rather belongs to another organization. For instance, if a computer programmer compares his salary with a computer programmer from another organization, it will involve the Others-outside referent group.

The social comparison between the two ratios is very important. It is this comparison that may either produce a state of Perceived Equity or Perceived Inequity.

Perceived Equity- When an individual's comparison and calculation make an individual perceive the ratios to be comparable, it produces a feeling of Equity. For instance, if the Computer programmer thinks that his income-output ratio is comparable to another computer programmer from another organization, it will bring about a perception of equity. Similarly, if as a clerk, he or she puts in 4 hours a day and draws Rs. 20,000/ and another person who is working for 8 hours draws a salary of Rs. 40,000/-, still it produces a feeling of equity since the ratio of one's input-outcome is comparable to that of the referent.

Perceived Inequity – On comparing the input-outcome ratios, when an individual perceives the ratio to be incomparable, it produces a feeling of Inequity. Let us see, for example, an individual who works for 8 hours and draws a salary of Rs. 20,000/ while another person with the same qualification as him or her working in the same position in another organization gets a salary of Rs. 30,000/ this will produce a feeling of inequity.

Perceived inequity may result from two situations and this brings two different types of perceived inequity –

- Overpayment Inequity and
- Underpaid Inequity.

When the employee perceives the outcome to be more than the input i.e. thinking that he or she is paid more than what he or she contributes, it is called Overpayment Inequity. On the other hand, underpayment inequity is a condition when an individual perceives that the outcome is lesser in comparison to the inputs put in by the employee.

What happens with the feelings of Equity or Inequity???

As expected by us, when an employee perceives a sense of Equity, they are likely to be motivated and satisfied in the job situation.

According to Adams Equity Theory, individuals are driven by the need to create a sense of equity or balance. So when there is a sense of inequity they may undertake different behaviour in order to bring about equity or balance between the input and the outcome. Some of the behaviour that they may opt for is as follows –

- (i) **Change the input** –An employee who believes that his or her salary is much lower than the amount of work put in by him or her may start putting in lower efforts, in an attempt to equalize the outcome. Thus in an attempt to balance the input and outcome, the individual lowers the input or the efforts.

- (ii) **Change the outcome** – Another way adopted by the employee to balance the input and outcome ratio is to make an attempt to change the outcome. Due to perceived inequity, an individual may go and talk about a rise in the salary and thereby make an attempt to change the outcome and equate it to the input. Here the person is attempting to raise the outcome to the level of the input.
- (iii) **Quit the job** – This may be another behaviour undertaken by an individual in an attempt to bring about a feeling of inequity. The person may choose to work somewhere else where the proportion is more desirable.
- (iv) **Change in self-perception** – Perceived inequity may be brought to a balanced state not only behaviourally but also cognitively. At times rather than making changes in the input or the outcome, the employee makes changes in how he or she perceived certain situations. When the person finds that his or her outcome is greater in comparison to someone else, the person may change how they look at themselves. An employee may explain the overpayment by saying – ‘Perhaps I am better than the other person who is paid lesser.’ This perception helps in maintaining the balance between the input and outcome.
- (v) **Change the perception of others** – In the earlier behaviour, we saw how equity is attained by changing the way in which the individual perceives himself or herself. Inequity may sometimes make the individual look at the referent in a different way. For example, when an employee thinks that he is underpaid he or she may start thinking that – the work of the referent is more difficult than that of his or her own, hence the difference in the payment.

Thus according to Adams Equity Theory, an individual's motivation is determined by whether he or she perceives equity or inequity in the treatment imparted by the organization. A feeling of inequity created a sense of imbalance and makes an individual undertake different behaviour in order to bring about a sense of balance.

As stated by this theory, an organization should take care to create a perception of equity. Efforts need to be taken by the organization to develop a payment system that is fair and equitable. Also, an organization should take care to compare their payment system with other competitive organizations, so that if the employee considers a referent from another organization, they should not have a perception of underpayment inequity. However, perception of equity is not only concerned with payment it is also concerned with other features of the organization like the characteristics of supervision and the treatment meted out to the employee. This stresses the importance of impartiality and equal opportunities in the organization and the organizational leadership process.

Along with the contributions made by this theory, it is also necessary to understand the limitations of this theory. This theory has been criticized for the basic assumption that every employee wishes to maximise their outcome. Although this seems to be obvious, there are employees who may

not be working only for maximizing their outcomes and may be willing to expend more energy and hard work even when they may not perceive the situation as equitable. Adams Equity Theory fails to provide an explanation for this kind of behaviour. Second, criticism has been commented on the assumption that every employee is likely to make such calculations as suggested by the Equity Theory. Also, it is important to know that the conclusions of this theory have been drawn on the basis of laboratory experiments. This raises the question of the extent to which the theory can be generalized to a real-world situation. The way in which individuals behave in a laboratory condition may not necessarily hold true when it comes to behaviour in the work situation.

2.2.2 Fairness theory

Another type of justice-based perception which is studied in organizational theories is the importance of fairness. The Organizational Justice researchers have studied the importance of the perception of fairness in the different things that happens in the organization. They have studied the influence of the perception on employee behaviour and have shown its effects on employee satisfaction and the performance of an individual.

When an employee perceives the environment in the organization as being just and fair, they are likely to be satisfied and happy which is likely to promote better performance on part of an individual.

The research studies in organizational justice talk about different types of fairness.

- (i) **Distributive Justice** – This is the fairness that is perceived with respect to the outcomes in the organization. It is concerned about whether the employees think that the promotions, pay, and other benefits are fairly distributed or not. If the employee thinks that his or her payment and other benefits are proportionate to his or her inputs, he or she will experience distributive justice.
- (ii) **Procedural Justice** – This refers to the fairness in the procedure that is used when the outcomes are to be distributed. Within the organization do the employees perceive that their performance is appraised in a well-designed and fair way? This is what is called procedural justice. Here it is the procedure rather than the outcome that determines the feelings of fairness. If in an organization promotions are given randomly and there is favouritism demonstrated while promoting employees, it may produce a feeling of Procedural injustice. In this condition, even if the employee thinks that he is getting what is due to him or her, may be unhappy with the procedures used by the organization.
- (iii) **Interactional Justice** – This is the fairness in the treatment offered by the supervisors and people in authority while distributing the outcomes. It includes feelings of whether the individual perceives himself or herself being respected and whether the supervisors and managers are sensitive while interacting with them.

The fairness theory thus brings about the importance of having a good performance management system in order to motivate an employee. Being transparent in the performance appraisal and emphasis on coaching and mentoring by the supervisors can facilitate feelings of fairness in the employees. This in turn can help in improving employee motivation. This theory also brings out the importance of the role of the managers in how they treat their subordinates. Training managers to be fair and flexible and respond in a sensitive manner can play an important role in motivating the employee.

The Justice theories like Adams Equity Theory and Fairness Theories thus bring out a unique feature of employee motivation by studying the role of employees' perception of justice, equity, and fairness. Although it does not take into account all the different factors influencing motivation, it helps us to understand how the environment in the organization through the policies, procedures, and the supervisory system, can influence the motivational level of the employees in the organization.

These theories provide guiding points to the organizational leaders about how changes in the organizational environment through fairness in the appraisal system and in the way in which employees are treated can act as a mode through which they can enhance the motivational level and the performance level of the employees.

2.3 GOAL-SETTING THEORY

The goal-setting theory is another theory that explains the motivational level and the level of performance of the employee. It is a theory that brings out the importance of setting goals in the performance of an individual.

When an employee is given some target or specific goals to be attained, they are likely to work better and perform better than when there is no target or goals set for them. This shows that goal setting is an important determinant of the performance of the employee.

Edwin Locke (1968) demonstrated how employees can be motivated by clear, well-defined goals and feedback. Latham along with Locke in the 1990s further expanded the Goal-setting theory and brought out two important characteristics of goals – Content, and Intensity

- (i) **Content-** Content of the goals refers to what is to be attained through the goal. Thus it talks about the outcome that is expected out of the goal.
- (ii) **Intensity-** Intensity of the goal refers to what are the psychological and physical resources that are needed in order to achieve the goal.

Thus the goal-setting theory focuses not only on the final outcome but also on the route to achieve the outcome. The content or what is to be attained is important but also it is necessary to pay attention to the resources and build the resources necessary to attain the goal. This means that a supervisor should decide what should be the number of goods to be produced by the

employee (Content) but he or she should also try to build the capacity of the employee to reach that goal (Intensity). Thus the supervisor also needs to train the employee to achieve that target and provide the necessary machines and devices which will help the employee to achieve the target.

Thus the theory of goal setting states that when supervisors set goals for the employee, it facilitates the performance of the employee. The goal-setting theories have also studied the characteristics of the goals that are likely to enhance the performance of the employee. Incorporating these features of the goals while setting goals for the employee may be useful in making it effective. Some of these characteristics are –

- (i) **Clarity** – Goals become more effective when it is clearly stated. A general goal like ‘You need to show improvement’ makes it difficult for the employee to understand what is expected. Rather than that, statements like – ‘Productivity should increase by two percent, will make the expectations clearer.
- (ii) **Specific** – A goal becomes more impactful when it is specific and mentions the direction in which the person needs to work.
- (iii) **Challenging** – To motivate an employee, it is necessary to set a difficult goal. A goal that is too easy will fail to motivate the employee to work harder. However, if the goal is too difficult, it may produce distress. Difficult but challenging goals provide stronger motivation in comparison to easy and simple goals.

According to the goal-setting theories, for goals to be effective, it is also important to pay attention to the organizational environment. Some of the ways in which organizational environment influences the effectiveness of the goals are as follows-

- (i) **Employee participation and acceptance** – Goals can help in motivating the employee to perform better only if the employee accepts the goal. If the employee does not accept the goals, it is less likely to have a beneficial effect on performance. When goals are set through mutual discussion between the supervisor and the employee, it will be produced greater acceptability and greater involvement on part of the employee. Thus rather than the supervisor dictating or stating what is expected out of the employee, if there is a personal discussion and through that goals are set, it may produce better acceptability of the goal. Several studies have shown the importance of goal-commitment in improving the performance of the employee. Employee participation and acceptance will play an important role in increasing the level of goal-commitment in the employee.
- (ii) **Supervision and Feedback** – Mere setting of the goals and communicating it to the employees may not be sufficient to convert the goals into action and outcome. An employee may need continuous guidance and support to attain the goal. This could be done through continuous monitoring of the work by the supervisor and providing

continuous support and feedback about whether the performance is moving in the direction of the goal.

While pursuing the goal, which is difficult and challenging, the employee may face difficulties and stress. Constant support from the supervisor and the right feedback will allow the employee to know the status of performance. Hence to make goals effective, attention needs to be paid to the quality of supervision and feedback mechanisms existing in the organization. Support and encouragement provided by the supervisor help in improving the self-efficacy of the employee. In the earlier section, we have seen how self-efficacy is very important in determining the performance of the employee.

- (iii) **Constraints of the environment** – Sometimes attaining some goals requires the provision of materials or devices. In the absence of such material provisions, it may become difficult for the employee to attain the goals that are set for him or her. For instance, the data entry operator may be expected to improve the speed of the data entered for the organization. However, if the computers offered are not in good condition, it may become difficult for the employee to reach the goal set for him or her. It is, therefore, necessary for the organization to provide the appropriate level of support in terms of the provision of necessary conditions to attain the goal.

In this way, the goal-setting theories have shown the importance of the goal in enhancing an employee's performance. It also states how the nature of the goal and the environmental factors in the organization for the attainment of the goals are important to improve the effectiveness of the goals.

This theory has been applied very widely across different types of organizations and different levels of occupation.

What makes goal-setting enhance performance? Let us see some of the important mechanisms through which goal setting results in improved performance ---

- (i) **Regulating behaviour** – As stated by Latham et al. (2011) goals provide an individual with clear direction and a vision for the future. It thus helps to regulate the person's behaviour and directs it towards the attainment of goals. When a goal is set, an employee monitors and regulates his or her behaviour so that the goals are attained.
- (ii) **Sense of purpose** – According to Boa et al. (2018) goals provide a sense of meaning and purpose to an individual. When there is no goal provided for an individual, the employee may be working mechanically. On the other hand, setting up a goal gives a purpose and makes the work more meaningful to the employee.
- (iii) **Persistence** – Goals make an individual persists and continues their efforts to move towards the objective. Having a goal to attain keeps the individual put in continuous efforts which in turn improves the performance.

- (iv) **Focus attention** – Another way in which goals improve the performance is by drawing the individual's attention to the goal to be attained. Setting up a goal helps an individual to be focused on some objective and avoid all the distractions. This in turn helps to improve performance and productivity.
- (v) **Energizing** – Yet one more way in which goals help in improving performance is through the energizing capacity of the goals. Goals may energize an individual and inspire the individual to attain the objectives set for oneself.
- (vi) **Effective strategies** --- Goals also create a change in the way in which the employee works and performs the task. When an individual has a goal, he or she can develop strategies that will help in the attainment of the goals. This makes him or her perform better than in the absence of a goal.

Thus the goal-setting theories suggest that goals help in improving performance by producing changes in the cognitive and behavioural processes.

Studies on goal-setting theories have also tried to differentiate the types of goals in determining their effectiveness. Studies have shown that learning goals in comparison to performance goals have a higher impact on making goals effective. Thus it states that there are two types of goals – Learning goals and performance goals.

- (i) **Learning goals** – This type of goal emphasizes the employee focussing on learning the skill. When an employee sets up a goal to develop a better understanding of the work and the process involved in undertaking the work, it involves learning goals. For example, a machine operator may focus on understanding how the machine should be operated in the best possible manner and the mechanism involved in its functioning. In this case, his goal is to learn the task better.
- (ii) **Performance goals**- This type of goal emphasizes focusing on the attainment of the goal rather than on learning anything. Thus if the employee wants to only improve productivity so that the goals are attained, it may involve Performance goals rather than learning goals.

A study by Winters and Latham (1996) found that setting a learning goal was more effective than a performance goal. Cianci et al. (2010) showed that employees who had learning goals were less prone to tension and they performed better even after negative feedback, compared to those employees who had performance goals. This shows that what type of goal is set by the individual is very important in deciding the performance level of the employee.

In this way, the Goal-setting theories have explored how and why goals have an impact on the performance of the employee. A very important advantage of this theory is the ease of implementing this theory. This makes

this theory a very popular theory in an industrial setup. This theory suggests that managers and subordinates should set goals and if rewards are tied to the attainment of goals, it can result in improved performance and personal satisfaction in the employee. Studies have shown the utility of this process in improving performance and productivity. A study of 267 participants from the business sector by Matthews (2015) showed that – Informants who sent weekly reports and wrote down their goals accomplished much more than those who had not.

This theory also states the importance of guidance provided to the employee and the supervisor in setting effective goals. It is also necessary for the manager to stimulate goal acceptance through measures such as –

- (i) Involving the subordinates in the goal-setting process
- (ii) Offering guidance towards the attainment of the goal
- (iii) Connecting the attainment of the goal with rewards and reinforcements.

However, the goal-setting theory has been criticized for several reasons. One limitation of this theory is the level of stress experienced by the employee when the goals that are set for them are too high and difficult. Another difficulty that is experienced is when an employee has to attain more than one goal. For instance, if the employee is given the task of completing two projects simultaneously, it may become difficult for him or her to completely focus on either of them and often it may cause conflicts within the individual. In the present industrial environment, it is not uncommon to have multiple bosses and so different goals set by each one of them. In such a situation, very often, one or both works may suffer. Another important limitation pointed out towards the goal-setting theory, is the effect that it has on co-operation and helping behaviour towards the co-worker. Goal attainment may produce competitiveness amongst the employees and sometimes it may prevent the person from helping a co-worker and showing a cooperative attitude.

Overall, although a very important theory of work motivation, the theory of Goal-setting has to be implemented carefully in order to effectively motivate an employee.

In the previous section, we saw how goal-setting can influence performance. Let us now see another theory of employee motivation called the 'Control Theory'.

2.4 CONTROL THEORY

Another theory that explains the nature of employee motivation is the Control Theory. This theory is different from all the other theories since it has been derived from the study of mechanical processes and the proponents of this theory have emphasized similarities between machines and human behaviour, with respect to the systems.

The Theory of Control is based firstly on the assumption that human beings as well the society may be described as a system. Just as a mechanical process which is designed by human beings has different components which form a system, similarly human beings and society also are a complete system in themselves, made up of different components. Just as in a machine, the different systems are connected and related to one another, and human beings and society too share the same feature. Another assumption of this theory is that the systems are self-regulating and have the means to bring themselves back to the state of equilibrium whenever there is any change in the system. The third assumption of this theory is that people seek feedback and depending upon the feedback they realign their goals. This makes it similar to the Goal-setting theory. However, Control theory does not emphasize only the importance of the goal, but the importance of the feedback and the mechanisms adopted to attain equilibrium.

According to this theory, feedback is an important component of motivation and performance enhancement and it analyses how feedback results in an improvement in the performance of an employee. When an employee receives positive feedback about performance, it creates a state of equilibrium. However, if an individual receives negative feedback it creates a state of disequilibrium and the individual engages in a set of actions to bring about equilibrium.

This theory states talks prominently about the feedback loop and the four basic constituents of the feedback loop. Let us now look at the four components of the feedback loop to understand how this loop helps in determining the performance of the employee.

- (i) **Sensor** – Feedback informs an individual about whether the level of performance is up to the mark or not. Just as a machine has a mechanism to detect when there is disequilibrium, the sense organs help human beings to detect when there is a difference between what we want to attain and what is attained. The report of the appraisal through our sense organs or self-evaluation makes an individual sense the disequilibrium. Detection of the disequilibrium sets the feedback loop into further action. For example, when an individual is not given a promotion, or when he introspects and finds that there is a difference between what he or she is doing and what he desires to attain, the sensor system will put the individual into action.
- (ii) **Referent standard** – This is another component of the feedback loop. After sensing the feedback, an employee will compare the present state to what he or she has desired to attain. This involves referent standards or the standard that an individual will compare. An individual who is not given a promotion and is moved by the situation will compare his or her performance with the desired level of performance.
- (iii) **Comparator** – A very important component of the feedback loop is a ‘comparator’. In order to know the difference between the present performance and the referent standard, there is a need to have a system

that will help the individual to compare. This is called the comparator. Sometimes an individual may have a comparator within himself by evaluating his or her own performance or at other times the comparison may be offered by somebody (Supervisor). It is very important that the comparator is sensitive and realizes the difference between the referent condition and the present condition for the feedback loop to improve the performance.

- (iv) **Effector** – This is the part of the system that is important to take the necessary action in order to change the state of disequilibrium and bring about equilibrium. After understanding the discrepancy between the required state of performance and the present state, the effector system refers to the action that is undertaken by the employee to reduce the discrepancy and bring the system to a state of equilibrium. After having understood that the performance is not sufficient to get a promotion, it is important that the employee takes the necessary steps, and modifies the way in which he works, so that it will help him or her to reach the desired state.
- (v) **Retirement** – This part of the feedback loop system will be attained when the desired state is reached, or the equilibrium is attained. So with efforts when the individual reaches the desired state of performance, it may produce a state of retirement. However, Control theory states that an employee will continuously compare the performance with the desired state and will monitor the effector or performance to attain equilibrium.

Thus with the help of the different components of the feedback loop, an individual uses the feedback to modify the behaviour or the goals and thereby improve the performance.

The later developed control theory continues to use the concept of negative feedback loop – that is the importance of sensing the discrepancy between the desired and the actual state of performance. However, it also understands that the control system in human beings does not merely work in a mechanical manner. There are different cognitive systems that influence how human beings react to negative feedback about performance. Also, it is recognised that human beings use different alternatives for reducing the discrepancy between the two conditions (Lord & Hanges, 1987)

One of the important strengths of this theory is the importance given by this theory to the feedback process. This makes it easy to implement the theory in the Industrial setup. This improves the practicality of this theory. It also analyses the feedback system into components and explains how feedback works in order to produce the necessary changes in employee behaviour.

However, there are some important limitations of this theory that need to be reflected upon. One important limitation lies in the assumption of this theory that human beings seek feedback about their performance and the different actions undertaken by them. This assumption is questionable.

Another important criticism raised against this theory is the comparison that it makes between machines and human beings.

However, with the present level of research related to this theory, further research is needed to evaluate the conclusions drawn by this theory. However, this theory may definitely be useful to the organization to plan its feedback system and evaluate it to make it a complete and effective system.

High-performing employees differ from others in many respects. One way in which they differ is in the actions or behaviour shown by them to attain the goals. The Action theory explains employee motivational behaviour by analysing the behaviour shown by the high-performing employees and its importance in improving their performance. In this section let us see the Action theory of employee motivation.

2.5 ACTION THEORY

This theory was developed by German Work psychologists in the 1960s. This theory studies the role of actions undertaken by the employee towards the fulfilment of the goals. An individual may set up a goal for himself or herself or perhaps it has been set for him by his or her supervisor. Following this goal, what action an individual takes can have an influence on the performance of the employee. It is this behaviour that is studied by the Action Theory.

The action theories pay attention to the sequence or the ordering of the action and also the structure of the action. Let us look at these two aspects one after the other.

The first aspect of action that the Action theory analyses is the sequence of action. It talks about 5 different phases of the action sequence –

- (i) **Goal development and Choice of goal** – According to the Action Theory, the first action that determines the performance of the employee is whether they develop a goal for themselves or not. An individual who has no goals will perform differently than an individual who sets up a goal or accepts a goal set for him. Also when there are competing goals, how does the individual make a choice of goal, will determine the performance of the employee. For instance, if the employee has to choose between work and relaxation, what choice he makes about the action will determine the performance.
- (ii) **Orientation** – After the acceptance and choice of goal, the further action that is important is the actions taken to develop an orientation towards the attainment of the goal. This involves whether the individual is collecting all the relevant information about the work to be done and the information about the organization so that he or she can plan for the attainment of the goals. An employee who undertakes the necessary action to collect different information about how he or she can attain the goal will perform better as compared to an individual who does not do so.

- (iii) **Plan development and selection**– This is the third stage, which involves developing a plan of action or designing a plan for the attainment of the goal. The employee after having understood the task and the environment of the organization will have to plan how he or she will go about reaching the goal that has been decided. Sometimes there may be alternative plans. In this case, the employee has to select the one that is the most appropriate for him or her.
- (iv) **Execution of the plan and monitoring** – Once the individual decides upon which course of action or which alternative will be the most appropriate for him or her, then it is necessary to execute that plan and put it into action. While the individual is executing the plan, there may be some modifications that may be required as well. For example, if an individual has decided to complete the work by sitting at a stretch for 5 hours, then during the execution stage, it is necessary to check whether the plan is effective or not. In case the work becomes tiring at the end of the 2nd hour, the employee will have to modify the next set of actions that will be required.
- (v) **Feedback** – According to the Action Theory, this step involves whether the feedback has been processed. Processing the feedback helps in knowing whether any further action is required to attain the goal that has been developed.

The action theory thus looks at the different behaviour undertaken by the employee and analyses the behaviour to understand what produces better work performance.

Action theory also distinguishes different levels of Action Regulation by ordering it from the lowest to the highest level –

- (i) **Sensorimotor level** – This is the lowest level of action regulation undertaken by an employee. It consists of those actions that do not require any conscious attention. It includes all the mechanical responses given by the individual. Thus when an accountant who has to complete the books of accounts by the end of the month, asks all the departments to send their expenditure and collects the information about the expenditure of the organization. Here to achieve the goal or target, the accountant is mechanically undertaking the necessary action.
- (ii) **Flexible action pattern** –The actions at this level requires conscious actions by following some rules or ready-made schemas. For example, after collecting the data from the different departments, the accountant follows the rules that have been decided and puts them into different sections, it will involve a flexible-action pattern.
- (iii) **Intellectual level** – This level of action involves actions that are of a higher level than the flexible action level. Here the individual has to be more conscious and has to learn new actions that will help the individual to reach the goal. Thus if the accountant gets stuck up or

confused, he or she will have to think about the entry and make a rational decision about where and how to make the entry.

- (iv) **Heuristic level** –Many situations involve a higher level of action, where the individual has to look into the situation and act by using problem-solving or even creative thinking. For example, if the accountant has to make an entry of a new kind of transaction, he will have to think consciously and reflect deeply upon it to see its impact on the accounts.

Thus the Action theory analyses the effectiveness of a person in terms of the sequence of actions undertaken by the employee and the hierarchical level of the actions required for reaching the goals.

The various researches related to action theory have been exploring what factors in the work environment can influence the actions undertaken by the employee. For instance, studies have shown that when the work environment encourages people for forward-thinking, it is more likely to produce planning actions. For instance, when the organizations ask the department to give their plan of action at the beginning of the year and evaluated it periodically, it makes the employee plan and take actions in keeping with the plan.

The research studies related to this theory have also tried to explore why some people are more productive and effective, in comparison to others – with respect to the kind of actions that they undertake. Some of the research studies have shown that those employees who are more effective are those who spend more time planning and formulating strategies for the attainment of goals than those who are less effective. Similarly, the individual's psychological states are also studied for their influence on actions undertaken by them. For example, individuals, who are distractible and state-oriented, are found to have difficulties in reaching the goal, since they get distracted very easily.

Thus this theory tries to explore the nature of actions or behaviour that determines the performance of the employee.

This theory is an important advancement in our understanding of the motivational state of the employee. It helps in focusing on the actions and behaviour of an individual and does not look at the motivational state as only internally driven by needs and goals. It also provides the organization with ways to improve the performance of the employee by focusing on their actions and trying to alter their actions, which in turn may help in improving their performance. Although the theory talks about actions, it looks at the actions in a more holistic way by seeing how the environment and the personal factors can influence the actions.

2.6 SUMMARY

In this unit, we continued with the theories of employee motivation. Since employee motivation is a very important function of I/O psychologists, it is very important to understand the different processes and factors involved in

employee motivation. This unit described four theories – Justice theory, Goal-setting theory, Control Theory, and Action Theory. Each of these theories explains the different processes involved in employee motivation. The Justice theory describes motivation as a function of the perception of fairness and equity that exists in the organization. The goal-setting theory explains the role played by the goals in motivating an employee to perform better. Employees perform better when they have specific goals to be attained. Another theory that helps in understanding the nature of motivation is the Control Theory, which states the important role played by feedback. With the different components of the feedback loop, the feedback system helps an individual to modify the goals or actions so as to attain a state of equilibrium. This modification may influence the performance of the employee. Apart from the role of goals and feedback, the actions undertaken by the individual are also a strong determinant of performance. The Action theory of employee motivation explains how the difference in the actions taken by the employee produces differences in their performance. It analyses the actions in terms of the sequence and the hierarchical level to explain the differences in the performance level demonstrated by the employee.

2.7 QUESTIONS

What are the different types of Fairness as expressed by the Fairness Theories?

What are the characteristics of goals that make them more effective?

Explain the ways in which goal-setting leads to improvement in performance

Explain the importance of feedback in employee motivation.

Describe the Justice theories of employee motivation in light of Adam's Equity Theory and Fairness theory.

Evaluate the Goal-setting theory of employee motivation.

Write Short Notes on –

- (a) Control Theory of motivation
- (b) Action Theory of motivation

2.8 REFERENCES

Spector, P.E. (2012). Industrial and Organizational Psychology: Research and Practice. Singapore: Wiley. (Indian reprint 2016)

Aamodt, M.G. (2013). Industrial Psychology (7th ed.) Boston, MA: Cengage Learning

Shultz D. & Schultz S.E. (2010). Psychology and Work Today, Pearson Education, Inc.

JOB SATISFACTION AND PRODUCTIVE AND COUNTERPRODUCTIVE EMPLOYEE BEHAVIOUR - I

Unit Structure :

- 3.0 Objectives
- 3.1 Introduction
- 3.2 The nature of job satisfaction; how people feel about their jobs
- 3.3 Assessment of job satisfaction
 - 3.3.1 Job Descriptive Index (JDI)
 - 3.3.2 Minnesota Satisfaction Questionnaire (MSQ)
 - 3.3.3 Job in General Scale (JIG)
- 3.4 Antecedents of job satisfaction
 - 3.4.1 Environmental Antecedents of Job Satisfaction
 - 3.4.2 Personal Antecedents of Job Satisfaction
- 3.5 Potential Effects of Job Satisfaction
- 3.6 Summary
- 3.7 Questions
- 3.8 References

3.0 OBJECTIVES

After reading this unit students will be able to understand –

- What is job satisfaction and what is its nature?
- Why and how do people feel about their jobs?
- How job satisfaction is assessed?
- What are the environmental antecedents of job satisfaction?
- What are the personal antecedents of job satisfaction?
- What are the potential effects of job satisfaction?

3.1 INTRODUCTION

Apart from motivation, job satisfaction is another most important variable that can either make or break an organization. It contributes to not only the productivity of an organization but also to the physical and psychological health of the employees. In fact, studies have shown that job satisfaction can influence the health of an employee even after his retirement. It is already a well-established fact that the most important resource that

organizations have is human resource, i.e., its employees. The competitors of a company can replicate all other resources of a company, except the human resource. A highly satisfied worker will be motivated to give higher productivity, will be loyal, and be highly committed to the organization. There will be fewer chances of such a worker leaving the organization. High turnover of employees (i.e., employees joining an organization but leaving in a short period of time) results in wastage of resources for an organization and thus hampers the growth of the company. Since job satisfaction has a great impact on both, organizations and workers, many psychologists have been interested in understanding – what are the factors that contribute to job satisfaction, how it can be measured, what is the impact of low job satisfaction, and how it can be improved. So let us begin with first of all understanding what is the nature of job satisfaction.

3.2 THE NATURE OF JOB SATISFACTION: HOW PEOPLE FEEL ABOUT THEIR JOBS

The Nature of Job Satisfaction

Spector defined job satisfaction as the way people feel about their job and its various aspects. It is the extent to which people like or dislike their job.

job satisfaction is a set of favourable or unfavourable feelings and emotions with which employees view their work (Karatepe, Uludag, Menevis, Hadzimehmedagic, & Baddar, 2006).

Job satisfaction refers to the attitudes and feelings people have about their work. Positive and favourable attitudes towards the job indicate job satisfaction. Negative and unfavourable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006).

Job satisfaction is the collection of feelings and beliefs that people have about their current job. People's levels of degrees of job satisfaction can range from extreme satisfaction to extreme dissatisfaction. In addition to having attitudes about their jobs as a whole. People also can have attitudes about various aspects of their jobs such as the kind of work they do, their coworkers, supervisors or subordinates, and their pay (George et al., 2008).

According to these definitions, the concept of job satisfaction and job dissatisfaction will be applicable to any given work situation.

Based on Gestalt theory, psychologists believe that an employee can have overall job satisfaction for the job as a whole, as well as, he/she can have job satisfaction for specific parts of the job. The overall feeling for one's job is known as the global approach and feelings towards a specific part of the job are known as the facet approach. For example, a worker may be happy with his boss, co-workers, the type of job that he is doing, the work environment, etc. but may be dissatisfied with the salary component of the job. This will be called the facet approach. On the other hand, when the worker is overall satisfied with all components put together, that will be called the global approach.

How People Feel about their Jobs

Research studies carried out on job satisfaction across the nations show that all countries differ in the level of job satisfaction of their employees. For example, Pichler and Wallace (2009) compared 27 European countries and found that Scandinavian countries like Denmark, Finland, and Sweden had the highest level of satisfaction while East European countries like Bulgaria, Poland, and Latvia had the lowest level of satisfaction among these 27 European countries. Similarly, Spector, Cooper, Sanchez, O'Driscoll, Sparks, et al. (2001) carried out another study in 24 countries across the globe, not restricted to only Europe, and they found that the highest level of satisfaction was in Canada, India was on the fifth number while America was on the sixth number in the level of satisfaction. The lowest amount of satisfaction was found to be in England.

While these studies made it amply clear that employees of different countries have different levels of job satisfaction, these studies did not shed any light on the reasons for these differences.

Some psychologists tried to explain the difference in job satisfaction in terms of varied cultural values. They believed that people differ in their basic values in different cultures and that has an impact on job satisfaction. Hofstede (2001) investigated the cultural values of 50 countries and concluded that although all people in a specific country or culture do not have the same identical cultural values, but if we take overall average differences of the cultural values that are closely connected with a workplace, then these values can be categorized into four categories. These are:

- o Individualism/collectivism
- o Masculinity
- o Power distance
- o Uncertainty avoidance

Individualism

When people are more concerned about their own needs and interests and do not bother about others' needs and interests, when people see themselves as autonomous, it is called individualism. Western nations such as Australia, Canada, the United Kingdom, and the United States have highly individualistic culture.

In contrast, people who consider themselves as part and parcel of a group, derive their identity from the group and even ignore their personal interests and needs for the sake of their group's needs and interests belong to a collectivist culture. Asian countries like India, China, Japan have collectivist culture.

People in individualistic societies are appreciated and rewarded for their achievements, but in collectivistic cultures, individuals are seldom appreciated and rewarded for their achievements as the successful relationship with relevant groups is considered as more important than their individual achievements. In other words, in a collectivist culture, an individual is considered successful if he has closer ties with his group members and gets social support from them.

In countries having collectivist culture, organizations give more emphasis on loyalty, seniority, and age. Employer and employee relationship is like family relationship and employee will be more committed to his family than to his organization. Employers prefer to hire and promote their own family members or friends rather than take people from other groups. Very often, merit is given low weightage and family relationships are given more weightage in hiring and promotion.

Masculinity

Hofstede (2001) explained masculinity as the degree to which a society emphasizes traditional masculine qualities such as advancement and earnings. In high-masculinity societies, there are well-demarcated gender roles and work is of paramount importance to people. Work takes priority over other aspects of a person's life, such as family and leisure. Employees work very long hours and take very little vacation time.

Hofstede (2001) found that countries like Australia, Canada, Germany, Mexico, Japan, and England have high masculine culture while France, Spain, Denmark, and Finland have low masculine culture. China, Greece, Brazil, and India have medium masculine culture. Countries having high masculine culture have the longest working hours for their employees while countries having low masculine culture more importance to leisure activities.

Power distance

Power distance refers to the degree of differences in power and authority acceptable to members of a given culture. In cultures having **high power distance as a societal value**, people not only find power inequality as acceptable but also consider it as beneficial for society. In such cultures, it is taken for granted that some people are more powerful than others and they are entitled to special benefits. Managers in countries having high power distance demand obedience from subordinates.

On the other hand, cultures with **low power distance as societal values believe that** all members are equal. In high power distance cultures, the acceptance of inequality among employees in an organization is based on the early socialization process. In such cultures, children are supposed to obey the higher authority figures such as parents and teachers and not to question them. Later on, this socialization gets transferred to work-life too, where it is expected that subordinates will accept managers' orders without question.

Hofstede (2001) found that countries like Australia, Canada, Germany, Denmark, Finland, England, and America had low power distance while countries like China, Mexico, France, Brazil, and India had high power distance. Countries like Spain, Greece had medium power distance as a cultural value. Very surprisingly, Japan also had low power distance as a cultural value.

Societies having high power distance tend to have organizations that are highly centralized and have a tall hierarchy with clear levels of managers and subordinates. In such organizations, managers use an authoritarian managerial style and rely on formal rules to manage. Subordinates too expect to be ordered and consider an autocratic boss as a perfect boss. There is a vast difference in the salaries of managers and subordinates.

In low power distance organizations, the democratic manager is considered a perfect boss and there is not much salary gap between the managers and the subordinates.

Uncertainty avoidance

Hofstede (2001) described uncertainty avoidance as the degree to which people in a society are comfortable with risk, uncertainty, and unpredictable situations. In high uncertainty avoidance societies, people tend to avoid uncertainty and unpredictability. Companies in these cultures have formalized management structures and written rules and procedures. Managers are expected to give clear and explicit directions to their subordinates about exactly what is expected of them in performing their jobs. Clarity of work roles reduces any kind of ambiguity and subordinates become less anxious.

Work environments in such countries tend to give stability. Organizations do not encourage any innovations.

On the other hand, societies with low uncertainty avoidance are comfortable with risk, change, and unpredictability. Organizations in such societies welcome innovators. There are fewer rules and regulations and employees have more flexibility.

Anglo and Scandinavian countries such as Australia, Canada, Denmark have relatively low uncertainty avoidance while countries like Brazil, Mexico, France, Finland, Spain, Germany, and China have medium to high uncertainty avoidance cultures.

The cultural aspect is a very significant determinant of the level of job satisfaction of the employees. For instance, Hui, Yee, and Eastman (1995) showed that employees from collectivist countries were more satisfied with coworkers than were people from individualist countries. Similarly, Huang and Van de Vliert (2003) found that employees who are tolerant of large power distances are less satisfied with their jobs.

3.3 ASSESSMENT OF JOB SATISFACTION

Psychologists have been assessing job satisfaction by predominantly two methods – administering questionnaires or conducting interviews. Out of the two methods, administering a questionnaire is a more popular method because it is easy to administer and less time-consuming. Another advantage is that employees can respond to the questionnaire anonymously. This helps them to express their attitudes freely without any direct or indirect pressure or fear of repercussions. When data is collected through the interview method, the chances are very high that employees will give socially desirable answers and not be very honest. Some researchers collect data about employees' job satisfaction by asking the supervisor of those employees but such data may not be accurate because only the employee knows about his true attitudes. The most appropriate method, then, is to collect data through the questionnaire method. Let us now see some of the most popular tests used to measure job satisfaction.

3.3.1 Job Descriptive Index (JDI)

Job Descriptive Index (JDI) is one of the most used scales by researchers. It was developed by P. C. Smith, Kendall, & Hulin (1969). This scale has five sub-sub-factors:

1. Work
2. Supervision
3. Pay
4. Co-workers
5. Promotion opportunities

There is a total of 72 questions/ items. These items are in the form of either an adjective or a short phrase that describes the employees' feelings towards the above-mentioned five factors of the job. A three-point Likert scale in the form of 'yes' 'No' and 'uncertain' is used to get responses. Each sub-factor is briefly explained before the questions/items are presented pertaining to that sub-factor.

The respondent employee is asked to think of how he feels most of the time on his present job and respond to each question by placing his response as either yes or no or uncertain, in the blank given besides the question. For example –

WORK ON PRESENT JOB

Routine _____

Satisfying _____

Good _____

<p>PRESENT PAY</p> <p>Income adequate for normal expenses _____</p> <p>Insecure _____</p> <p>Less than I deserve _____</p>
<p>SUPERVISION</p> <p>Impolite _____</p> <p>Praises good work _____</p> <p>Doesn't supervise enough _____</p>
<p>CO WORKERS (PEOPLE)</p> <p>Boring _____</p> <p>Responsible _____</p> <p>Intelligent _____</p>
<p>OPPORTUNITIES FOR PROMOTION</p> <p>Dead-end job _____</p> <p>Unfair promotion policy _____</p> <p>Regular promotions _____</p>

This scale is extensively used in organizations and has high validity. The only shortcoming of this scale is that it measures only five aspects of the job and most of the jobs have more than five dimensions. So a greater part of the job is not measured by this scale.

3.3.2 Minnesota Satisfaction Questionnaire (MSQ)

Another very popular scale used to measure job satisfaction is Minnesota Satisfaction Questionnaire (Weiss, Dawis, Lofquist, & England, 1966). **MSQ overcomes the limitation of JDI and measures 20 dimensions of the job.**

There are two forms of the Minnesota Satisfaction Questionnaire. One form has 100 questions measuring 20 dimensions of the job and there is a short form that has only 20 questions, i.e., one question for each dimension. The MSQ measures job satisfaction in terms of three aspects – internal satisfaction, external satisfaction, and global satisfaction. The long version of MSQ measures all three aspects of job satisfaction but the short form of MSQ can measure either global job satisfaction or intrinsic – extrinsic job satisfaction of the employee.

Intrinsic satisfaction refers to the nature of the job tasks themselves and how people feel about the work they do. Extrinsic satisfaction refers to factors

other than work itself such as working conditions, relationships with coworkers, fringe benefits and salary, etc. Both types of satisfaction are a combination of various dimensions. The twenty dimensions measured by MSQ are –

1. Activity	11. Ability utilization
2. Independence	12. Company policies and practices
3. Variety	13. Compensation
4. Advancement	14. Supervision (human relations)
5. Responsibility	15. Supervision (technical)
6. Creativity	16. Security
7. Moral values	17. Working conditions
8. Social service	18. Coworkers
9. Achievement	19. Authority
10. Recognition	20. Social status

{**Source:** From *Instrumentation for the Theory of Work Adjustment*, by D. J. Weiss, R. Dawis, L. H. Lofquist, and G. W. England, 1966, Minnesota Studies in Vocational Rehabilitation, xxi, Minneapolis: University of Minnesota.}

For both forms, questions are presented in the form of a statement that describes a particular facet of the job. Respondents are asked to indicate, on a five-point Likert scale, how satisfied they are with each of the dimensions. High scores indicate higher job satisfaction.

3.3.3 Job in General Scale (JIG)

Job in General scale was developed by Ironson et al. (1989) as a complementary scale to JDI. It measures only global job satisfaction and not facet-wise satisfaction. JIG contains 18 questions in the form of adjectives or short phrases about the job in general. Just as in JDI, in JIG too, the respondents are asked to choose one option out of three options (yes/ No/ Uncertain) and indicate it in the blanks given besides the questions.

The only difference between JDI and JIG is that JDI is associated with short-term feelings, i.e., how an employee is feeling about a particular facet of the job right now, while JIG is associated with long-term feelings. Another difference between JDI and JIG is that JIG contains some of the questions about some of the aspects of the professions that did not exist before. JIG has high reliability and validity.

The sample of JIG is as follows –

Think of your job in general. All in all, what is it like most of the time? In the blank beside each word or phrase below, write Y for “Yes” if it describes your job N for “No” if it does not describe it? for “?” if you cannot decide

<input type="checkbox"/> Pleasant	<input type="checkbox"/> Better than most
<input type="checkbox"/> Bad	<input type="checkbox"/> Disagreeable
<input type="checkbox"/> Great	<input type="checkbox"/> Makes me content
<input type="checkbox"/> Waste of time	<input type="checkbox"/> Inadequate
<input type="checkbox"/> Good	<input type="checkbox"/> Excellent
<input type="checkbox"/> Undesirable	<input type="checkbox"/> Rotten
<input type="checkbox"/> Worthwhile	<input type="checkbox"/> Enjoyable
<input type="checkbox"/> Worse than most	<input type="checkbox"/> Poor
<input type="checkbox"/> Acceptable	
<input type="checkbox"/> Superior	

{Source: The Job in General Scale Bowling Green State University 1982-2009}.

The question arises whether the sum of satisfaction scores on different facets of jobs can be considered as global job satisfaction or not? Many researchers have dwelt on this question and concluded that the sum of facets' satisfaction can be considered as global satisfaction of the job. However, this is partly true. Research studies in favor of considering global satisfaction as the sum of different facets' satisfaction have shown that there is a high correlation between scores on different facets and score of global satisfaction. Those who disagree with this belief argue that summing up scores on different facets and considering it as global satisfaction, presumes that all facets have been assessed and that each facet contributes equally to global satisfaction. But this can't be true. Due to individual differences, we cannot accept that each facet makes an equal contribution to the global job satisfaction of an employee. For every employee, some dimensions are more important than other dimensions. So, we can merely say that the sum of facets is an approximation of overall job satisfaction, but it may not exactly match the global satisfaction of employees.

3.4 ANTECEDENTS OF JOB SATISFACTION

Since job satisfaction is such an important topic, many researchers have been trying to unravel the mystery of what are the factors that contribute to job satisfaction. The psychologists are trying to determine why do people like or dislike their jobs? We have seen in the assessment of job satisfaction that all dimensions of the job are not equally important for all employees. So, it is important to dwell upon what are various antecedents of job satisfaction.

Initially, most of the studies focused on external factors such as the nature of the job, work environment, and many other factors that you have already learned in the previous module of motivation. However, later on, psychologists noticed that some people are highly satisfied, irrespective of their job conditions, salary, etc. So, psychologists decided to look beyond

these external factors and look at internal factors or what we call personal factors, such as the personality of an employee. There are some people who remain happy in any condition and there are some who are always dissatisfied, no matter how good the job conditions are. Similarly, it was also shown by some of the studies that people are highly satisfied with their jobs if there is a person-job fit. This is known as the interactionist perspective of person-job fit. What it means is that different people like different parts of the job and job satisfaction is the outcome of appropriately matching the individual to the job. In nutshell, we can say that there are three types of antecedents of job satisfaction – environmental, personality, and interactionist. Let us see all three of them in some detail.

3.4.1 Environmental Antecedents of Job Satisfaction

The environment here refers to the workplace environment. The workplace environment can generate either a positive or negative feeling towards the job. The workplace environment is composed of many components such as characteristics of job tasks, pay, relationship with co-workers and bosses, justice in the workplace, and the impact of stressful job conditions. Let us look at some of these components.

a) Job Characteristics

Job characteristic refers to the nature and content of the job tasks included in the job. Hackman and Oldham (1976) described 5 characteristics such as

- o **Skill variety** - The number of different skills necessary to do a job. If too many skills are required, that may be overwhelming for a person or maybe beyond his capacity. On the other hand, if very few skills are required, that may make the job very boring and monotonous. For example, a postman's job who is required to just put a stamp of the date on incoming and outgoing mail will be very boring as it does not require him to think much.
- o **Task identity**- Whether or not an employee does an entire job or a piece of a job. If an employee is doing a complete job, from start to finish, he will be able to identify with the task. In other words, having a clear understanding of what exactly a person is supposed to do, having control over that process, and being able to see the final product can generate a sense of satisfaction. For example, a carpenter who makes a table from start to finish can see how well he has done the work and feels satisfied with it. On the other hand, his assistant who was asked to just keep putting nails on a plank of wood that was given to him will not be able to identify with the final product and that may lead to dissatisfaction.
- o **Task significance** - The impact a job has on other people. An employee feels very satisfied if he has a feeling that his work contributes significantly to the productivity of the organization

or makes a difference to other people's life. For example, a surgeon will derive great pleasure in knowing that the patient he operated upon has become healthy again.

- o **Autonomy** - The freedom employees have to do their jobs as they see fit. People do not like to be micromanaged or told each and everything that needs to be done. They will experience a sense of responsibility and task significance only when they take their own decisions. Let us take the example of the surgeon that I have mentioned above. Suppose, there was another senior doctor telling him during operation, cut here, stitch there, etc. that surgeon would not have experienced autonomy and would not feel proud or satisfied with his work as he had been used as a robot.
- o **Feedback** - The extent to which it is obvious to employees that they are doing their jobs correctly. Getting feedback about how the job is done and how it can be improved is a natural need of every human being.

Many studies conducted across different types of jobs have shown that all of these five characteristics have a high correlation to job satisfaction. For example, Fried and Ferris(1987) conducted a meta-analysis of studies using Hackman and Oldham's model and found that correlations ranged from .20 for task identity to .45 for job scope. The scope was assessed by combining scores on all five core characteristics. However, Spector (2008) pointed out that all studies that were taken into consideration had used self-reported questionnaires to collect the data. When Spector and Jex(1991) used another method of collecting data, the results were different from previous studies.

b) **Culture:**

Similarly, it was found the culture of a country also influences the factors that influence job satisfaction. For example, it was found that by using the same methodology, the relationship between characteristics of work and job satisfaction were the same in a developed country like the USA and in developed cities of Asia such as Hongkong. However, by using the same methodology, Spector (2008) did not get the same results in Malaysia. The difference in job satisfaction related to different factors might be due to cultural factors. Malaysia is an Asian country and has a collectivist culture. Their relationship with co-workers and boss is a more important contributor to their job satisfaction than anything else.

Bhandari, Xiao, & Belan (2015) checked the factors that influence job satisfaction in multinational companies and they found that if multinational companies respect the cultural diversity of the population of each country, there is no difference in the job satisfaction of employees in relation to job characteristic factors. Culture does influence job satisfaction when the relationship with

colleagues is taken but no difference is found in job satisfaction in relation to the organization. Hongkong is a westernized country and that is why researchers got the same results there as in the USA.

When the quasi-experimental design was used some of the studies did show a short-term effect of job – characteristics on job satisfaction. But job satisfaction came back to its original levels after 2 years. This indicates that employees get used to changes in the job and their job satisfaction returns back to the baseline. In the beginning, job satisfaction may have increased due to the novelty of the situation and not necessarily due to an increase in job characteristics.

c) Pay

It seems to be common sense to assume that job satisfaction increases as the salary increases. But surveys conducted on pay do not show a positive relationship between pay and job satisfaction. The reason can be that salary-related job satisfaction is also influenced by perceived justice. Please refer to equity theory in the motivation module. If a person perceives that he is adequately paid according to his efforts, he will be satisfied, even if he is getting a low salary compared to others. On the other hand, if he perceives that his efforts are more than the reward (in terms of salary) that he is getting, he will be dissatisfied. He will be dissatisfied if he believes that others are getting more than him for the same amount of effort. So, fairness in the distribution of pay is more important than any other factor to determine the satisfaction in the pay facet.

d) Justice

As mentioned above the perception of fairness is more important than anything else in determining job satisfaction. There are two types of justice –

Distributive – Distributive justice refers to the extent to which people perceive the allotment of rewards at work to be fair

Procedural - Procedural justice is the extent to which people perceive the process by which rewards at work are allocated to be fair.

Cohen-Charash and Spector (2001) conducted a meta-analysis and found that both forms of justice are linked to both global and facet job satisfaction. They found that for pay satisfaction, distributive justice was more important than procedural justice. That means that though distributive and procedural justice, both are important for pay satisfaction but distributive justice is more important than procedural justice for pay. On the other hand, for supervision satisfaction, procedural justice was more important than distributive justice. This may be because the supervisor decides the procedures by which assignments and rewards are allocated.

3.4.2 Personal Antecedents of Job Satisfaction

a) **Personality:**

It is generally seen that some people remain happy under any circumstances and there are some people who can be labeled as negative people, they are constantly unhappy. This was observed in The Hawthorne studies too that were conducted in the 1920s to measure workers' response to an improved environmental condition such as lighting and other things. However, Hawthorne study researchers noted that there were some employees who could be labeled as 'chronic kickers', they always complained about their jobs, irrespective of whatever changes were brought in. When one of their complaints was taken care of, they came up with new complaints about some other aspects of the job. They were never satisfied. While there were others who were totally satisfied with even minor changes. In another study, Bowling, Beehr, and Lepisto (2006) studied the job satisfaction of frequent job changers. It was found that their job satisfaction remained the same across the jobs that they took up in the last five years. This indicated that their job satisfaction was partly influenced by their personalities rather than external factors.

Dormann and Zapf (2001) conducted a meta-analysis and concluded that job satisfaction remains stable over time when people remain on the same job for a longer time rather than when they change their job. Staw, Bell, and Clausen (1986) found that by measuring the personality of adolescents, it was possible to predict job satisfaction up to 50 years later.

While all the above-mentioned studies and many more do indicate that personality plays an important role in determining the job satisfaction of the person, they do not indicate which personality traits are responsible for that.

b) **Negative affectivity**

Negative affectivity means negative emotions. Some people have a natural tendency to feel negative emotions, such as anxiety or depression, across situations. Such people tend to view all aspects of their job in a negative way and thus remain totally dissatisfied. Connolly and Viswesvaran (2000), conducted a meta-analysis of 27 studies and found that there is a negative correlation between negative affectivity and job satisfaction. This indicated that as negative affectivity rises job satisfaction comes down in the same proportion.

Watson et.al. (1986) also stated that employees high on negative affectivity perceive their jobs negatively irrespective of the reality of the job.

c) Locus of control

Locus of control refers to a person's belief about how much control he has over reinforcement in life. Some people believe that they can control the reinforcement or outcome of their actions to a large extent. Such people are known as internals. There are other people who believe that they have no control over the reinforcement or outcome of their actions. Those people are known as externals. Externals believe that they can only put in efforts but ultimately the outcome of their efforts is decided by others or by fate, while internals believe that they can determine their fate. Research studies have shown that internals has higher job satisfaction than externals.

d) Gender

Meta-analysis of various research studies has found no gender difference in the job satisfaction of employees (Witt & Nye, 1992). Similarly, other researchers like Greenhaus, Parasuraman, and Wormley (1990) also found no gender difference, though males and females differed in their job nature and status. Men were mostly from the managerial category while females were mostly from the clerk category. One of the reasons for this finding can be that women have lower expectations from their jobs than men, so they are satisfied with less responsibility and less pay. Another reason can be that even now women perceive managing their house as their primary role and working on jobs as their secondary role. However, this is changing very rapidly.

e) Age

Psychologists wanted to study whether job satisfaction changes as the age of an employee increases or which age group is more likely to be highly satisfied? Studies have indicated that older employees tend to be more satisfied than younger employees. Birdi, Warr, & Oswald, 1995 conducted research across nine countries and found that there is a curvilinear relation between age and job satisfaction. That means that initially the job satisfaction falls and is lowest by the age of 26 to 31, after that it starts increasing and keeps increasing throughout work life. There can be many reasons for it. For example, at the time of taking up a job, the job satisfaction of a person is high and then after a year or so it starts falling. In the beginning, when a person takes up a job, it is a change of identity for a person. He is no more a student, he becomes a productive member of the family and society. He experiences economic independence. He comes with certain expectations on the job. However, after one or two years, the novelty of the job wears off, some of his expectations are also not met and his job satisfaction starts falling. It continues to fall till he reaches middle aged adulthood. By then, he would have achieved promotions and met many of his goals. He becomes too comfortable in his job. A combination of age and tenure on the job plays a part and his job satisfaction starts increasing again and keeps rising till his retirement.

f) Cultural and Ethnic Differences

Studies have indicated that in the USA, Blacks tend to have lower job satisfaction than whites. This may be due to factors such as blacks tend to get lower job performance ratings than whites.

Person-Job Fit

Person-job fit refers to the difference between what people have and what they want from their jobs. If the difference between wanting and having is small, an employee will have high job satisfaction, and if the gap between the two is big then a person will have low job satisfaction.

However, it also depends upon the interaction of specific person variables and job variables. For example, men may react differently than women to a specific job condition. So, there might be a positive correlation between that job condition and job satisfaction of men but no such correlation for women. In that case, gender becomes the moderating variable that influences the interaction between job condition and job satisfaction.

Researchers using Hackman and Oldham's (1976) theory found that employees having high growth need strength as a personality trait tend to have high job satisfaction if their jobs offer the satisfaction of higher-order needs, such as autonomy.

3.5 POTENTIAL EFFECTS OF JOB SATISFACTION

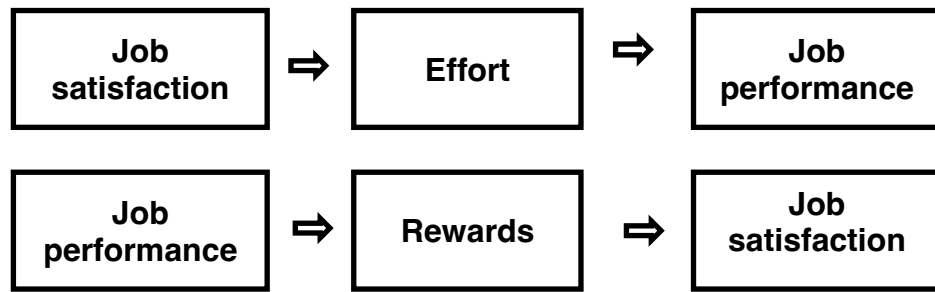
Now let us look at what impact job satisfaction can have on employees as well as on organizations. That will indicate why it is so important for us to study it.

Job Satisfaction and Job Performance

It is very natural to assume that there will be a strong negative relationship between job satisfaction and job performance. That is an unsatisfied employee will give an unsatisfactory performance. However, Judge, Thoresen, Bono, and Patton (2001) conducted a meta-analysis of 312 job satisfaction studies and found a very weak relationship between global job satisfaction and work performance. Judge, Thoresen, Bono, and Patton (2001), on the other hand, studied the relationship between facet satisfaction and job performance. They found that the correlation between job performance and facet satisfaction varied from one facet to another. For example, pay satisfaction was merely .05 while for other intrinsic factors it was up to .20. One of the reasons for such weak correlations can be an inaccurate measurement of job performance. Many studies have shown that supervisors' ratings of employees' performance suffer from rating errors. So, one cannot discard away the idea that there can be a relationship between job satisfaction and job performance.

In fact, Schleicher, Watt, & Greguras (2004) pointed out that it is a complex relationship that can have opposite explanations. There is a possibility that high job satisfaction might increase job performance. Another possibility is

that good performance might increase high job satisfaction. This is shown in the figure below Figure 3.1



{Source: Spector, P. E. (2012). Industrial and Organizational Psychology: Research and practice. Singapore: Wiley. (Indian reprint 2016)}.

If a person is satisfied with his job, he will put in more effort, more effort will lead to better job performance. On the other hand, if a person becomes more and more proficient in his job and his performance starts improving, the chances are high that he will be rewarded for it, which will increase his job satisfaction.

Job Satisfaction and Turnover

Studies have found a relationship between job satisfaction and turnover too. Turnover means the rate at which the number of employees join and leave a company within a given specific time period. It is expected and also found in many studies too that dissatisfied employees leave the organization. Though in developed countries, researchers have found a very strong predictive relationship between satisfaction and quitting, in developing countries, the relationship is much more complex. An employee may be dissatisfied with his job but he may not quit for various reasons such as lack of opportunities, convenience, etc.

Job Satisfaction and Absence

It is assumed commonly that people who don't like their job will take every opportunity to remain absent. However, studies have shown that the relationship is not consistent and very small. Some studies found a high correlation between the two variables and some found it very small. One of the reasons for this inconsistency can be that there can be many reasons for being absent from work and not just job satisfaction. For example, the employee either himself or any of his family members may be having health issues.

Health and Well-Being

Job dissatisfaction plays a very significant role in the health of the employees. Health-related variables that have been found to correlate with job satisfaction are physical symptoms such as sleep problems, upset stomach. It also correlates with negative emotions at work such as anxiety and depression (Bowling & Hammond, 2008). However, it is difficult to conclusively prove that job dissatisfaction correlates to more serious health

problems too such as heart disease (Heslop, Smith, Metcalfe, Macleod, & Hart, 2002).

Job and Life Satisfaction

It has been established that there is a positive correlation between job satisfaction and life satisfaction. Life satisfaction refers to overall happiness or emotional well-being.

There can be three reasons for it –

- a) Spill over hypothesis: Satisfaction/dissatisfaction in one area of life can spill over to another area of life. If an employee is not satisfied on the job, it can spill over to his family and social life. Alternatively, if he is not satisfied in the family or social life, it can spill over to work life.
- b) Compensation hypothesis: According to this hypothesis, dissatisfaction in one area of life leads to seeking satisfaction in some other area of life. So if a person is not happy at home, might seek to get that happiness in his work life.
- c) The segmentation hypothesis: This hypothesis assumes that people tend to compartmentalize their lives and that satisfaction in one area of life has no relation with other areas of life.

3.6 SUMMARY

In this unit, we discussed in detail the nature of job satisfaction. Based on the Gestalt approach, we saw that facet satisfaction can be different from global satisfaction. Then we discussed how people feel about their jobs. In that, we saw that cultural values play a very important role in determining the level of job satisfaction that an employee has. Hofstede divided cultural values into four categories – individualism vs collectivism, masculinity, power distance, uncertainty avoidance. Western cultures are predominantly individualistic cultures and Asian cultures are predominantly collectivistic cultures. Masculine cultures emphasize advancement and earnings and work takes priority over other roles. Power distance is a societal value. It refers to the social status of the person. There is more social distance in high power distance societies. Uncertainty avoidance refers to the degree to which people are comfortable in taking a risk and in uncomfortable situations.

Next, we discussed how to measure job satisfaction. Three different measures were discussed- Job Descriptive Index, Minnesota Satisfaction Questionnaire, and Job in General Scale.

Antecedents of job satisfaction refer to the factors that may influence job satisfaction. These factors can be categorized into two categories – environmental and personal antecedents. Environmental antecedents include job characteristics, culture, pay, and Justice. Personal antecedents include personality, negative affectivity, locus of control, gender, age,

cultural and ethnic differences. However, apart from these antecedents, another factor that can affect job satisfaction is person-job fit. Person job fit refers to the difference between what people have and what they want from their jobs

Lastly, we discussed what can be the potential effects of job satisfaction. We found there is a link between job satisfaction and performance, though it is not a straight-jacketed relationship. Both variables can become independent and dependent variables. Job satisfaction is also linked to turnover and life satisfaction.

3.7 QUESTIONS

1. How do people feel about their job?

2. What is culture, and how can culture be understood through Hofstede's cultural framework?

3. How job satisfaction can be measured?

4. Describe various personal antecedents of job satisfaction.

5. What are the potential effects of job satisfaction?

Job Satisfaction and
Productive and
Counterproductive
Employee Behaviour - I

3.8 REFERENCES

Aamodt, M.G. (2016). Industrial/Organizational Psychology: An applied approach (8thed.). Boston, MA: Cengage Learning.

Riggio, R. E. (2017). Introduction to Industrial/Organizational Psychology (7th ed.). New York, NY: Routledge

Spector, P. E. (2012). Industrial and Organizational Psychology: Research and practice. Singapore: Wiley. (Indian reprint 2016)

JOB SATISFACTION AND PRODUCTIVE AND COUNTERPRODUCTIVE EMPLOYEE BEHAVIOUR - II

Unit Structure :

- 4.0 Objectives
- 4.1 Introduction
- 4.2 Organizational commitment
- 4.3 Organizational Citizenship Behaviour (OCB)
- 4.4 Counterproductive work behaviour (CWB): Withdrawal
 - 4.4.1 Absence
 - 4.4.2 Lateness
 - 4.4.3 Turnover
- 4.5 Counterproductive work behaviour: Aggression, sabotage, and theft; labour unrest and strikes
- 4.6 Summary
- 4.7 Questions
- 4.8 References

4.0 OBJECTIVES

After reading this unit you will be able to understand –

- What is the organizational commitment?
- What is the relationship between organizational commitment and other variables?
- What is organizational citizenship behaviour?
- What are the counterproductive behaviours?

4.1 INTRODUCTION

Apart from motivation and job satisfaction, there are some other attitudinal factors that influence job performance, absenteeism, employee turnover, and the overall wellbeing of the workers. Some of such factors are organizational commitment, organizational citizenship behaviour, and counterproductive behaviours. Let us look at each one of these attitudinal variables.

4.2 ORGANIZATIONAL COMMITMENT

Arnold (2005, p 625) defined it as “the relative strength of an individual’s identification with and involvement in an organisation”.

It can be defined as the psychological attachment of an employee to his organization. The attachment to the organization is different from the attachment or liking for the job.

Porter et al (1974, p 604) defined organisational commitment as “an attachment to the organisation, characterized by an intention to remain in it; an identification with the values and goals of the organisation; and a willingness to exert extra effort on its behalf”.

Researchers believed that organizational commitment can be studied with two perspectives - the global and the component. Mowday, Steers, and Porter (1979) defined OC as the relative strength of an individual's identification with and involvement in a particular organization [it] represents something beyond mere passive loyalty to the organization. It involves an active relationship with the organization such that individuals are willing to give something of themselves in order to contribute to the organization's well-being (p. 226).

Thus, Mowday, Steers, and Porter (1979) thought of organizational commitment as a global or overall feeling and suggested that organizational commitment has three components –

1. An acceptance of the organization's goals
2. A willingness to work hard for the organization
3. The desire to stay with the organization

Later on, Meyer, Allen, & Smith (1993) developed a three-component model of organizational commitment, in which the three components are –

- a) Affective
- b) Continuance
- c) Normative

a) Affective commitment:

Meyer and Allen (1984) defined affective commitment as “positive feelings of identification with, attachment to and involvement in the work organisation”.

So, it refers to the emotional attachment of an employee with the organization. An employee's affective commitment will be high if his needs and expectations from the organization are congruent to his actual experiences. Factors that can influence affective commitment are job challenge, role clarity, good relations with coworkers and bosses, considerate management, personal feedback, importance, etc. If the affective commitment is high, it indicates that a person is happy with the organization and will be actively participating in organizational activities, will be following the work ethics. They stay with the organization because they want to.

b) Continuance commitment:

Meyer and Allen (1984) defined continuance commitment as “the extent which employees feel committed to their organisation by virtue of the costs that they feel are associated with leaving”.

In other words, continuance commitment means when a person is committed to the organization due to certain compulsions and not out of choice. For example, he thinks that if he leaves as organization, he will not find another job or the salary and other perks that he is getting on the present job in this organization will not be matched on another job, or he may lose retirement benefits, if he changes the job.

This type of commitment is calculative in nature as the employee decides to continue in the present organization based on the pros and cons of leaving the organization. It is an instrumental attachment to the organization and an employee will have high continuance commitment when there are limited options.

Tetrick (1995) described it as “an exchange framework, whereby performance and loyalty are offered in return for material benefits and rewards”.

c) Normative commitment

Allen and Meyer (1990) define normative commitment as “the employee’s feelings of obligation to remain with the organisation”.

Thus, normative commitment takes place due to the moral values of the employee. He may feel obligated to stay as company has invested so much for his training or that he has been look after well by the company, that he must not leave the company.

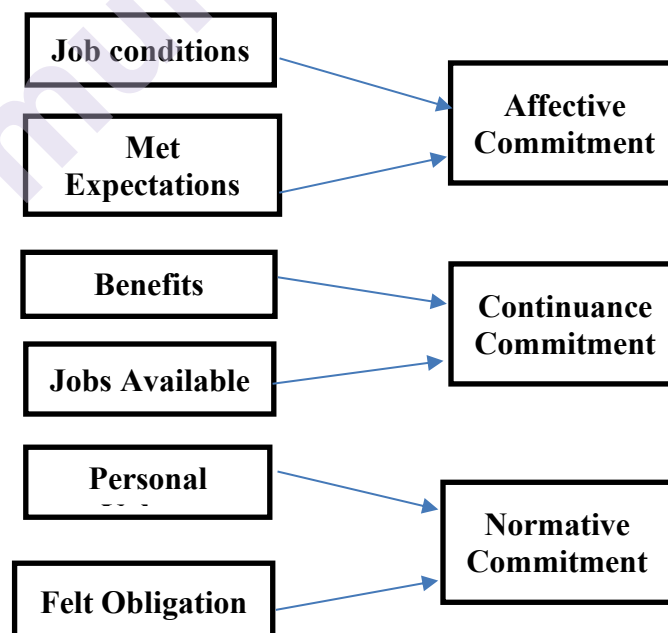


Figure 4: Three dimensional model of organizational commitment by Meyer et al. (1993)

{Source: }

Assessment of Organizational Commitment

Just as job satisfaction is often measured with self-report scales, similarly, organizational commitment is also usually measured with self-report scales. Meyer et.al. (1993) developed a scale that measures the above-mentioned types of commitment separately. Other research studies where this scale was used, confirmed that all three types of commitments are separate variables.

Organizational Commitment and Other Variables:

Job Satisfaction:

Viswesvaran (2005) conducted a meta-analysis of almost 1000 studies on organizational commitment and found that variables that correlate very strongly to affective commitment are job satisfaction and job performance. On the other hand, job performance had a small but negative correlation with continuance commitment. This indicates that when people stay on the job because they have no choice, they tend to perform badly.

Turnover:

Cooper-Hakim and Viswesvaran (2005) found a negative correlation between turnover and all three components of commitment. The strongest negative correlation was found between actual turnover and continuance commitment.

Turnover intention:

Turnover intention means the desire to leave the organization. Cooper-Hakim and Viswesvaran (2005) found the strongest negative correlation between turnover intention and affective commitment and the weakest negative correlation between turnover intention and continuance commitment.

Potential antecedent variables Related to Organizational Commitment:

Meyer, Stanley, Herscovitch, and Topolnytsky (2002) conducted a meta-analysis of 155 studies and found that there is a positive correlation between organizational commitment and job stress and organizational justice. People who perceive their jobs to be stressful and people who feel they have been treated unfairly have low commitment, especially the affective commitment.

Continuance commitment was found to have strong negative correlation with skill transferability from current job to another job. If transferability was low the continuance commitment was high. However, very few studies reported significant relationships between commitment and gender or racial differences.

Robert, Probst, Martocchio, Drasgow, and Lawler (2000) surveyed employees of a multinational company in four countries: India, Mexico, Poland, and the United States. It was found that turnover intention correlated strongly with commitment in America and Poland, moderately in Mexico, and very insignificantly in India. This indicated that in Mexico and India, even when employees have low commitment are less likely to quit their jobs. This difference may be due to cultural values. Both India and Mexico have collectivist cultures. The employees in these two countries tend to have more loyalty to their employers than America and Poland, which have individualistic cultures. This was further supported by Cohen (2006) who found that collectivists in Israel have the higher organizational commitment and tend to help their employers more than individualistically oriented employees.

Studies have shown that relationship with peers is a great determinant of employee turnover decisions and job performance (Vandenberghe et.al. (2004); Neininger, Lehmann-Willenbrock, Kauffeld, & Henschel, 2010).

Meyer et.al.(1993) developed the idea of occupational commitment, i.e., people committed to their occupation rather than to the organization. Keller (1997) found in his study that occupational commitment of engineers and scientists was related to an objective measure of performance such as a number of articles published, but it was related to organizational commitment. Cropanzano et.al. (1997) found that occupational commitment is less strongly related than an organizational commitment to the intention of quitting the job.

K. Lee, Carswell, and Allen (2000) conducted a meta-analysis study on occupational commitment studies and found that job satisfaction had a weak correlation with occupational commitment.

4.3 ORGANIZATIONAL CITIZENSHIP BEHAVIOUR (OCB)

Organizational citizenship behaviour refers to any act of an employee that is positive, constructive, beneficial for the organization and other employees, and most importantly, it should be a voluntary act. It is a behaviour of an employee that goes beyond his job responsibilities. Employees engaging in OCB may not necessarily be the top performers, but they 'go above and beyond' the minimum efforts required to do a merely satisfactory job. For example, MacKenzie, Podsakoff, and Fetter (1991) conducted a study to find out whether people high on OCB give better sales performance. They found that there was no connection between the levels of OCB and sales records of the salespersons. In fact, the salesmen who did not have the poorest sales records contributed significantly to the organization through their OCB.

On the other hand, N. P. Podsakoff, Whiting, Podsakoff, and Blume (2009) reported that employees with high OCB contributed to organizational profitability and customer satisfaction.

Organ (1997) defined OCB as 'performance that supports the social and psychological environment in which task performance takes place'. Organ (1988) further stated that OCB is not openly recognized by the formal reward system. Neither supervisors can demand OCB from subordinates, nor employees can expect any formal reward for such OCB. Organ (1988) held that such OCB are motivated by intrinsic needs of the employees such as sense of achievement, belonging, competence, altruism, etc.

Organ and Konovsky (1989) divided OCB into two categories of behaviours –

- a.) Behaviours that are not specifically required. For example, altruism, i.e., helping behaviour. An employee may help a coworker to meet the deadlines or in solving some problem, even though it is not specifically required.
- b.) Behaviours that are specifically required. For example, Compliance, that is, doing what needs to be done and following rules. Compliance can include behaviours such as coming to work on time and not wasting time.

Antecedents of OCB

On the basis of various studies, Hoffman, Blair, Meriac, and Woehr (2007) suggested that OCB occurs only when employees are satisfied with their jobs, have high levels of affective commitment, feel they are treated fairly and have good relations with their supervisors.

Kaplan, Bradley, Luchman, and Haynes (2009) found a high positive correlation between OCB and affectivity. The positive correlation was high for both positive affectivity as well as negative affectivity. Positive affectivity refers to the tendency to experience positive emotions and negative affectivity refers to the tendency to experience negative emotions.

Bommer, Miles, & Grover (2003) reported that OCB seems to be contagious. Employees working in a group where other people displayed OCB were found to have higher possibility of displaying OCB themselves too.

OCB has been found to have a positive impact on organizations across the nations. For example, Farh, Podsakoff, and Organ (1990) found that OCB correlated with job satisfaction and employee perceptions of supervisor supportive behaviour in Taiwan. Munene (1995) found OCB related to job satisfaction and organizational commitment in Nigeria.

Types of OCB

McNeely and Meglino (1994) categorized OCB into two categories –

- a) OCBI - Acts that help other employees. OCBI correlates with the individual's concern for others,
- b) OCBO - Acts that benefit the organization. OCBO correlates with employees' perceived equity.

Both OCBI and OCBO correlate with job satisfaction and organizational commitment. However, in America and Turkey, organizational commitment is more strongly related to OCBO than with OCBI. Furthermore, Johnson & Chang (2006) found that OCB is correlated with affective commitment but not with continuance commitment.

Both OCBI and OCBO were found to be related to positive mood at work but only OCBO has a positive correlation with procedural justice (Lee and Allen, 2002).

4.4 COUNTERPRODUCTIVE WORK BEHAVIOUR (CWB): WITHDRAWAL

Absence, lateness, turnover are all examples of withdrawal behaviour. Withdrawal behaviour can be defined as an employee being not at work when scheduled or needed, either temporarily (absence and lateness) or permanently (turnover). All these withdrawal behaviours are interconnected with each other. For instance, Mitra, Jenkins, and Gupta (1992), believed that absence and turnover are akin to temporary or permanent escape reactions to job dissatisfaction. They found a moderate correlation between absence and turnover, indicating that before finally leaving the job, employees tend to remain absent more frequently. Koslowsky et. al. (1997) found that coming late for work correlated with both absence and turnover. Now let us look at each of these withdrawal behaviours in detail.

4.4.1 Absence

Absence refers to employees not coming to work when they are supposed to come. This can not only disrupt the scheduled work of the organizations but can also be very costly for the organizations. To mitigate the impact of absence, the organizations either need to employ more people than they need or they have to pay overtime to existing employees for working extra hours. Either way, it involves unnecessary expenses for the organizations. That is why it is necessary to know why it occurs and what can be done to reduce it.

Researchers have been working on the assumption that absence is a withdrawal behaviour that takes place due to dissatisfying job conditions and job dissatisfaction. However, studies have not found a significantly much stronger correlation between absence and job satisfaction. Farrell and Stamm (1988) believed that more than job satisfaction, there are two other best predictors of absence. They are –

- a) **Prior history of absence** - People who have been frequently absent in the past are more likely to be absent in the future too.
- b) **organization's absence policy** - organizations that have policies to reward attendance and punish absence have a low rate of absence in their organizations.

Apart from job satisfaction, there can be various reasons for an employee having a high rate of absence. For example, an employee might be having ill health, maybe not be sufficiently motivated to come to work, may have family responsibilities, lack of social support, etc. that can interfere with his regularly coming to work. Studies have found a positive correlation between an employee's primary responsibility of child care and his absence rate. (Goff, et. al. (1990). In another study, Erickson et.al. (2000) found a correlation between absence and the number of children under the age of six that an employee had. Absence can also be caused by work-family conflict.

Dalton and Mesch (1991) conducted a very interesting study, where they divided the reasons for absence into two categories –

- a) **Absence due to illness** – Absence due to illness, but not due to other circumstances, was related to job satisfaction and gender. Women and dissatisfied employees tend to fall sick more often than men and satisfied employees.
- b) **Absence due to other circumstances** - This was related to job tenure and absence policies of the company. Companies that have lenient absence policies and employees having long-tenured jobs tend to remain more absent than employees who are comparatively new on the job.

Absence Culture: Some companies are very lenient and allow employees to take leave whenever they don't feel like working while there are other organizations who insist that employees should come to work unless and until it is absolutely impossible for them to come. Mathieu and Kohler (1990) showed that employees tend to take more leave if their coworkers also do that. Thus, absence culture and absence policies contribute maximum to the absence rate and not just the employees' job satisfaction. A dissatisfied employee may feel like avoiding coming to work, but may not be able to do so if the absence is punished or is viewed by coworkers as unacceptable.

A study conducted by Gaudine & Saks (2001) showed that the absence rate can be reduced by merely sending a mail to the employees informing them about the number of days they have been absent. Once the workers realize that management is seriously concerned about the absence rate, they tend to take fewer leaves.

4.4.2 Lateness

Every organization has a fixed work schedule for its employees. For example, most white-collar jobs have a work schedule of 9 a.m. to 5 p.m. Sometimes, some of the employees come later than the scheduled time. In such cases, employees tend to make up the time by skipping breaks, taking a short lunch, or staying late. But some employees do not compensate for coming late or the nature of the job may be such that time cannot be compensated. For example, if a professor comes late for his lecture, he cannot extend his lecture as other lectures may be scheduled for the students or the professor may have another lecture in another class. Just like the

absence of the employees, the lateness of the employees can also disrupt the usual functioning of the organization and can be costly for the organization. It puts extra pressure on the other employees who have reported on time as they might be asked to take up the work of the employee who is late. Therefore, organizations need to have a strict policy for lateness too as in case of absence.

The lateness can be voluntary or involuntary. There can be various reasons for an employee to report late to the work. For example, one of the most obvious reasons for late coming is job dissatisfaction of the worker. But apart from that, it can be due to getting stuck in the traffic, maybe longer traveling distance. It can be due to work-family conflict such as a child falling sick and needing to take him/her to the doctor. (Koslowsky, 2000)

National Culture, as well as organizational culture, can be another factor contributing to lateness. In some countries, promptness is given more emphasis than in other countries. For example, compared to Brazil America gives more importance to being on time, and being late is frowned upon. Some organizations also have lenient policies towards lateness as they have lenient policies towards absence. In India, previously, public sector organizations had lenient policies towards lateness.

Just as some employees have a tendency to report late for work, similarly some employees tend to leave work earlier than the scheduled time. Iverson and Deery (2001) carried out a survey and found that both late coming and early leaving are related to employees' perceptions of injustice and job dissatisfaction.

4.4.3 Turnover

Turnover refers to employees quitting their jobs. The turnover rate refers to a certain percentage of employees joining and leaving their jobs in a specific period of time. The high turnover rate can be detrimental for an organization due to various reasons, such as -

The organization may be saddled with a large percentage of inexperienced and untrained employees which will result in inefficiency and difficulty in meeting organizational goals.

Recruiting and hiring can be a time-consuming and costly affair at least for some jobs. For example, hiring people for high-level managerial jobs can take a very long time to shortlist the candidates and then interview them.

Some jobs may require long periods of training before employees can become fully functional and productive. For example, jobs in arm forces can take years of training before the army men become fully efficient.

Some organizations, unintentionally become training centers that benefit their competitors. For instance, absolutely inexperienced employees join the organization. The company trains them for the job. During the training period, it is but natural that they will not be giving their maximum efficiency as they are still learning the job. But the company will be paying them a salary too. This is a double cost for the company. If after training, the

employee leaves the organization and joins a competitor company, it is a total disadvantage for the initial company. In such cases, the high turnover rate of employees is a problem for the organization.

If poor performer employees leave the organization on their own, it is good for the organization, but if good performers leave, the organization suffers. Gerhart, and Boudreau (1997) found in their study that both, best performers and worst performers, tend to leave the organization and only mediocre employees tend to remain. Good performers left because they were in good demand in competitor organizations. In such cases, it was found that good salary raises helped the organizations to retain good performers.

Poor performers left the jobs for various other reasons, such as -

- o when salary and other rewards were contingent on performance, they were not getting good rewards.
- o When they were aware that their performance on the present job is not up to the mark, they searched for more suitable jobs where they can perform better.
- o Supervisor deliberately harassed them so that they leave on their own. Harassment was in the form of denied rewards, given distasteful work assignments, and being treated unkindly.

However, when a supervisor uses harassment to induce turnover of the poor performers, it can have its own repercussions, such as -

- o Harassment affects not only the target employee but also other employees who were not the target.
- o It can create a hostile and uncomfortable environment for all.
- o If the harassed employee files a court case, there can be legal complications too. The possibility of the harassed employee filing a legal case is much higher when the supervisor and targeted employee are of different gender, ethnicity, and race.
- o In any case, harassment of a poor-performing employee is unethical behaviour.

As discussed before, studies have found that high job dissatisfaction results in turnover ideation, but actual turnover behaviour depends upon the availability of another job. If the unemployment rate is high and other alternative jobs are not available, then even if a dissatisfied employee wants to leave the job will not leave.

Dickter, Roznowski, and Harrison (1996) conducted a longitudinal study and studied the job quitting behaviour of both satisfied and dissatisfied employees. They found that in both the groups, if people want to leave their jobs, they do it in the first 2 years of their job tenure, after that the likelihood of their quitting declines. However, in the case of dissatisfied employees, the time period is 4 years, i.e., they are more likely to quit than satisfied employees, in the first 4 years of their job and after that, there is no

difference in their quitting behaviour. This indicated that job satisfaction has an effect on turnover for a limited time period only.

Apart from job dissatisfaction, there can be many other reasons for an employee to quit the job, such as -

- o He might quit due to health problems that are related to the lifestyle of an employee.
- o He may have become disabled from the job due to an accident.
- o He may quit because he wants to pursue some other life interests. For example, the employee might want to study some course in a different city or take up another profession, etc.
- o Some employees may quit due to family reasons, e.g., a lady may quit due to pregnancy or lack of family support or because her spouse is shifting to some other town or she has been asked to take a transfer to some other city.

To prevent high turnover, organizations must ensure that they provide a safe environment to the employees so that the chances of accidents are minimal. Organizations can have programs to encourage employees to have healthy lifestyles. Many companies have health-promoting programs such as exercise programs, smoking, and weight control classes, and stress management workshops. Organizations can have policies that allow workers to take a sabbatical and pursue other life interests if they wish to do so.

Organizations can provide facilities like on-site child care centers and flexible timings so that young mothers can continue to work. Having their children nearby can provide peace of mind that makes it easier for employees to focus attention on work. Flexible work schedules that allow employees to work at times that do not interfere with other interests can keep some employees from quitting their jobs. They can also give longer paternity leave for young parents.

4.5 COUNTERPRODUCTIVE WORK BEHAVIOUR (CWB):

Aggression, sabotage, and theft; labour unrest and strikes

Counterproductive work behaviour (CWB) refers to employee voluntary behaviours that harm organizations (CWB-O) or other people working in the organizations (CWB-P). CWP can be in various forms. It can be physical or verbal, directly hostile or indirectly hostile. Counterproductive behaviours can be categorized withdrawal-type as described above or they can be categorized as proactive type counterproductive behaviours. Proactive counterproductive behaviours can be in the form of deliberately destroying organizational property, purposely making mistakes or errors in work performance, withholding crucial information, deliberately working slow, etc.

The most prevalent and considered major problems for the organization are sabotage and theft. Sabotage means deliberately destroying the property of the organization, spoiling the work operations, deliberately damaging the machinery, and withholding of performance. This results in a major loss for the company. Most of these sabotage acts are difficult to prove and catch the culprit. For example, a disgruntled employee may deliberately ignore the warning signal of a machine that it is getting overheated. If it is a truck driver, he may deliberately ignore the warning signal of low petrol or water levels, till the truck stalls. A truck may stall in the middle of nowhere and then the truck driver will just inform the company and wait for help to come.

Similarly, theft has been a major source of leakage of organizational resources. Organizations try to control the theft problem by giving an integrity test to the potential employees at the time of recruitment, a lot of money is spent in installing the surveillance equipment, yet it is difficult to stop theft completely.

Bennett and Robinson (2000) conducted a survey and found that there are many other forms of CWB apart from sabotage and theft, such as people in their survey reported that they deliberately falsify a receipt to get reimbursed for money they didn't spend, a third of people said they played a mean prank on someone at work, 52% of people said they took property from work without permission, 61% neglected to follow instructions, and 78% made fun of someone at work.

Another type of CWB that is very common nowadays is cyber-loafing. Employees remain busy on social media during office hours. The question arises why do employees indulge in CWB? What is the motive behind it?

There can be many reasons for it, such as -

Employees experience very stressful job conditions and experience a sense of injustice. Stressful job conditions and a sense of injustice provoke negative emotions such as feelings of frustration and dissatisfaction, anger, fear, etc. These feelings in turn lead to destructive behaviour as a coping mechanism to deal with these negative emotions, especially if an employee feels he has no control over the situation. On the other hand, if an employee feels that he can control the situation by using effective strategies, he indulges in constructive behaviour.

Some employees indulge in CWB to seek thrill, to enhance their status, to seek revenge, or for maximizing self-gains. Apart from work factors, studies have shown that CWB is related to certain personality traits too. For example, Spielberger (1996) found that the personality trait of anger is closely related to CWB. The personality trait of anger refers to the tendency to get angry even with minor provocation. Penney & Spector (2005) reported that negative affectivity is also closely related to CWB. Berry, Ones, & Sackett (2007) reported that individuals who are low on agreeableness, conscientiousness, and emotional stability are more likely to engage in CWB. Jonason, Lyons, et al. (2014) found that personality traits such as psychopathy and Machiavellianism are also closely associated with CWB.

However, most of these studies have been conducted in America and we do not know much about the prevalence of CWB and its causes in other countries and cultures.

Labour Unrest and Strikes

In the case of labour management disputes too, CWB occurs as a result of anger and unfair treatment. Unions use many tactics to harm the organization during such disputes. One of the tactics adopted is to withhold the production or slow down. Sabotage and violence against management are also very common.

4.6 SUMMARY

In this unit, we discussed organizational commitment as an attitudinal variable. It refers to an employee's psychological attachment to the organization. It is basically loyalty to the organization. Organizational commitment can be of three types- affective commitments that refer to emotional attachment, continuance commitment, in which the employee stays with the company due to lack of any other option, and normative commitment, in which an employee feels obligated to stay with the company. Just like job satisfaction, organizational commitment is also closely related to job performance, job satisfaction, turnover ideation, and turnover. We also saw that some people have occupational commitment rather than organizational commitment.

Another important area that we looked at was organizational citizenship behaviour and counterproductive organizational behaviour. Organizational citizenship behaviour refers to those voluntary positive actions of an employee that go beyond his mandatory job duties. Such actions are beneficial for the organization as well as for other employees also. Though it was pointed out that it can't be assumed that employees high on OCB will be star performers too. Still, such employees are an asset for the organization as the organization indirectly benefits from their OCB.

Counterproductive behaviour can be divided into two categories – withdrawal behaviours and proactive behaviours. Withdrawal behaviours refer to the absence, lateness, and turnover of the employees. While proactive behaviours refer to aggression, sabotage, theft, union strikes, etc. Both types of counterproductive behaviours are harmful to organizations and organizations need to take active measures to control them.

4.7 QUESTIONS

1. Define organizational commitment. What are the various types of organizational commitments?

2. What is meant by organizational citizenship behaviour and what are its benefits?

3. Discuss in detail withdrawal-type counterproductive behaviour in an organization.

4. Discuss in detail proactive type counterproductive behaviour in an organization.

4.8 REFERENCES

Aamodt, M.G. (2016). Industrial/Organizational Psychology: An applied approach (8th ed.). Boston, MA: Cengage Learning.

Riggio, R. E. (2017). Introduction to Industrial/Organizational Psychology (7th ed.). New York, NY: Routledge

Spector, P. E. (2012). Industrial and Organizational Psychology: Research and practice. Singapore: Wiley. (Indian reprint 2016)

WORK GROUPS, WORK TEAMS AND LEADERSHIP, AND POWER IN ORGANIZATIONS - I

Unit Structure :

- 5.0 Objectives
- 5.1 Introduction
- 5.2 Difference between work- groups and work teams
- 5.3 Important group and team concepts
 - 5.3.1 Roles
 - 5.3.2 Norms
 - 5.3.3 Group Cohesiveness
 - 5.3.4 Team Conflict
 - 5.3.5 Process Loss
 - 5.3.6 Team Commitment
 - 5.3.7 Team Mental Model
- 5.4 Summary
- 5.5 Review Questions
- 5.6 References

5.0 OBJECTIVES

After reading this unit you will be able to understand –

- The difference between workgroup and work team
- What is a virtual team?
- What is meant by roles, norms, and group cohesiveness?
- What is meant by team conflict, process loss, team commitment, and team mental model?

5.1 INTRODUCTION

Organizations are like beehives, where all jobs are interconnected. Most of the jobs, though not all, are connected to each other. For example, people working on the assembly line work as a team, but college professors do most of their work independently, though they do interact with their colleagues and coordinate time table and other facilities but they discharge their duties independently. The behaviour of individual employees gets affected by the behaviour of other employees and the work environment.

So, in this unit, we will look at employees working in groups and teams and not just as an individual employee. We will see how team commitment and team mental models help in enhancing the team performance.

5.2 DIFFERENCE BETWEEN WORK- GROUPS AND WORK TEAMS

Let us begin with first understanding the difference between work groups and work teams. A work group refers to a collection of two or more people who interact with each other and share some interrelated task goals. In this definition, there are two important characteristics that differentiate it from just being a collection of people – interaction and interrelatedness. Let me explain with an example, for example, the number of people waiting at the bus stop is just a collection of people. They have the same goal of traveling by a particular bus but they are not interacting with each other to meet that goal, so they are not a group. Similarly, people assembled in a cinema hall to watch a movie are not a work group because they are not interrelated and do not interact with each other to meet the goal of enjoying a movie. However, in a college, people belonging to a particular department, for example, the psychology department, will be considered as a work group as distinguished from another work group, for example, the physics department. All members of the psychology department are interacting with each other and each member is teaching a sub-course and sharing an interrelated goal of meeting the requirements of the major course of the study. So, it will be considered a group which is different from another work group of another department.

A work team is a type of work group but has three distinct characteristics –

1. The actions of individuals must be interdependent and coordinated.
2. Each member must have a particular, specified role.
3. There must be common task goals and objectives

For example, in a team of doctors who are operating a patient, every member of the team will have a specific role. A surgeon will do the cutting and stitching, a nurse will hand over the appropriate instruments to the surgeon, an anaesthesiologist will make the patient unconscious and keep a watch on his vital parameters, etc. The actions of all team members will be coordinated with each other's actions. They share a common goal of successfully completing the surgery.

Though all teams are work groups, to begin with, all work groups are not work teams. The important distinction between the two is that in all work groups, members of the work group work together but can work independently too. On the other hand, a team is a group of people who cannot work effectively independently, their work is interrelated.

From a psychological perspective, the group represents a number of people who (1) interact with one another, (2) are psychologically aware of the

existence of other group members, and (3) perceives themselves as representing a group (Schein, 1965 as cited in Zlate, 2008, p. 398).

The work team is a typical primary group dominated by the spirit of unity, cohesion, human relations, personal commitment, member's adherence to group with which they actually identify, the convergence of efforts for tasks execution which will constitute a joint work (Mucchielli 1975 as cited in Zlate, 2008).

Virtual Teams

The advancement of computer technology and the internet has made it possible for people to work as a team without even having face-to-face contact. Such teams are known as virtual teams. Such teams communicate via e-mail, instant messaging, telephone, web cameras, and other technologies. However, it does not mean that they interact only through technology. Teams differ in the type and degree of different technologies. For example, in some virtual teams, members are geographically far apart, necessitating the need for emails and other audio-video platforms. On the other hand, in some virtual teams, members are not geographically too far apart, but they choose to communicate virtually from time to time. For example, people sitting in the same large office, communicate with each other through e-mails for certain issues and face to face for other issues.

Research studies have shown that face-to-face interaction is better than virtual communication. Baltes, Dickson, Sherman, Bauer, & LaGanke (2002) in their study found that virtual group's task performance is worse than face-to-face work teams. Virtual teams take more time to complete the tasks and the group members' satisfaction levels were also lower than the face-to-face work teams. These results are more applicable when teams used only the text form of communication. Some of these negative impacts could be mitigated if the teams used richer media such as audio-video methods like zoom or google meet, etc. The task performance is also dependent upon the type of tasks to be performed. For example, it was found that virtual brainstorming was superior to face-to-face brainstorming, as people are less inhibited on a virtual platform.

5.3 IMPORTANT GROUP AND TEAM CONCEPTS

Now let us look at some of the important concepts related to group and team. There are four important concepts related to the group and two concepts related to the team. Three important concepts- roles, norms, and group cohesiveness, are related to both groups and teams and tell us how groups and teams operate. The fourth concept is called 'process loss' and tells us what sorts of things happen in work groups and teams that prevent people from putting all of their efforts into job performance. Team commitment and team mental model are characteristics important to teams but not groups.

5.3.1 Roles:

Every member of a work group or team has a certain specific set of responsibilities or functions to perform for a specific purpose. This specific set of responsibilities is called a role. As we have seen above, in work team examples, every group or team member has a different role to perform. For a work team to work effectively, it is necessary that each role in the team is clearly defined and all team members have a clear idea of not only their own roles but also of others' roles.

Roles can be formal or informal. Formal roles are specified by the organization and are part of the job description given to an employee at the time of joining. Informal roles are not predetermined; they develop from group interactions. They are not specified by the management and are not documented but understood by the team members. A group's informal roles can supersede the formal roles. For example, a new manager is appointed who has no knowledge of the work culture and functioning of the department that he is supposed to head. In such cases, a senior worker from his department, may take up the responsibility of making decisions and guiding other team members and become an informal leader. Very often union leaders also emerge as an informal leader, to begin with.

Groups also differ in the degree to which roles are specified and distinguished for each group member. Some roles are such that they cannot be swapped or rotated while some other roles may not require too technical skills and can be rotated. For example, a professor who teaches a specialized subject like industrial psychology cannot teach another specialized subject like clinical psychology and the same is true for a professor having specialization in clinical psychology. So, their jobs cannot be swapped or rotated. On the other hand, both these professors can be rotated on the post of head of the department as that is an administrative job. Similarly, if there are two lab assistants in the psychology lab, their jobs can be rotated or swapped.

5.3.2 Norms:

Norms refer to unwritten rules of accepted behaviour in a work group. These unwritten rules can cover every aspect of an employee's work life, e.g., the kind of dress that an employee should wear to the way he/she speaks, works, everything. Norms are the tools through which a group controls its members. In fact, Work group norms can have a bigger impact on member behaviour than supervisors or organizational practices. Some norms have strict adherence and some norms can be lenient. If a person violates those norms, the group exerts pressure by first informing the violator about the norms, if he does not comply with the norms, then on the second stage, the violator is scolded, on the third stage, the violator is punished. Punishment can be either verbal reprimand or physical in the form of violence. If he still does not comply with the norms, then he is ostracized from the group.

For example, Coch and French's (1948) conducted a study in a pajama factory. In this factory employees assembled pajamas and they were paid on the basis of piece rate. They were free to work at their own pace but the

group informally decided how many pajamas each member should assemble in an hour. Researchers observed that when an employee produced 50 pajamas an hour, group members had pressurized her and she reduced it to 45 pajamas an hour. However, later the group was disbanded and it was observed that immediately after that the workers' output doubled. The influence of work group norms was such that production was restricted in spite of having a piece-rate system. Though employees could earn extra money by producing more per hour they were afraid to go against the group norms and restricted themselves to 45 pieces per hour.

We saw a similar impact of group norms in the famous Hawthorne experiment carried out by Mayo. These studies clearly highlight the power of norms and can be used effectively by organizations to increase the productivity of the organization. Organizations can influence group norms by designing incentives schemes in such a way that high production given by the group, as a whole, is beneficial for all the group members.

5.3.3 Group Cohesiveness

Group cohesiveness refers to the sum of forces attracting group members and keeping the group together. A group will be highly cohesive, if all its members share the same goals, have a collective identity, and adhere to the same group norms. Strict adherence to group norms is mandatory in a highly cohesive group, otherwise, its very existence will be under threat. Threats to work group's well-being are taken seriously by the group members as the work group is as important for them as their families. As mentioned before, work groups may adopt either high or low productivity norms and that is why it is difficult to say that highly cohesive groups lead to high productivity. It will depend upon the norms adopted by the group. However, research studies have shown that generally highly cohesive groups tend to be high performers too (Man and Lam, 2003).

Other researches have shown that group cohesiveness gets affected by the size, location, degree of dependency, group status, and outside pressure too. For example, large groups do not have much group cohesiveness but they become more cohesive if there is a threat from outside the group.

5.3.4 Team Conflict

There can be many points of friction in a team. For example, team members may be at loggerheads with each other on the decisions about the goals to be achieved, procedures to be followed for achieving the goals, the allocation of resources to different members within the team, etc. We can say, conflict is an interpersonal process that arises from disagreements over the goals, processes, etc.

S. R. Robbins defined conflict as "a process in which an effort is purposefully made by a person or unit to block another that result in frustrating the attainment of others goals or furthering of his or her interests."

In simple terms, conflict can be defined as a difference that exists between the needs, values, and interests of individuals or groups in an organization.

The effectiveness of the team will be determined by how it resolves these conflicts.

Conflicts can be of two types –

- a) A cooperative conflict
- b) A competitive conflict

In a cooperative conflict, members of the team openly express their own views which may be different from others, they respect each other's views and focus on finding an amicable solution to the problem that will be acceptable to all team members.

In case of competitive conflict, team members promote their own points of view, have little regard for others' opinions, and try to get their own position adopted. Competitive conflict is negatively related to job performance, i.e., job performance will go up when competitive conflict is low. For a team to be effective, cooperative conflict should be higher than competitive conflict.

5.3.5 Process Loss

Apart from spending time achieving organizational goals, group members spend a lot of time in other activities that can be called group maintenance activities that are needed to be performed for the sustenance of the group and enhancement of group performance. For example, time is spent on norm enforcement and conflict resolution among members. Time is also spent on social activities, such as arranging informal get-togethers and lunches to increase the group cohesiveness.

All the time and effort expended on activities not directly related to production or task accomplishment are referred to as **process loss**. Some groups spend more time in group maintenance activities than other groups. It depends upon how much interpersonal conflict is prevalent in the group and whether there are serious norm violations. In group performance, process loss can occur at the motivational level, where it is reflected in social loafing, free-riding, sucker effect.

5.3.6 Team Commitment

The concept of team commitment is similar to the organizational commitment that we have discussed before. According to J. W. Bishop & Scott (2000), team commitment is the strength of an individual's involvement in a team and consists of the acceptance of team goals, willingness to work hard for the team, and desire to remain in the team. Team commitment is like group cohesiveness but at a broader level. While group cohesiveness refers to only an individual's attraction to the group, team commitment includes acceptance of team goals and willingness to work hard for the team. We can say that cohesive teams will be committed teams too.

Bishop & Scott (2000) found that there is a positive correlation between team performance and team commitment. They also found that team commitment was related to coworker and supervisor satisfaction, as well as organizational commitment. Van Der Vegt, Emans, and Van De Vliert (2000) reported a positive correlation between team commitment and job satisfaction as well as with team satisfaction.

5.3.7 Team Mental Model

The concept of the team mental model was first introduced in the 1990s and it referred to the fluid, implicit coordination that takes place in effective teams. Teams work smoothly and perfectly as one due to this implicit coordination. For example, in a football team, each member is aware and can predict the movement and position of other members and accordingly pass the football. So the whole team moves as one body towards the opponent's goal post. In colloquial terms, we can say the success of the team depends upon its members being 'on the same page'.

Mohammed & Dumville (2001) defined a **team mental model** as "shared understanding among team members of the task, team, equipment, and situation".

In other words, we can say that the team mental model refers to team members' shared, organized understanding and mental representation of knowledge about key elements of the team's relevant environment.

Smith-Jentsch, Mathieu, and Kraiger (2005) divided team mental models into two categories –

- a) **Concerned with task work**, i.e., the nature of the job that needs to be done. In it the mental models, need not be identical, they just need to be compatible.
- b) **Concerned with team work**, i.e., the shared conception of the team and how its members are to work together. A shared mental model of teamwork improves team performance because members know how to coordinate efforts with one another.

According to Cannon-Bowers, Salas, & Converse (1993), the task model captures team members' perceptions and understanding of team procedures, strategies, task contingencies, and environmental conditions and the team model summarizes team members' understanding of each other's knowledge, skills, attitudes, strengths, and weaknesses. Each mental model may be influential in predicting team performance.

A team will perform effectively if there is enough shared team mental model. If there is not enough team mental model, the teams will fail to coordinate, will make more errors, will have lots of interpersonal conflicts and team members will be frustrated due to incongruent expectations from each other about how the job needs to be done. If there is accuracy and similarity in team mental models it leads to enhanced team performance. One of the best examples of team mental model is shown in a Hindi movie titled 'Chak De India' where the team performs better when all members understand each other's way of thinking, style of functioning, motives, the

role of each member within the team, and synthesize personal goals with team goals.

5.4 SUMMARY

In this unit, we saw how individuals' performance and satisfaction get influenced by their group members. Work groups differ from work teams. Any collection of people cannot be called a group. To be characterized as a group, group members should have a common goal and must interact with each other, otherwise, they are just a part of the crowd. On the other hand, we saw that work team is a broader concept than work group. In a work team, it is necessary for group members to not only interact with each other but also to coordinate their efforts together towards team goals. Due to the advancement of technology, it is possible now to have virtual teams. Virtual teams that use only the text medium as a communication mode are not as effective as those virtual teams that use audio-visual modes of communication. Face-to-face interacting teams are any day better than virtual teams.

Then we discussed some of the important concepts of working in a group and a team. The first one being the role. Management must ensure to have a clear role description before appointing a new employee. This helps an employee to know what exactly he needs to do and it also reduces the possibility of any interpersonal conflicts. Roles can be either formal or informal. Formal roles are given by the management and informal roles can grow out of the social interaction of the group members. Employees in an organization are controlled through formal rules and regulations as well as through norms. Norms are the unwritten rules of the group or organizations. Group cohesiveness refers to each members' attraction towards the group or strong desire to remain with the group. Group cohesiveness can be due to various reasons but it leads to high job satisfaction.

There can be two types of conflicts within a team – cooperative conflict and competitive conflict. Cooperative conflict is beneficial and can be easily resolved, while competitive conflict can be destructive and can lead to major problems in the organization. Process loss refers to all the activities done apart from meeting the organizational goals. These activities are necessary for group maintenance and enhancing group cohesiveness, which ultimately contributes to the productivity of the organization.

Team commitment refers to the acceptance of team goals and willingness to work harder. Team mental model refers to a tacit understanding of group members of each other's strengths, motives, roles, etc.

5.5 QUESTIONS

1. Distinguish between work group and work team.

2. Write a detailed note on virtual teams.

3. Describe in detail roles, norms, and group cohesiveness.

4. What is meant by team commitment, process loss, and team mental models?

5.6 REFERENCES

Aamodt, M.G. (2016). Industrial/Organizational Psychology: An applied approach (8thed.). Boston, MA: Cengage Learning.

Riggio, R. E. (2017). Introduction to Industrial/Organizational Psychology (7th ed.). New York, NY: Routledge

Spector, P. E. (2012). Industrial and Organizational Psychology: Research and practice. Singapore: Wiley. (Indian reprint 2016)

WORK GROUPS, WORK TEAMS AND LEADERSHIP, AND POWER IN ORGANIZATIONS - II

Unit Structure :

- 6.0 Objectives
- 6.1 Introduction
- 6.2 What is leadership?
- 6.3 Sources of influence and power
 - 6.3.1 French and Raven's (1959) Bases of Power
 - 6.3.2 Yukl's (1989) Sources of Political Power
- 6.4 Abuse of supervisory power: sexual and ethnic harassment
- 6.5 Approaches to the understanding of leadership
 - 6.5.1 The Trait Approach
 - 6.5.2 The Leader Behaviour Approach
 - 6.5.3 Fiedler's Contingency Theory
 - 6.5.4 Path-Goal Theory
 - 6.5.5 Leader-Member Exchange (LMX) Theory
 - 6.5.6 Transformational Leadership Theory
 - 6.5.7 Vroom-Yetton Model
- 6.6 Women in leadership positions
- 6.7 Gender differences in leadership style;
- 6.8 Cross-cultural differences in leadership
- 6.9 Summary
- 6.10 Questions
- 6.11 References

6.0 OBJECTIVES

After reading this unit you will be able to understand –

- What is leadership?
- What are the various sources of power
- What are various theories of leadership
- How men and women differ in leadership
- What are cross-cultural differences in leadership

6.1 INTRODUCTION

In this unit, we are going to learn about another very important variable that influences organizational productivity which is leadership. First of all, we will look into what is meant by leadership and how leaders influence their followers.

6.2 WHAT IS LEADERSHIP?

Stogdill (1950) defined leadership as "the process (act) of influencing the activities of an organized group in its efforts toward goal setting and goal achievement".

Tannenbaum, Weschler, and Massarik (1961) too defined leadership as the "interpersonal influence, exercised in a situation, and directed, through the communication process, toward the attainment of a specified goal or goals".

Zaleznik (1977) also emphasized the aspect of influence in leadership: "Leadership requires using power to influence the thoughts and actions of other people".

Kotter (1988) added a new viewpoint when he defined leadership as "the process of moving a group (or groups) in some direction through mostly non-coercive means".

The essence of all these definitions is that leadership is a non-coercive way of influencing the attitudes, beliefs, behaviours, and feelings of other people in such a way that they voluntarily are motivated to meet organizational goals. So, let us see how leaders derive their power to influence others.

6.3 SOURCES OF INFLUENCE AND POWER

Just being in a position of power does not mean that a person will be able to influence or inspire his subordinates to give better performance. Though people in a position of power automatically have the power to influence the functioning of their subordinates they may not be true leaders. On the other hand, a person may not have a powerful position and yet may be able to influence coworkers. Thus, leaders can be formal or informal leaders. Formal leaders will derive power from their position in the organization while informal leaders derive their power from personal characteristics. The two most prevalent schools of thought about the sources of influence are as follows:

6.3.1 French and Raven's (1959) Bases of Power:

French and Raven defined power as the extent to which one person can influence another to do something. They described five bases of power that a supervisor can use to influence subordinates. The sources of these powers are both personal characteristics as well as organizational conditions. However, whether the use of these powers will be effective or not depends on not just the supervisor but also the subordinates. So basically, the influencing power of the supervisor depends upon the interaction of the

supervisor and subordinates' characteristics. Let us see what these powers are –

a) Expert power

A supervisor derives expert power from his own knowledge, skills, and expertise. This power works only if the subordinate thinks that the supervisor knows more than him or has better expertise than him. Here, the subordinate's perception of the supervisor's expertise is more important than the actual expertise of the supervisor. Expert power works as an influencer not only in organizations but in every walk of life. For example, accepting the advice of a lawyer in legal matters or accepting the directions given by an auto-rickshaw driver when we ask for directions to a destination that is unknown to us.

In institutions as well as in commercial organizations, having a title adds to the perception of expertise. For example, titles like Ph. D. or certified counselor or gold medalist, etc. will carry more weight and perception of credibility than counselor being just a post-graduate. When a title or distinction is attached to the name, people automatically assume that whatever advice or commands are given by such a person, will be correct and effective in meeting the goals.

b) Referent power

Referent power refers to the extent to which a subordinate likes and identifies with the supervisor. A person whom the subordinate admires and wants to be like him. In an organization, it develops on the basis of personal relationships between supervisors and subordinates. A person's referent power increases if his status increases within the organization. Even outside the organization, a person is likely to have high referent power if he becomes a national celebrity. For example, Ratan Tata, and Narayan Murthi are corporate leaders who have become national celebrities due to not only their corporate success but also due to their ethical values. There are many employees in their companies who aspire to be like them. Without speaking a word to the subordinates, they are inspiring their employees to give their best. The stronger the identification of a subordinate with the leader, the higher the referent power the leader will have. This has nothing to do with the leader's power of rewarding or punishing the subordinate.

Individuals with referent power apply inspirational appeals, consultations, ingratiation, personal appeals, exchanges, and coalition tactics, but typically do not implement legitimizing or pressure tactics (Hughes et al., 1993).

c) Legitimate power:

The legitimate power of a leader comes from his job title. It is based on the subordinate's beliefs or values that the leader /manager has the legitimate right to influence him and he has an obligation to accept

this influence. If a subordinate refuses to accept a supervisor's authority, the supervisor's title will not give any legitimate power to the supervisor. Research has shown that cultural values form the common basis for the legitimate power of one person over another person. Legitimate power in a formal organization is basically a relationship between offices and not between persons. For example, a secretary has to listen, and obey the boss, irrespective of whether he/she thinks that boss is making the right decision or wrong decision.

d) Reward power:

Reward power is the ability of the supervisor to reward subordinates with bonuses, desirable job assignments, promotions, or raises. The strength of reward power of a supervisor increases if his subordinate believes that the supervisor has full control over the reward and can give him a substantial reward. For example, in government organizations, supervisors do not have much reward power as the quantum of reward to be given, criteria for receiving a reward, etc. is not decided by the supervisor. It is decided by legislative actions. In private organizations, supervisors have much higher rewards and coercive power.

One of the limitations of using reward power is that subordinates get used to it and perform only when the reward is present or when the reward increases in quantum. This is one of the reasons why just increasing the salary of a good performer does not work in long run. Similarly, workers who are paid to sell on commission will not be willing to do anything that is not linked to the commission.

e) Coercive power

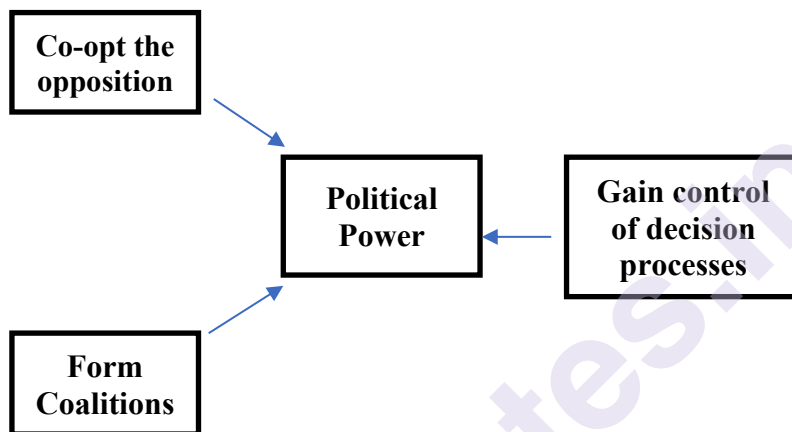
Coercive power is the ability of the supervisor to punish subordinates with disciplinary actions, fines, firing, or salary reductions. It originates from the subordinate's expectation that the supervisor has the ability to punish him if he does not adhere to his instructions. The strength of coercive power will depend upon the magnitude of punishment that a supervisor can give to the subordinate. For example, in government organizations, supervisors do not have much coercive power as the quantum of punishment to be given, type of punishment to be given, etc. is not decided by the supervisor. It is decided by legislative actions.

Reward Power and Coercive Power both differ from other bases of power as their effectiveness requires surveillance by the supervisor. Another limitation of using coercive power is that it can have a detrimental effect on the subordinate. The subordinate, especially the one who perceives the use of coercive power as unjust, may get angry and rebel and hit back, either directly or indirectly. For example, they might indulge in counterproductive behaviour that we have discussed in previous units. Research studies have also shown that when supervisors use coercive power it leads to deterioration of relationships and performance suffers instead of improving.

6.3.2 Yukl's (1989) Sources of Political Power

While French and Raven's model of influences can be applied to organizations and in social settings alike, Yukl's sources of political power model are applicable to only organizations. According to Yukl, everybody in an organization indulges in political actions to gain political power. Political action refers to the process by which people gain and protect their power within the organization. He explained through a model that there are three ways by which political power is achieved and maintained within the organization. Yukl (1989) discussed how political power tactics can be a means of achieving political power in an organization. See Figure 6.1.

Figure 6.1 Political Power Tactics as a Means of Achieving Political Power in an Organization (Yukl, 1989)



{Source: Yukl, G. A. (1989). Leadership in Organizations, by, Englewood Cliffs, NJ: Prentice Hall}

- a) **Controlling decision processes:** This involves controlling and influencing important decisions in the organization. For example, by being chairman of the budget committee, recruitment board, etc.
- b) **Forming coalitions:** This refers to getting into an agreement with another person that you support me and I will support you. For example, in parliament, opposition parties may agree to support the government on farm laws if the government brings in electoral reforms. In an organization, a supervisor may support another supervisor in getting his pet project, if the other manager supports him in getting the change of department.
- c) **Co-opting:** Co-opting refers to when management tries to diffuse another party's (workers') opposition to its decision by including the labour union leaders to participate in decision making. For example, if the company is planning to cut the labour force by 10%, it is natural that labour unions will oppose such a decision. In such cases, management will include labour union leaders in the committee that is formed to make a decision on this issue. However, the number of union leaders or workers included in the committee will not be so many that they can influence the committee's decision. But opposition from workers will be mitigated as their leaders have been part of the decision-making process.

These three types of political actions are quite common in both government and non-government organizations. They can be used for good purposes too and not necessarily for personal gains.

Political Skill:

Political skill is defined as the extent to which a person is able to influence others to engage in behaviour that is beneficial to that person or to the organization (Zellars, Perrewe, Rossi, Tepper, & Ferris, 2008).

These skills can be used for the benefit of other workers, organizations, or self. Ferris et.al.(2005) divided political skills into 4 parts –

- a) **Social astuteness:** Social astuteness is the ability of a leader to understand people and social situations. This is similar to emotional intelligence but more than just understanding emotions.
- b) **Interpersonal influence:** Interpersonal influence is the skill of convincing other people to engage in the behaviour desired or to accept a particular position.
- c) **Networking ability:** Networking ability refers to developing relationships with a wide range of individuals and managing those relationships to achieve objectives.
- d) **Apparent sincerity:** Apparent sincerity is the skill of appearing to be or really being honest, open, and trustworthy.

All these abilities put together indicate that the politically skilled people understand social interactions, are able to influence others, can build networks of allies who can be relied on, and exude an aura of integrity.

It has been shown that political skill in leaders does result in leader effectiveness (Ferris et al., 2005).

6.4 ABUSE OF SUPERVISORY POWER: SEXUAL AND ETHNIC HARASSMENT

All the above-discussed forms of power and political skills can help in optimizing the functioning of the organization as well as improve the job satisfaction of the employees. However, power is a double-edged sword. Some supervisors misuse their powers which creates a negative impact. For example, a supervisor may use his positional power to ill-treat his subordinates. Such types of supervisors have a firm belief that people work properly only when they are threatened or punished. In other words, from the 'carrot and stick' theory, they believe in using a stick to get optimum production from the subordinates. They get pleasure by showing off their power or authority over others. The ill-treatment of subordinates can be in many forms such as –

- o Supervisors may demand that their subordinates do exactly what they are told to do, regardless of the appropriateness of their demands. They have no qualms about demanding a personal favour from the subordinates and punishing them if the subordinate does not comply.

- o Some subordinates keep insulting or belittling their subordinates for every little mistake and thus creating an intimidating and oppressive work environment for the subordinates.
- o Some supervisors might engage in sexual harassment by mistreating subordinates of a different gender or sexual orientation.

Some supervisors might engage in ethnic harassment—the mistreatment of employees based on their ethnic or racial background (Bergman et.al. (2007). Most common forms of ethnic harassment include derogatory comments, ethnic jokes, and exclusion of the target person from employee interactions. Fox and Stallworth (2005)

Sexual abuse is the most prevalent and known form of power abuse. It includes unwanted behaviour of sexual nature, such as unwanted inappropriately touching or other forms of physical contact, use of offensive language, cracking jokes of sexual nature, having inappropriate screen saver on the computer, repeated requests for a date, detaining the victim after office hours on some pretext or the other, threatening with punishment for noncompliance, etc.

Sexual abuse can adversely affect a person's employment. For example, the victim may be forced to leave the job or may lose out on a promotion or desired project. It can interfere with the job performance of the person and create a hostile and intimidating work environment. It affects adversely not only the victim but also other staff members who are witnesses to this abuse.

However, for an action to be labelled as sexual abuse, first of all, it must be unwanted action or comment, and secondly, it must have been repeated enough to create a hostile environment. An isolated comment or request for a date is not considered sexual abuse if it does not lead to a hostile environment for the targeted person.

Research studies have shown that there are individual differences in the extent to which people consider certain actions of supervisors and others as harassment. Luthar & Pastille (2000) believe that harassment is in the eye of the beholder, i.e., it depends on the employee's attribution that he makes about the intent and motives of the other person.

One may assume that only women have to face sexual abuse, but recent research shows that both men and women can be victims of sexual harassment.

In most countries, sexual abuse is considered an illegal act that is punishable under law. In fact, not just the aggressor individual, even companies are held responsible for the behaviour of their employees and are liable to punishment if such an act happens in their company.

When supervisors or other employees indulge in sexual, ethnic, or any other kind of harassment, the organization suffers not only legal expenses but also other indirect costs too. For example, not only victims but also others' job

satisfaction and job performance come down. So it is necessary for organizations to have strict policies and zero tolerance for any kind of harassment.

6.5 APPROACHES TO THE UNDERSTANDING OF LEADERSHIP

Psychologists have been trying to find an answer to the question of how and why certain individuals become leaders while others do not. As this question was researched, many theories have emerged with different explanations. Some thought that leaders are born and not made, while others thought that with appropriate training anybody can become a leader and there were some others who believed that the type of subordinates and other conditions decide whether a successful leader will emerge or not. Let us see some of the well-known theories of leadership.

6.5.1 The Trait Approach:

The trait approach has been trying to answer the question ‘who will make a good leader’?

The trait approach is one of the earliest approaches to leadership. It is based on the assumption that it is possible to predict a good /bad leader on the basis of his personal attributes. In other words, this theory believes that leaders are born and not made. Some of the researchers who support this approach believe that a leader who is effective in one situation will be effective in all the other situations too. But research does not prove this. Basically, two approaches were used to test this theory:

- a) **Methodology-based** – Some research studies assessed supervisors on the criteria of personal traits and their job performance. However, the problem with these studies was that different studies have used different measures to assess the personality traits and the job performance of the supervisors. Some of these measures were well-validated ones and some were not tested ones. Some of these tests were not of good quality. This obviously led to inconsistency in the results across studies. However, research on manager performance has shown that personal traits such as cognitive ability can predict managerial performance (Hogan, Curphy, & Hogan, 1994).
- b) **Leader Emergence** – These studies tried to find out who in the group becomes the leader. The performance of the leader was not taken into consideration because an individual in a group may become a leader due to his personal characteristics such as physical appearance, but this does not mean that he will be an effective leader too. By using this approach also, the research studies gave inconsistent results across various studies. Bono et.al.(2002) conducted a meta-analysis of all the studies based on trait theory and concluded that effective and emergent leaders were high on the Big Five traits of emotional stability, extraversion, openness to experience, and conscientiousness.

6.5.2 The Leader Behaviour Approach

The behaviour approach has been trying to answer the question ‘what do good leaders do?’ This approach focuses only on what the leaders do and how they do it. The success of the leader is based on what they do instead of their attributes.

According to this approach, a leadership style is a cluster of related behaviours that represent an approach to dealing with subordinates. One of the first and most influential research on leadership style was conducted at Ohio State where researchers developed a 150-item questionnaire on leader behaviour and administered it to several samples of employees. Employees were asked to respond to each item about their supervisors. Factor analysis of the data collected showed that all responses could be clustered into two structures - consideration and initiating structure.

Consideration structure:

Consideration structure basically referred to relationship behaviours such as building camaraderie, respect, trust, and liking between leader and followers and the amount of concern that a leader shows for the welfare of their subordinates. This includes a friendly and supportive and pleasant environment for subordinates.

Initiating structure:

Initiating structure basically refers to a leader’s task behaviours, such as organizing work, giving structure to the work context, defining his own role and subordinates’ roles precisely, clarifying the leader’s expectations from the subordinates, assigning tasks, and scheduling various activities.

One of the major contributions of Ohio State Leadership studies was the development of the Leader Behaviour Description Questionnaire (LBDQ). Ohio study considered consideration structure and initiating structure as two distinct and independent variables. The degree to which a leader shows one variable was not related to the degree to which he will show the other behaviour. Many studies have used this questionnaire to find out the effects of a leader’s behaviour on subordinates. For example, Fleishman and Harris (1962) conducted a study, using this questionnaire, on production workers in a truck manufacturing plant. They found that average LBDQ scores for the supervisors were related to the grievance and turnover rates in their departments. Supervisors with low scores on consideration and high scores on initiating structure had higher turnover rates and more grievances among subordinates than supervisors who were high on consideration and low on initiating structure. The supervisors scoring lowest on consideration had a turnover rate that was about four times higher than the supervisors scoring highest.

However, the criticism against this study was that there might have been confounding variables that may have influenced the results. So further

research was carried out and it was found that subordinate reports were affected by the biases and stereotypes of the subordinates.

Another criticism against Fleishman and Harris's (1962) study was that it was not clear whether the grievance and turnover rates were caused by supervisor behaviour or the supervisor's behaviour was caused by the grievance and turnover rate. Studies have shown that supervisor behaviour can be affected by subordinate behaviour (Lowin & Craig, 1968). Yukl (1989) concluded that there might be a reciprocal type of relationship between the leadership style and the behaviour of the subordinate. For instance, a supervisor whose subordinates are filing many grievances might become angry and reduce consideration behaviour. This might make subordinates angrier and lead them to file more grievances, which will further lead to a reduction in consideration behaviour.

Though research has found a relationship between subordinates given an opportunity to participate and their job satisfaction and job performance, this relationship is not very strong. This seems very surprising and contrary to expectations. Some researchers argued that the relationship between participatory practice and job satisfaction and job performance depends upon in which area workers were allowed to participate. For instance, Sagie and Koslowsky (1994) found larger relations between perceived participation and job satisfaction when the participation involved deciding how to implement a change at work rather than whether or not to implement it in the first place. However, the participatory approach does not succeed all the time and in all the departments. Its success depends upon situational characteristics, a leader's characteristics, and behaviour.

6.5.3 Fiedler's Contingency Theory

The contingency approach believes that good leadership is a function of the interplay of the leader, his/her behaviour, and the situation. It tries to answer the question "Under a given condition, who will be a good leader and what behaviour is likely to be effective?"

According to this theory, one characteristic of the leader and three characteristics of the situation determine leadership effectiveness. Fiedler (1978) referred to the characteristic of the leader as motivational structure and developed a self-reported scale to measure it. This scale is called **Least Preferred Coworker (LPC) scale**. Contrary to what the name suggests, it actually measures the characteristics of the leader and not of the subordinate.

The LPC consists of 18 bipolar adjective items, such as pleasant / unpleasant, friendly / unfriendly, rejecting / accepting, unenthusiastic / enthusiastic, tense / relaxed, cold / warm, helpful / frustrating, cooperative / uncooperative, supportive / hostile, quarrelsome / harmonious, efficient / inefficient, gloomy / cheerful, distant / close, boring / interesting, self-assured / hesitant, open / guarded.

The leader is asked to think about the person with whom he or she has had the most trouble working—that is, the coworker with whom he or she would

least like to work again and rate that employee on each of these bipolar adjectives on an 8-point scale. For example,

Friendly 8 7 6 5 4 3 2 1 Unfriendly

High LPC scores indicate that leader is relationship-oriented and low scores indicate that leader is task-oriented. The high LPC score leaders evaluate their least preferred co-workers in fairly favourable terms despite not liking them, that is why high LPC scorers are termed as relationship-oriented.

Fiedler (1978) described situational variables as situation control. This refers to the amount of power and influence the leader has over subordinates. It is the extent to which the supervisor's actions will predictably lead to subordinate behaviour. He categorized situation control into three categories –

Leader-member relations – That is the extent to which subordinates get along with and support their supervisors.

Task structure - That is the extent to which subordinate's job tasks are clearly and specifically defined.

Position power – That is the amount of power and influence that the supervisor has, including the ability to give out rewards and punishments.

A supervisor with good leader-member relations, highly structured tasks for subordinates, and high position power will be in a situation of high control. A supervisor with poor leader-member relations, low task structure for subordinates, and low position power will be in a situation of low control.

Fiedler (1978) suggested that supervisors who are low on LPC do well under both very high and very low situational control and supervisors who are high on LPC will do best under conditions of moderate situational control. For example, if the leader doesn't get along well with subordinates, the subordinates have unstructured tasks, and the leader has little power, it will be considered an unfavourable situation, and the low LPC leader will be more effective than the high LPC leader. On the other hand, if relations of a leader with subordinates are poor, but task structure is high and the leader has moderate power, it will be considered a moderate situation and the high LPC person should be more effective than the low LPC person.

Leader Match:

Fiedler (1978) was of the opinion that a supervisor should not try to adapt his or her style to a particular situation. Instead, the supervisors should modify the situation to be appropriate to their own leadership style. He developed a training program called 'Leader Match'. He conducted a study comparing supervisors who have gone through the 'Leader Match' training program with those who have not gone through such training program. His results showed better group performance for the trained supervisors. However, other researchers raised the doubts about the validity of these results and said that there might have been other factors than the "Leader

Match” training program that might have been responsible for the change in the situation.

Criticism: Fiedler’s theory is not without criticism. One criticism against Fiedler’s theory is that it is not very clear why LPC and situational control interaction takes place. Another problem with this theory is that even Fiedler has not been able to explain satisfactorily what exactly the LPC score represents. LPC was supposed to measure a leader’s motivation but it is not clear that it actually measures a leader’s motivation. So at present, the only thing that can be said with surety is that LPC measures something important but unknown characteristic of the leader.

6.5.4 Path-Goal Theory

Path goal theory is another contingency theory given by House & Mitchell (1974), but it is much more complex than Fiedler’s contingency theory. This theory is based on expectancy theory. It proposes that an employee’s perception of expectancies between his effort and performance is greatly affected by a leader’s behaviour. The supervisor can increase the motivation and job satisfaction of subordinates by giving them rewards for good job performance and by making it easier for subordinates to achieve their task goals. They can make it easier for subordinates to achieve their task goals by clarifying the paths to goals and removing obstacles to performance. This theory does not see leadership as a position of power, rather it sees leaders as a coach or mentors, or facilitators. According to this theory, leaders can adopt four different styles of leadership. They are -

- a) **Supportive style:** The leader is friendly toward subordinates and displays personal concern for their needs, welfare, and well-being. It is similar to the Ohio State Leadership Studies’ style of consideration.
- b) **Directive style:** The leader provides guidelines, lets subordinates know what is expected of them, sets performance standards for them, and controls behaviour when performance standards are not met. He makes judicious use of rewards and disciplinary action. It is similar to the Ohio State Leadership Studies’ style of initiating structure.
- c) **Participative style:** The leader believes in group decision-making and shares information with subordinates. He consults his subordinates on important decisions related to work, task goals, and paths to resolve goals. He seeks input from subordinates and allows them to participate in decision-making.
- d) **Achievement style:** The leader sets challenging goals and encourages employees to reach their peak performance. The leader believes that employees are responsible enough to accomplish challenging goals. Basically, a leader emphasizes achievement and good performance.

As mentioned before, the theory assumes that subordinates’ job performance and job satisfaction are based on not only the supervisory style used but also on subordinates’ and situational characteristics. The most important subordinate characteristics that House and Mitchell concentrated

on were the locus of control and self-perceived ability. Locus of control refers to the extent to which subordinates believe that they can control rewards in their lives. There are two types of locus of control- Internal (high locus of control) and external (low locus of control). Those who have a high locus of control are called internals and they believe that they can control the reward that they receive for their performance. Externals on the other hand believe that no matter what they do, they have no control over what kind of and how much reward they will receive for their performance. They believe reward depends upon external forces such as whims and fancies of the supervisor, their luck, etc. Self-perceived ability is the extent to which the subordinate believes that he/ she is capable of doing the task well. It is similar to the concept of situation-specific self-efficacy. Situational characteristics refer to various aspects of tasks, such as a task that may be dangerous, repetitive, or highly structured/low structured.

On the basis of their theory, House and Mitchel (1974) derived certain hypotheses such as –

1. When tasks are boring, dangerous, stressful, or tedious, a supportive style will be the most appropriate. Subordinates who must deal with these situations will have their anxiety lowered and their self-esteem raised by a supportive supervisor.
2. When tasks are unstructured and subordinates are inexperienced, a directive style will be most appropriate because subordinates will be uncertain about what to do. A directive supervisor will increase subordinates' effort and job satisfaction by telling them what is expected and what they should do.

Many researchers did not find support for this theory and its hypotheses. For instance, Keller (1989) conducted a study based on this theory and found that there is no support for the hypothesis that all employees find a lack of structure stressful. In fact, he believed that some employees may even prefer to have a low-structured job as it gives them a lot of flexibility and they do not like the directive supervisory style. He found that subordinates who have a high need for structure respond favourably to directive supervision. That means different supervisory approaches might be necessary with different subordinates. However, more research needs to be done to test other hypotheses of this theory.

6.5.5 Leader-Member Exchange (LMX) Theory

Leader-member exchange theory focuses on the relationship between the leader and his subordinates. To determine the effectiveness of the leader, it tries to answer the question “How does the interaction between subordinate and supervisor affect the subordinate's behaviour?”

It is also known as vertical dyad theory. It studies the relationship between the supervisor and his subordinate rather than studying the supervisor and his work group. This theory was proposed by Dansereau, Graen, & Haga (1975). They argued that it is wrong to assume that each supervisor's group of subordinates is sufficiently homogeneous to justify studying it as a unit

and that each supervisor adopts the same style across all subordinates. In fact, they held that supervisors deal differently with each of their subordinates.

Dansereau et. al. (1975) suggested that there are two types of relationships that develop between supervisors and their subordinates.

i) The **cadre** or **in-group**

ii) The **hired hands** or **out-group**

The ingroup consists of subordinates who are trusted and influential members of the workgroup. In-group followers tend to function as assistants or advisers and to have higher quality personalized exchanges with the leader than do out-group followers. These exchanges typically involve a leader's emphasis on assignments to interesting tasks, the delegation of important responsibilities, information sharing, and participation in the leader's decisions, as well as special benefits, such as personal support and support and favourable work schedules. Thus, they receive considerably more attention from the leader and have more access to the organizational resources. The supervisor treats them with consideration and adopts a participative style with them.

The hired hands or out-group, on the other hand, are subordinates who are supervised with a directive style and are given little input into decisions. They receive fewer valued resources from their leaders.

These relationships evolve over time and are influenced by the characteristics of subordinates. To become part of the ingroup, a subordinate must put in effort on the job beyond the minimum expected and must be perceived as competent, dependable, and hardworking. Dansereau et al. (1975) found that members of the ingroup were more satisfied with their jobs, believed they had better relationships with supervisors and were less likely to quit than the hired hands.

This theory suggests that supervisors can be trained to enhance their relationships with each subordinate. Graen et.al.(1982) conducted a study in which they divided the supervisors into two groups. One group of supervisors was given training in how to improve their relationship with their subordinates, while the other group of supervisors was not given any such training. Later on, they found that the subordinates of the trained supervisors had better job performance and higher job satisfaction than the control group in which supervisors were not trained.

In another study, Petruzzello et.al., 2009; Vidyarthi, et.al.,2010) reported that subordinates who had a good relationship with their supervisors were rated higher in job performance and organizational citizenship behaviour by their supervisors. Gerstner and Day (1997) reported that individuals who have good relationships with their supervisors tend to have higher job satisfaction, are more committed to their employers, and perceive the job as less stressful than individuals with poor relationships with supervisors.

Though these studies give the impression that supervisors having different relationships with different subordinates is good for the organization, there has been criticism also for this theory. For instance, Yukl (1989) pointed out that differential treatment of subordinates within a work group can be destructive. We have already discussed equity theory in the motivation chapter. The equity theory indicates that employees can react negatively to unequal treatment. Outgroup or hired hand group in Dansereau et al. (1975) had lower job satisfaction and higher turnover rate than ingroup members. This might be due to unequal treatment given by the supervisor.

Another criticism against this theory is that it emphasizes dyadic relationships, i.e., supervisors having a separate relationship with each subordinate, Schriesheim (1980) pointed out that supervisors often direct influence attempts at entire work groups at one time rather than treating each individual differently. So there should be equal focus on the dyadic relationship as well as the relationship with the entire work group.

6.5.6 Transformational Leadership Theory

Transformational leadership theory refers to leaders who have considerable and unusual influence over their followers. They are known as charismatic leaders.

Max Weber termed charisma as “the greatest revolutionary force, capable of producing a completely new orientation through followers and complete personal devotion to leaders they perceived as endowed with almost magical supernatural, superhuman qualities and powers”.

This theory is similar to the trait approach discussed above as it also emphasizes the characteristics of an effective leader. But it does not restrict itself to just explaining what are the traits of an effective leader, it also looks into how leaders affect their followers.

Transformational leadership may be found at all levels of the organization: teams, departments, divisions, and the organization as a whole. Such leaders are visionary, inspiring, daring, risk-takers, and thoughtful thinkers. They inspire their followers to take up high goals and strive to achieve them. They give a vision to their followers and encourage them to achieve it. They convince their followers that they have the capacity to accomplish the vision and it is important for them to achieve that vision. Transformational leaders guide followers by providing them with a sense of meaning and challenge. They work enthusiastically and optimistically to foster the spirit of teamwork and commitment.

They encourage their followers to be innovative and creative. They encourage new ideas from their followers and never criticize them publicly for the mistakes committed by them. The leaders focus on the “what” in problems and do not focus on the blaming part of it. They have no hesitation in discarding an old practice set by them if it is found ineffective. They act as role models that followers seek to emulate. Such leaders always win the trust and respect of their followers through their actions. They typically place their followers’ needs over their own, sacrifice their personal gains

for them, and demonstrate high standards of ethical conduct. Leaders become influential only if followers believe that only by following the leader will they be able to achieve the vision, such as making the company profitable. Leaders like Mahatma Gandhi and Martin Luther King are examples of transformational leaders.

Bass and Riggio (2006) proposed that there are four parts of transformational leadership. They are –

- a) **Idealized influence** – This refers to the extent to which leaders encourage followers with their statements and model high standards of behaviour
- b) **Inspirational motivation** – This refers to providing a vision, such as King's dream. Intellectual stimulation is encouraging followers to question the status quo and think of better ways to do things
- c) **Intellectual stimulation** - This refers to encouraging followers to question the status quo and think of better ways to do things
- d) **Individualized consideration** – This refers to paying attention to the development and well-being of followers

Research has shown that transformational leadership is related to high job performance, job satisfaction, organizational citizenship behaviour, organizational commitment, and perceptions of justice (Pillai et.al. 1999). It is also shown that a leader can be trained to be a transformational leader (Towler, 2003).

6.5.7 Vroom-Yetton Model

The Vroom – Yetton model is different from other leadership theories. It tells us which supervisory approach will be more effective in a particular given situation. This theory is concerned with only the decision-making part of leadership behaviour and no other aspects of leadership behaviour. This model can help managers to choose the most appropriate style of decision-making.

According to this model, a leader can adopt five approaches to make decisions ranging from most autocratic to most democratic one with varying degrees in between. For instance,

1. Supervisor makes the decision alone. (Most autocratic)
2. Supervisor gets information from subordinates and makes the decision alone.
3. Supervisor discusses the problem with some subordinates and then makes the decision.
4. Supervisor discusses the problem with all subordinates in a meeting and makes the decision.
5. Supervisor presents the problem to all subordinates in a meeting and lets them decide. (Most democratic)

There are seven characteristics of the situation or problem itself and the characteristics of the subordinates that will determine what kind of decision the supervisor will make. These seven characteristics are -

1. Quality requirement for the result (is it important to make the right decision?).
2. Sufficiency of information the supervisor has.
3. Problem structure (is it clear what has to be done or is the situation ambiguous?).
4. Necessity for subordinate acceptance of the decision.
5. Likelihood of subordinate acceptance of the decision if made by the supervisor alone.
6. Subordinate commitment to solving the problem.
7. Subordinate conflict over solutions.

The supervisor needs to convert each of these seven characteristics into a question and answer it in the form of either yes or no. The pattern of answers will determine what kind of decision he takes. Vroom and Yetton gave a decision tool based on their model that managers can use to make the right decisions according to certain criteria. For instance, they said that three factors that influence decision-making style are quality, commitment, and time constraints. To find out the influence of each of these three factors they developed a decision tree that comprises eight yes/ no types of questions that have to be answered in the same sequence. These questions are –

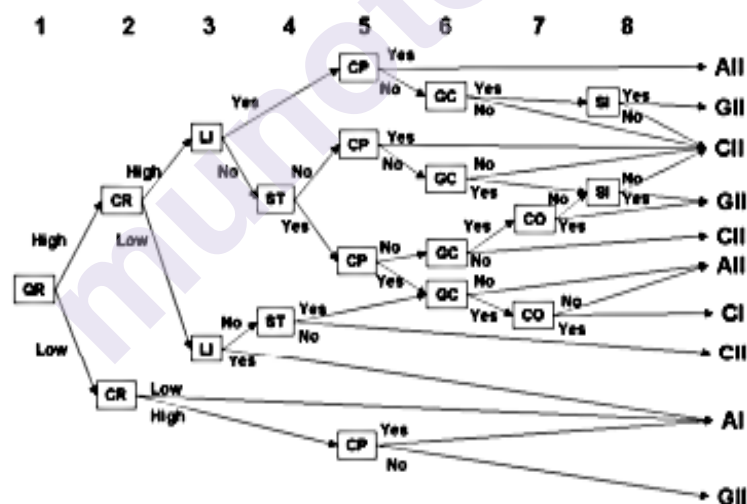
- 1) **Quality Requirement (QR):** How important is the quality of the decision?
- 2) **Commitment Requirement (CR):** How important is team members' commitment to the decision?
- 3) **Leader's Information (LI):** Does the leader have sufficient information to make a high-quality decision on his own?
- 4) **Problem Structure (ST):** Is the problem well structured (e.g., defined, clear, organized, lend itself to the solution, time-limited)?
- 5) **Commitment Probability (CP):** If the leader makes the decision by himself, is it reasonably certain that the subordinates would be committed to the decision?
- 6) **Goal Congruence (GC):** Do subordinates share the organizational goals to be attained in solving the problem?
- 7) **Subordinate conflict (CO):** Is conflict among group members over preferred solutions likely?
- 8) **Subordinate information (SI):** Do team members have sufficient information to make a high-quality decision?

After answering the above eight questions, a decision tree is followed to arrive at the preferred and most effective leadership style and decision method. (see Figure 6.2)

There are five different types of leadership styles

- 1) **Autocratic (AI):** The leader makes the decision by himself using existing information without any communication with the team.
- 2) **Autocratic (AII):** The leader consults with team members to get information, but makes the decision by himself or herself without informing the group.
- 3) **Consultative (CI):** The leader consults the team members to get their opinion about the situation, but he or she makes the decision for themselves.
- 4) **Consultative (CII):** The leader consults the team members seeking opinions and suggestions, but he or she makes the decision for himself or herself. In this type of leadership style, the leader is open to suggestions and ideas.
- 5) **Collaborative (GII):** The leader shares the decision-making process with team members. He or she supports the team in making the decision and finding an answer that everyone agrees on.

Figure 6.2 The new leadership: Managing participation in organizations



Adapted from Vroom, V. H., & Jago, A. G. (1988). The new leadership: Managing participation in organizations. Englewood Cliffs, NJ: Prentice Hall.

{Source: Vroom, V. H. & Jago, A. G. (1988). The new leadership: Managing participation in organizations. Englewood Cliffs, NJ: Prentice Hall}.

Vroom and Jago (1988) found that across the studies, the success rate for decisions made in accordance with the theory was higher than for decisions

made in violation of it. The advantage of this theory is that it provides very specific advice about how to supervise, whereas the other theories provide principles that one would have to figure out how to apply. However, the limitation of this theory is that not enough field studies are conducted to test this theory.

6.6 WOMEN IN LEADERSHIP POSITIONS

Traditionally women found it difficult to break the glass ceiling effect and very few female leaders were there all over the world. But that trend has been changing and now gradually women reach the top positions in the organizations as well as in the political arena. Though we can't say that the glass ceiling effect is part of history now, in many countries, including India, women have reached to Prime Minister level.

There are various reasons for the glass ceiling effect to be still prevalent, such as –

1. men and women differ in their career preparation and their attitudes
2. There are biases prevalent in society that women are not capable of being effective high-level managers.

For example, van Vianen and Fischer (2002) found that women were less ambitious, cared less about salary and status, and were more concerned with work-family conflict than men. In another study by Schein et.al.(1996) subtle stereotypes about the characteristics of men and women are also responsible for women not getting selected for higher management posts. People believe that the characteristics required to work successfully in higher management positions are in sync with masculine stereotypes rather than female stereotypes. However, the glass ceiling effect cannot be blamed only on the biases of selection managers.

Lyness and Thompson (2000) in their study found that female managers are more likely than men to report feeling they don't fit in with colleagues. Though it was not clear whether female managers reported this feeling of not fitting with colleagues because they were having a harder time adapting to management ranks, or they were finding colleagues and supervisors less accepting of them, or merely perceiving themselves as less fit. Such a feeling affected their confidence and behaviour and became a stumbling block in their career progression. It has been suggested that governments must play an active role in breaking the glass ceiling effect by making it mandatory for organizations to have equal employment opportunities and uniform selection procedures committees.

6.7 GENDER DIFFERENCES IN LEADERSHIP STYLE

Researchers have been trying to find out whether men and women differ in their leadership styles. Keeping in mind the stereotypes of men and women, one would expect women leaders to be more concerned with the feelings and emotional well-being of subordinates (consideration) and men would

be more concerned with getting the job done (initiating structure). However, studies have shown that in reality, the situation is much more complex. For instance, Eagly and Johnson (1990) conducted a meta-analysis of 160 leadership studies and found that stereotypic styles of men being high in structure and women being high in consideration have been found in laboratory research with students but not in the field studies with actual leaders. They gave two explanations for these results –

- a) they said that in an organizational setting, there are environmental constraints and requirements that may force male and female supervisors to adopt similar styles. In laboratory studies, there are no constraints on participants which leader behaviour to choose. Female participants may be inclined to choose a different leadership behaviour than men, actual organisational settings do not allow them such an option.
- b) Another possibility is that organizations may select women who have leadership styles similar to men's.

Bass, Avolio, and Atwater (1996) found that women tend to be either the same as or higher than men in transformational leadership.

6.8 CROSS-CULTURAL DIFFERENCES IN LEADERSHIP

All the theories that we have discussed above do not apply universally to all countries and cultures. Research studies have shown that attributes related to good leadership differ from culture to culture. House, Hanges, Ruiz-Quintanilla, Dorfman, Javidan, Dickson, et al. (1999) carried out a research program across sixty-two countries. This program was called Global Leadership and Organizational Effectiveness (Project GLOBE) Research Program. The results of this project showed that there are some universal characteristics that effective supervisors share irrespective of their culture and there are some characteristics that are very culture-specific. For example, in all cultures, being intelligent and being trustworthy are highly positively rated, while being willing to take risks and being individualistic are appreciated only in some cultures and not in others.

Ensari and Murphy (2003) conducted a comparative study with students as a sample. Students were asked to compare the performance and behaviour of supervisors from Turkey and America and indicate how transformational the leader is. Turkey represents collectivist culture while America represents individualistic culture. They found that the specific behaviours of managers were more important for American students while for students from Turkey, the results were more important.

Scandura, Von Glinow, and Lowe (1999) also conducted a comparative study to find out the effectiveness of different leaders. Their sample consisted of employees from America, Jordan, and Saudi Arabia. Their results showed that consideration is more strongly related to leadership effectiveness than initiating structure in the United States but that the opposite was true in the Middle East countries.

In another comparative study conducted in India and the United States, Narayanan, Menon, and Spector (1999) asked clerical employees in India and the United States to describe the most stressful incident that had happened to them at work in the prior month. It was found that in the United States, lack of control was the second most often mentioned stressful incident, mentioned by almost a fourth of participants. In India, the most often mentioned stressful incident was insufficient structure provided by supervisors, mentioned by a little over a fourth of the participants. Not one American mentioned insufficient structure, and not one Indian mentioned lack of control.

Euwema, Wendt, and van Emmerik (1997) surveyed employees from 33 countries including India and America and found that directive approaches have more negative effects on people from individualistic than collectivistic countries.

These studies clearly indicate that the theories developed in America cannot be blindly applied in other countries.

6.9 SUMMARY

In this unit, we discussed what is leadership. It is the influence that a leader has over his subordinates. Leaders can derive their influencing power from five sources- expert, referent, legitimate, reward, and coercive power. Yukl (1989) added the dimension of political influence and said that leaders can influence others through their political actions such as controlling, forming coalitions, and co-opting opposition. Psychologists have been trying to unravel the mystery of whether good or successful leaders are born or made. Many theories have come up to answer this question. Trait theory believed that good leaders have certain characteristics that make them successful in any situation. The Leader behaviour approach looked at not the characteristics of the leader but the behaviour of the leader. It held that the behaviour of the leaders determines their success. This behaviour can be of two types – initiating and consideration behaviour. Contingency theories such as Fiedler's contingency theory and Path-goal theory believed that the success of the leader depends upon the interaction of the leader's characteristics, behaviour, and situational characteristics. Leader-member exchange theory looked at the interaction of leaders' behaviour with subordinates' characteristics. Transformational leadership theory explained that leaders can inspire their followers through their characteristics, charisma, and behaviour as role models. Finally, Vroom-Yetton's model gave a model of decision-making that leaders can use as a ready reference and make correct decisions in different situations. Next, we looked at the reasons for the glass ceiling effect on women and how leadership theories cannot be applied uniformly in all countries. Leadership success is influenced by cultural factors too.

6.10 QUESTIONS

1. What is leadership? Discuss in detail French and Raven's bases of power.

2. Describe in detail Yukl's sources of political power.

3. Write a detailed note on the abuse of supervisory power.

4. Discuss in detail the trait approach and the leader behaviour approach of leadership.

5. Elaborate on Fiedler's contingency theory and Path-goal theory of leadership.

6. Describe in detail Leader-Member Exchange theory and transformational leadership theory.

7. Elaborate on Vroom Yetton's model of leadership.

8. Write in detail on gender and leadership styles.

9. "Leadership theories cannot be applied universally" discuss.

6.11 REFERENCES

Aamodt, M.G. (2016). Industrial/Organizational Psychology: An applied approach (8th ed). Boston, MA: Cengage Learning.

Riggio, R. E. (2017). Introduction to Industrial/Organizational Psychology (7th ed). New York, NY: Routledge

Spector, P. E. (2012). Industrial and Organizational Psychology: Research and practice. Singapore: Wiley. (Indian reprint 2016)

ORGANIZATIONAL DEVELOPMENT AND THEORY - I

Unit Structure :

- 7.0 Objective
- 7.1 Organizational Development
 - 7.1.2 Organizational Change
 - 7.1.3 Techniques of OD
 - 7.1.4 Empowerment
 - 7.1.5 Downsizing
 - 7.1.6 Work shift
- 7.2 Summary
- 7.3 Questions
- 7.4 References

7.0 OBJECTIVES

- To explain the process of organizational development and its application
- To understand organizational change
- To evaluate techniques of organizational development
- To describe factors in organizational development

7.1 ORGANIZATIONAL DEVELOPMENT

In this chapter, we will understand how an organization's development takes place. So far we understood factors that help or disrupt an individual's growth in an organization. Now we will focus more on the development of a large section of an organization or whole organization. When people join forces to accomplish a common goal and follow a set of operating procedures to develop products and services, they have formed an organization.

Organization development (OD) — a process of improving organizational performance by making organization-wide, rather than individual, changes (Burke, 2008).

These changes can be unexpected, like due to the COVID-19 Pandemic all the organizations were forced to develop strategies that will facilitate work from home leading to changes in schedules of work. In 2008 at the time of economic depression, lots of companies opted for downsizing to balance

their profit and expenditure. Some changes are thoughtfully introduced in organizations aiming for the development of the organization e.g. changing work schedules.

With changing trends in the past 30 years like globalization, widespread usage of technology, and multicultural workgroups made an impact on the speed of the OD. Organizations which were able to introduce these changes were able to develop and sustain. Here we will go through factors that one organization needs to consider before introducing any change to the employees. In this chapter, we will understand organizational change, empowerment, downsizing, and work shifts.

7.1.2 Organizational Change

In an organization employees from all levels of the organization are involved in making organizational changes. Employees who play an important role in implementing these changes are called Change Agents. The change agent is the catalyst for change within the organization. He or she is an expert in working with organizations to improve their functioning. The change agent might be an employee of the organization or an outside consultant who is hired to implement the OD program.

The change agents have extensive experience in their respective fields, they guide and train for OD. It involves taking classes, workshops, and skills training programmes. After a thorough understanding of the organization's current level of performance, expected goal, and required changes to achieve these goals; these change agents serve as facilitators or moderators, monitoring and supervising required steps (Spector, 2016).

Kriegel and Brandt (1996) suggested that it is important to identify practices in the organization that no longer serve a purpose. But instead, causes unnecessary stress. They formally found such tasks – Unnecessary paperwork, length of the meetings, and deadlines.

1. **Unnecessary Paperwork-** A lot of the time organizations collect reports that go unread many times, however, the employees have to spend their time writing those e.g. monthly/ weekly reports, unless they are read by the supervisor this task remains meaningless. Asking certain questions like do we really need that much paperwork? How is it contributing to the understanding of the progress? Can it be done quarterly or half-yearly? What effect it will have?
2. **Length of the meeting** – Workplace meetings have been very time-consuming. Preparing for the meetings, the arrangement cost, and the actual implementation of the decisions taken at the meeting can be dissatisfactory. Scheduling meetings that are short, with the required number of people has been more effective.
3. **Deadlines** – Short deadlines negatively affect the quality of the work. Last-minute work can have an impact on an employee's health, attitude, and stress level.

These changes are not easy to implement. Kurt Lewin (1951) gave Unfreeze – change – refreeze model explaining the process of changing an organization.

1. **Unfreezing**, in which individuals become aware of values and beliefs they hold
2. **Changing**, in which individuals adopt new values, beliefs, and attitudes
3. **Refreezing**, which is the stabilization of the new attitudes and values

For example, the police officer is aware of his initial duty is to protect the people, while doing it he not only has to catch the lawbreakers (Unfreezing) but also to rehabilitate them in society (Changing). To do this he needs to run awareness programmes, skill-building programmes, etc. (Refreezing). Earlier these changes were introduced for understanding the nature of the organization, nowadays these changes are more in terms of self-examination, for growth, understanding companies market value, and customer satisfaction. As a result, most OD is assumed to be led by external circumstances. Though these external events require immediate and abrupt changes however successful implementation of these changes is guarded. In 1990 Weick and Quinn suggested having a continuous change rather than sudden episodic changes to be more successful. Let us look into these changes in more detail.

Episodic Changes

Episodic change can be characterized as infrequent, discontinuous, and intentional. It involves replacing certain practices, employees, organizational culture, to fit the current demand. Organizations focused on minimizing feelings of uncertainty and wanting to reach a state of balance as soon as possible often choose episodic changes. These organizations in order to remain profitable tend to make large-scale changes like a layoff, production of different goods, and quantity over quality is preferred. These decisions were planned intentionally, taken to replace old practices with new ones and return to a state of equilibrium as soon as possible. However, in the next wave of market changes these organizations experience a lot of stress and disruption, lack of confidence in consumers, employees experience overworked, and uncertainty.

According to Weick and Quinn (1999) following are the characteristics of the organization that most commonly embraces episodic changes.

- Tight interconnections between subunits
- Efficiency as a core value
- A concern with adapting to current events in the environment
- Strong organizational cultures and subcultures
- Greater involvement in imitation than innovation as a motivation for change

Despite success being uncertain organizations think to make revolutionary changes. It has been found that episodic changes are most suitable and most preferred by organizations. During the year 2020-21 worldwide educational institutions provided their services through online learning, this was the most dramatic change that was seen with interconnection between all the universities, schools, and colleges. With a strong belief in imparting education amidst all the challenges, with a very short time span to develop strategies these changes were adopted. In the beginning, it was stressful for both students as well as teachers, however, later it helped in achieving the equilibrium.

Continuous Change

Continuous change describes a process that is “ongoing, evolving, and cumulative.” As mentioned by Weick and Quinn (1999) it is characterized as “small continuous adjustments, created simultaneously across units, cumulate and create substantial change”. These changes are not big and dramatic but small changes that are made from time to time, these are task-based changes, made through continuous feedback e.g. online learning was a result of continuous training of the teachers on various methods of teaching. These training sessions provided teachers with the required strategies to make their classes more inclusive.

Though these changes appear small in nature, but together they make a huge impact. We can say that to make an episodic change successful several continuous changes are essential. Organizations that are engaged in frequent continuous changes believe in improvisation, innovation, and learning. In continuous change, the role of the change agent is to encourage thinking about their previous experiences and what are the possible changes that can be introduced and how can it be introduced. Contrary to episodic change where the change agent is the mover of the whole project.

Employee Acceptance of Change

As we learned about the types of changes and ways to identify required changes one thing management has to consider is the way in which an employee will react to these changes. A lot of the time employees are reluctant to change. Employees can experience negative emotions due to stress, and uncertainty. Let us look at individual reasons, organizational reasons for reluctance as well as steps that employees go through before accepting the change.

Greenberg (2002) offered an individual perception on barriers to change:

- **Economic fear** – Threat to job security, promotion, appraisal
- **Fear of the unknown**- Changes required in practices, organizational culture
- **Fear of altered social relationships** – Working with new people or changed co-workers

Dam (2005) gave organizational-level barriers that can lead to resistance:

- **Structural inertia:** Jobs that are stable for years can have difficulty in changing their job description, task, etc.
- **Workgroup inertia.** Work norms that are practised for years changing them, can be difficult between departments
- **Threats to power balance.** Shifts in the seniority, higher-level management positions
- **Prior unsuccessful change efforts.** Changes after an earlier failed attempt

Carnall (2008) suggested 5 stages employees go through. These are Denial, defence, discarding, adaptation, and internalization.

1. **Denial** – In this first stage employees believe old ways are working and there is no need for new ways to adapt. They will also come up with reasons for new ways to be not effective
2. **Defence-** In the second stage employees justify their actions and positions once they realize change will occur soon.
3. **Discarding** – At the third stage employees start seeing the change happening around them and the best way is to start adapting to the new ways.
4. **Adaptation** - At the fourth stage employees starts applying and testing the new system. They make required adjustments for the new system to be functional.
5. **Internalization** – last stage this new system becomes part of the organizational culture, and employees get comfortable with it.

Individuals who are flexible and have previous positive experiences are more likely to accept the change. It is also seen that Transformational leaders were better at communicating goals, and required changes and employees showed readiness for change under such leadership. Trust in the management is another important factor that predicts better acceptance of the change.

Nadler (1987) suggested five steps to overcoming this resistance.

1. Get support from the most influential person in the organization
2. Keeping in mind the various fears employees have and educating them
3. Make the employee engagement more meaningful
4. Constructive feedback for change and rewarding successful change

5. After successful adaptation of change shift focus on continuous change from episodic change.

At all these steps, communication is key to the successful implementation of change. Employees accept the change more positively when they are aware of all the processes. When the changes are communicated in time, from start till end result to all the involved employees, it is received with lesser resistance. If complete information is not shared it tends to increase the feeling of uncertainty, and fear that something bad is going to happen (Wanberg & Banas, 2000). Employees who have the responsibility of communicating changes must be trained, they should encourage two-way feedback. Employees at the receiving end should feel that their concerns are addressed by the management.

Another factor is how much time an organization takes to implement the change. They should try to move from episodic change to continuous change as early as possible. It is advised this should not take more than two years.

Training employees to be prepared for necessary changes helps them feel empowered. An empowered employee will feel confident in delivering his performance resulting in better organizational growth.

7.1.3 Techniques of organizational development

As we have seen the types and challenges in OD. Let us look at the techniques of OD. These techniques framework for implementing OD and have been found to be effective in improving individual as well as the organization's overall performance.

Management by Objectives

One of the organizational change techniques is Management by Change Objective, which is based on goal setting. In this technique, the goal of each employee is coordinated with his supervisor and subordinate. At first, those who are at the top of the organization set goals. These goals serve as objectives for every employee working under them. These employees set their own goals at each level which is in line with the management's objectives.

The goal set by changes should be objective, measurable and concrete making it possible for everyone to link their goal with them e.g. Sales have to increase. This statement could be an aim but it is vague. To make it achievable following statement is much better that is – In the year 2021 the sales have to increase by 20% from the previous year.

This statement has a timeline, a specific target, and a baseline as well. Objectives like this allow an employee to set their task, precise behaviour, and time to be devoted to each task.

The next step after setting an objective is to train the managers in the goal-setting process. Only when the managers know how the process of goal setting works then they can do this process with their subordinates.

The third step is to have a discussion, meetings with the supervisor, and subordinate pair at every level. Here the subordinates actively negotiate their goals with their supervisor and both design their goals in coordination with each other. Once all the levels have set their goals, a progress review meeting needs to be conducted either once or twice a year. In these review meetings, the employee's performance is evaluated against the set goal.

Figure 7.1 The five steps of implementing the management by objectives (MBO) program.

Top officials set goals for the entire organization	Managers are trained to set goals	Supervisors hold goal-setting meetings with subordinates	All employees work to achieve their goals	Goal attainment is evaluated
---	-----------------------------------	--	---	------------------------------

{**Source:** Spector, P.E. (2012). *Industrial and Organizational Psychology: Research and Practice* (6th ed). United States: Wiley}

Rodgers and Hunter (1991) found that organizations that implemented MBO with all employees and management showed better productivity than those that did not implement with full commitment. In a meta-analysis study, combined results of 23 studies showed an increase of 39% as a result of the MBO program. In these 23 studies management with a high level of commitment showed a 56.5 % increase, with the medium commitment it was a 32.9 % increase, and with low commitment, the increase in productivity was 6.1 %.

Survey Feedback

In this second technique of OD survey of employees' attitudes, opinions and feedback is conducted. The report of these surveys is communicated to the organization. The aim here is to allow employees to express their opinion in a non-threatening way through confidential questionnaires. This information can be used as an initial discussion point.

The first part of the survey technique is to design and administer a questionnaire by the change agents. Questions pertaining to employees' job satisfaction, perception of job condition, problems at work, and feedback on the same are asked. To assess these variables standardized tests for example Job Descriptive Index (Smith, Kendall, & Hulin, 1969) can be used. Having a custom-made scale to measure variables will also be found to be beneficial when one wants to assess conditions at the organization. By using standardized measures change agents have the opportunity to compare their employee's satisfaction with a similar organization. With custom-made measures change agents will get to know about changes required within the organization.

The second part is to provide feedback about the survey to employees. This data gets compiled in a report and it is presented to the employees in a series of meetings. During these meetings, employees have opportunities to discuss the results and discuss various possible solutions. The result of a successful program is the implementation of solutions to organizational problems.

Browsers (1973) in a large-scale longitudinal study found that after successful implementation of the survey method the level of employee satisfaction and job condition was reported in a positive light. As employees were involved in the process, their participation increased in policy decisions.

Team Building

The third method that we will understand is Team Building. It refers to many techniques that are designed to enhance the functioning of work teams. The techniques of team building are focused on tasks and related activities e.g. working on communication skills to increase interpersonal relations and cohesiveness, and decrease interpersonal conflict. All these are task-oriented activities with a focus on making the task performance smooth.

T-Group

T- Group also called a training group uses specific group exercises as an intervention designed to improve the communication and interpersonal skills of individual employees. The employees are exposed to a series of different scenarios to build their interpersonal skills with people whom they do not know. From the period of 3 days to 2 weeks these activities are conducted away from the usual workplace.

These insightful activities are aimed at allowing employees to explore their own strengths and weakness in a non-judgmental environment. This is practised with concrete feedback and open discussions where everybody gets a chance to put forward their opinion. To increase interpersonal skills at work and also to increase effectiveness T group activities were helpful in providing a different perspective of workplace conflict and possible ways to communicate to reach a solution.

In the early days, it was a popular method, however, over the period it lost its popularity due to two reasons, first though employees reported satisfaction with the activity it didn't show any effect on workplace development. Second, the activities required employees to explore sensitive aspects of themselves to which lots of people were not comfortable. It appeared like group psychotherapy. This was not in compliance with workplace ethics. So nowadays behavioural modelling is found to be more effective in training communication skills.

7.1.4 Empowerment

An empowered employee will always put more effort into Organizational Development. It can range from asking their opinion to giving them control of decision-making. Let us see how employees can be part of decision-making.

Making the Decision to Empower

Factors in Making the Decision to Empower

Employees involved in decision-making showed more trust in the managers compared to when they were not involved. Vroom and Yetton (1973) developed a flowchart to determine when employees should be involved in the decision-making process. This flow chart has seven factors.

1. **Importance of Decision Quality:** - Whether the decision is of high quality or low quality will determine the number of efforts put forward. For example, to decide which colour to put on office walls employees will not put major effort but whether to hire a new employee will require an extensive amount of deliberation.
2. **Lead knowledge of the Problem Area:** - The second factor talks about the extent to which a leader has knowledge/ information about a decision to be made. If the leader has sufficient information he might involve subordinates to make them feel involved. However, if he is new, and does not have sufficient information then the involvement of the subordinates will be extensive.
3. **Structure of the problem:** - The third factor is the extent to which a leader knows what information is required and how to obtain it. If he or she doesn't know it will require more people to be part of the process.
4. **Importance of Decision Acceptance:** - The fourth factor involves the degree to which a decision to be accepted by others is important. For example, the decision regarding working hours is important to be accepted by employees.
5. **Probability of Decision Acceptance:** - The fifth factor is the probability of decision acceptance by subordinates. While making a decision the manager must determine the probability of whether his subordinates will accept it. It also depends on the type of leadership and information about the decision. If the subordinates view the manager as an expert in the field they are more likely to accept the decision. Similarly, for leaders who are liked by their subordinates the probability of accepting a decision increases.
6. **Subordinate Trust and Motivation:** - The sixth factor is motivation and trust. The level of motivation among subordinates and the trust between leaders and subordinates will help in better decision-making.

7. **Probability of Subordinate Conflict:** - The final factor talks about the number of conflicts are there between the subordinates. If the employees are more likely to disagree on the best possible solution; the leader then collects the information from all and makes a decision accordingly.

Consequences of Empowerment

Having employees who feel empowered, control of their work have experienced positive emotions. The empowered employees felt increased Job satisfaction in U.S., Mexico, and Poland but not in India (Robert, Probst, Martocchio, Drasgow, & Lawler, 2000). As the skills of the employees improved it resulted in improved job security, higher pay, and chances of getting hired by another institute also improved.

The negative effect is employees with an increase in responsibility tend to feel more stressed out, and overworked. There was a risk involved in decision-making; if any decision turns out to be bad, employees might lose their jobs. Thus some employees resisted efforts of empowerment (Maynard, Mathieu, Marsh, & Ruddy, 2007).

7.1.5 Downsizing

In the process of organizational restructuring, changing it often results in decreasing workforce. It could be the result of changes in expenditure, outdated skill sets, technology replacing humans, and empowered employees, there is a decreased need for managerial supervisors. All these factors lead to downsizing.

Signs of Problems

Organizations usually get some warning that in the future they may have to consider downsizing. To reduce the high impact of layoff organizations can undertake certain strategies.

The first strategy is freezing and hiring permanent employees. With the help of outside employment agencies, organizations can get temporary employees. These employees are usually on a contract basis, their primary respondents are employment agencies, so the organization does not have to provide surety for the future. After the particular years of the contract are completed they can get a new contract employee. Depending on the growth of the company they can decide whether to continue with the contract or cancel it.

One thing one should keep in mind is if the temporary employee is going to be there for a long time they should be treated like other employees. They should receive proper training, and incentives for good performance, and attend office gatherings (Vines, 1997).

The Second strategy is outsourcing the services. That is using external vendors to provide certain resources. For example, the food provided by airlines and long-distance trains is prepared by local catering agencies. Similarly, outsourcing certain data management work can be useful.

The third strategy is to encourage employees to change their careers and help them learn the skills needed for a career change. In the 1980s and 1990's US-based organizations, AT&T needed to lay off employees. To reduce the number of layoffs they encouraged people to take up training courses, update themselves to step forward in their careers, to decide whether they will be happier in another career. To help them organization offered a yearly allowance for training, though it cost them heavily it reduced the downsizing as employees left willingly. And increased productivity with remaining trained employees.

The fourth strategy to reduce a lay off is to offer early retirement packages. These early retirements were aided with financial benefits. For example, in 2019 to deal with losses from telecommunication organizations employees were offered pension plans and health care benefits for taking early retirement. This strategy can cost good employees leaving early (Wyatt Company, 1993).

In the fifth option, the employees are asked for a pay cut or no salary increment. In an economic recession when the production and sales are down these strategy works till it gets back to normal. When the economy recovers these employees can receive their increment accordingly.

In the final strategies organizations avoid layoffs by restricting overtime, cutting off shared work, encouraging work from home, no pay on holidays, and shortened working hours or days.

All these strategies are aimed at reducing the effect on the individual employees as well as the organization. Keeping in mind the current economic, social, and political attitude one needs to decide a need for layoff.

Selecting Employees to be laid off

Organizations should determine the valid reasons for the downsizing. The selected employee's concerns have to be addressed. Criteria used to make this decision might include seniority, performance, salary level, and organizational need. One also needs to understand the possible implications of the layoffs.

The announcement – It should be on a personal, one-to-one basis. It is important that employees receive concrete information. Employees need to be informed about the reasons and their questions should be addressed. For example – Why the layoff is required, possible alternatives, how much time they have, a type of support provided by the organization during the process, and how it will affect their other benefits.

If these questions are not answered employees tend to get anxious, and worried, which can create insecurity in current employees.

Outplacement program – To help employees go through the process of downsizing certain programs are practised to address their emotional, financial, and career needs and guide them.

Emotional Counselling - The employee who is being laid off goes through four stages of emotions.

1. **Denial** – Here employees express disbelief at the announcement of lay off, and might put it as a mistake by the company. It can last up to a few hours to the last day of their work.
2. **Anger** – They express their anger towards the organization, supervisor, and co-workers, especially those who have retained their jobs. It is important to allow employees to express themselves appropriately. Venting out their emotions is important.
3. **Fear** – In this stage employees go through the fear of inability to find a new job quickly, unable to pay bills, and worries about the future and family. At this stage with compassion and empathy, these employees need to be listened out.
4. **Acceptance** – Here employees accept their layoff and start working towards securing the future, at this stage, they are ready to accept assistance for working on their resume.

Financial Counselling - Employees need financial counselling regarding planning their budget till the time they get a new job opportunity. Many employees have loans, rent, medical expenses, services required at home, education, and supporting elderly family members. The organization needs to explain to the employee regarding benefits that he/she will be receiving as compensation for early retirement or sudden layoff.

Career Assessment and Guidance- The employees who are usually laid off are the ones who lack updated skill sets, and knowledge of the current scenario. Therefore, while undergoing a career assessment one needs to assess their current skills and train themselves for the updated skills. Skills that are most likely to get hired for example, as the technology is changing software engineers are not only limited to computers but they have to adapt skills for working on smartphones, and developing applications that work on both devices. And with recent updates, they have started putting newer similar updates on the television as well.

Effect of Downsizing

Victims

Individuals who have lost their jobs have negative consequences on their physical and mental health. At the physical level these employees experience, headaches, hypertension, vision problems, sleep disturbances, upset stomach, heart problems, and increased substance abuse. At the psychological level, they experience depression, anxiety, withdrawal, low self-esteem, impulsivity, and anger outburst. Their relationships with family and friends start to become strained.

Beyer and colleagues (1993) suggested laying off victims to reduce the effect of downsizing:

1. Inform immediately to families.
2. Evaluate and understand the reasons for the job loss. That is, was the loss inevitable due to problems with the organization, or could better performance, more current skills, or a better attitude have allowed the employee to keep his job?
3. Deal with the emotions that accompany a layoff (e.g., anger, disbelief, guilt, shame) and get help if necessary.
4. Prepare for departure by doing such things as securing references, negotiating a severance package, and taking advantage of outplacement opportunities.
5. Take a vacation or a short rest period to help prepare for the journey ahead.
6. Plan a new course of action and go forward with confidence.

Survivors

Organizations cannot overlook the employees who survived the downsizing. It creates a sense of instability in the working employees as their coworkers have to leave. The process which was followed by the organization for layoff if employees consider it as just, fair then this feeling of insecurity will overcome if not then can lead to apprehension about their job security.

Organizations should opt for allowing survivors to express their opinion about the decisions, and allow them to make suggestions. A positive attitude about employees who are laid off will help in building trust.

The downsizing affects the local community in terms of reduced taxpayers, buyers, loss of local business, increased loan defaulters, and crimes. Though downsizing has certain positive outcomes like increased quality of employees and improved skills empirical research has not been able to establish the direct effect of downsizing, also the effect was not as it was desired.

In 2002 Cascio reports that organizations that downsized did not improve the financial success of their organizations. Henkoff (1990) surveyed almost 1500 downsized organizations and found that half of the organizations reported lower productivity. A Wyatt Company (1993) survey found that only 46% of downsized organizations reduced expenses, 22% increased productivity, and 9% improved quality. The Tierney Group (Peak, 1997) surveyed 300 organizations and found that disability claims and costs increased following downsizing.

7.1.6 Work schedules

In the eighteenth and nineteenth centuries, the working hours of the organizations were around 14 to 16 hours a day. In 1948 as per the factories act any individual who is above 18 years of age can work only 8 hours a

day and not more than 48 hours a week. With a weekly off. These rules were made to increase employees' satisfaction, motivation, the performance and reduce burnout, and turnover.

Compressed Workweeks

The majority of the organizations work for 8 hours a day and 48 hours a week, certain job roles were offered compressed worksheets. This involves instead of working for 8 hours these employees work for 10 to 12 hours a day and take two to three days off. This was seen especially in labourers and heavy vehicle drivers. These are called compressed worksheets. In 1940, Mobil Oil and Gulf Oil had used compressed worksheets for their truck drivers.

From the employee's perspective, this is an advantage to have three days off. They can spend more time with family, and a reduced time for work travel. It also helped them look after their young children as parents can have different days for compressed working hours.

Though the positive perspective of employees is evident we need to understand the effect on productivity. Research showed an increase in job satisfaction also satisfaction with compressed work schedules by 90% of employees (Moores, 1990), The meta-analysis study by Baltes, Briggs, Huff, Wright, & Neuman, 1999; Moores, 1990 suggested a moderate reduction in absenteeism, small increase in productivity and moderate increase in fatigue.

Some cautions organizations and employees must take is not to go beyond 14 hours a day. To reduce the fatigue of long working hours having breaks of 20 – 40 min divided into small segments can help the employees, few organizations also provide a facility to take a nap in between. Properly scheduled breaks can increase the performance of the employees.

Moonlighting

In this type of work schedule, the employee works for more than one organization at different times. For example, in the daytime, he might be an accounts professor in the evening, and in the night shift, he might work as an accounts officer in another organization.

To earn extra money, support their family, education, or sometimes employees enjoying a second job could be the reasons for moonlighting (Baba & Jamal, 1992).

This can have some negative effects like underperforming at one of the jobs, increased stress level, and less time for family and self. However, these employees were found to be better at multitasking, and adjusting, and were more active.

Flexible Work Hours

This type of work schedule allows employees to have different working hours adjusting to their family and personal priorities. In West Germany

when the similar working hours created traffic problems as all the employees use to travel at the same time to manage it organizations allowed flexible working hours. It allows the employee to have greater control over the hours they work. There are three basic components to it.

Bandwidth – Is the total number of hours available for work. For example, the corporate office is open from 6 am to 6 pm. whereas factories are open 24 hours.

Core Hours – These are the peak hours where everyone has to be present. As organizations are aware of the time when the maximum workforce is required. They can make it mandatory to adjust the hours accordingly. Finally,

Flexible hours - are those that remain in the bandwidth and in which the employee has a choice of working. For example – if in 10 to 1 most of the customers come, so 2 employees can have hours' schedule like 8 to 5 or 9 to 6.

In Metropolitan cities having flexible work hours will help reduce the stress of travelling and reduce the burden on the transport facilities. It will help in higher job satisfaction, less absenteeism, and increased productivity.

Work at Home

In 2020, pandemic employees working from home have helped enormously to sustain the challenges of economic depression. Though it was practised in organizations with few employees since 2020 apart from front-line workers all the organizations were working from home. Organizations that could not adapt to this new change suffered a lot. Initially, small-scale jobs like data entry, crafts, and sewing garments were done at home as extra support to the family. With the increased use of technology large-scale jobs like software development, and tele-marketing also started to be part of work at home. However, very few organizations and employees opt for working from home.

Organizations and employees both can take advantage of this work schedule. For employees it saves their time for commute, they can spend time with family, especially if they have young children or elderly family members at home. For organizations, it is cost-effective as they don't have to invest too much in office space, and provide other utilities at the workplace.

Shift Work

Work setups like emergency services hospital staff, security forces, goods, and manufacturing factories have to work in shifts. These workplaces can have emergencies at any hour of the day. To make sure production does not stop factory employees, online sales, also have to put up a 24x7 work schedule.

To maintain the services available employees have to rotate the work shifts. This work rotation has a negative impact on their health. As the daily

schedule completely changes when night shifts are there. People are used to sleeping at night and working in the daytime. This schedule changes their circadian rhythms. It also impacts the social and family life of the employee.

It has been highly recommended to have working shifts fixed and not rotated. With rotated shifts employees can get the benefit of not working at night on some days. But in reality, it affects their psychological and physical health more than fixed shifts. In the fixed shifts, employees' bodies start adapting to these changes and have lesser physical complaints.

Having fixed the number of days of night shifts for a week or 2 weeks or monthly shift changes helps employees adjust better compare to fast changes in shift changes. Employees working night shifts will benefit from 2 days break to adjust their sleep patterns (Totterdell, Spelten, Smith, Barton, & Folkard, 1995).

In 1944 Greenwood pointed out individual differences in employees toward shift work. Some people are comfortable with night shifts some prefer morning. This difference in preference is called Chrono-type.

7.2 SUMMARY

This chapter was focused on factors that one needs to understand for Organizational development. We looked at the organizational change, and understood the role of change agents in bringing changes in the organization. There are two types of organizational changes Episodic and Continuous that we studied. Here we understood the effectiveness of both the types and the timeline where they can be effective in bringing organizational change. Also, these changes are more effective when applied in the sequence of episodic changes after the continuous change.

It is important to understand from a behaviourist perspective that these changes are not easily accepted by the employees. The stages of accepting change and the strategies focusing on an individual level and organizational level that would help increase the acceptance of the change. We study four strategies among which Management by Objective implement change by setting goals. In Survey feedback results of the employee's survey are taken into consideration for change. Team Building is used to improve the functioning of the group. And the T group focused on training employees to improve their efficiency. Among these four T group exercises were less effective compared to the other three.

Employee empowerment is one of the important contributors to organizational development. An empowered employee increases an organization's productivity. Some of the challenges are employees tend to leave the organization after gaining updated skills for a better opportunity.

The process of downsizing deals with measures to reduce the incidents of layoff and circumstances under which it helps the organization. Here we learned the stages of acceptance of layoff and the physical and psychological effects of being laid off. We also learned the steps that are required to take to reduce the negative effect of downsizing.

7.3 QUESTIONS

1. What is Organizational development?

2. Explain the Concept of Organizational Change in detail.

3. Role of Employee empowerment in Organizational Development

4. Describe the proper way of downsizing.

5. Compare and Contrast different work Schedules.

7.4 REFERENCES

Aamodt, M.G. (2016). Industrial/Organizational Psychology: An applied approach (8th ed.). Boston, MA: Cengage Learning.

Conte, J. M., & Landy, F. J. (2019). Work in the 21st century: An introduction to Industrial and Organizational Psychology (6th ed.). New York, NY: Wiley. (earlier editions: 2016, 2013, 2010, 2007, & 2004)

Spector, P. E. (2012). Industrial and Organizational Psychology: Research and practice. Singapore: Wiley. (Indian reprint 2016).

munotes.in

ORGANIZATIONAL DEVELOPMENT AND THEORY - II

Unit Structure :

- 8.0 Objectives
- 8.1 Theories of Organization
 - 8.1.1 Classic Organizational Theory
 - 8.1.2 Human Relations Theory
 - 8.1.3 Contingency Theories
 - 8.1.4 Systems Theory
- 8.2 Summary
- 8.3 Questions
- 8.4 References

8.0 OBJECTIVES

- To understand theories of organization
- To explain the development of organizational theories.
- To evaluate the theories with reference to the function and structure of the organization
- To understand the interaction between factors like society, humans, and technology of an organization.

8.1 THEORIES OF ORGANIZATION

In the previous chapter, we studied the process of organizational development and factors that helps in bringing the required changes for the set goal. Now let us understand the structure and functioning of the organization. An organization is nothing but collective efforts put together by various areas like Human resources, financial, production, sales, and technology. An organization that has these areas working in coordination led to developed and sustainable workplaces. This is applicable to huge organizations to small-scale workplaces. Some of the issues that organizational theories deal with are:

1. The unique characteristics of the organization
2. The structure of organizations
3. The interpersonal relationships among employees in organizations
4. The interactions among employees and technology in organizations

In 1988, Hosking proposed that within an organization many different organizing forces work together. Organizations that are able to integrate these forces work successfully. One of the forces is the Human Resource department, which deals with hiring, training, and managing employees. The second force is the Financial department, which deals with the compensation, expenditure, and profit of the organization. The third force is Production Department, where they work on developing high-quality products at a low cost. The fourth force is sales and marketing, this department develops strategies for new products and designs them. Another force, that is, Labour Union makes sure the employees are satisfied with pay, and working conditions, and makes sure that employees work with honesty towards the company's goals.

Initial theories of organization were focused more on static characteristics such as chain of command, compensation policies, and specialization duties. For example, a product's price is set at 100 rupees, however, the two salespersons, 1 from a rural area and 1 from a cosmopolitan city disagree on the cost. For the salespersons in a rural area, the cost is high as the buyers in the rural area hail from lower socio-economic strata, and for a cosmopolitan salesperson, the cost of the product does not cover the production cost as he has to invest in high-end marketing for the city area. So here the chain of command is studied and a standard rate is fixed to deal with both the challenges.

Looking at this example we should understand that running an organization is not a one-way chain of command but is two-way communication. The coordination between departments. Organizational theories are complex and multidisciplinary, it involves, policies, economics, production, strategy planning, psychology, anthropology, and sociology. As for this chapter, we will consider theories pertaining to psychology.

There are roughly two categories in which all these theories are divided. In practice, the distinction between these two is not completely clear. Some elements might overlap in some of the theories. These categories are:

1. **Descriptive theories** explain how existing organizations work. A good descriptive theory will provide an accurate picture of how organizations are structured and how they operate.
2. **Prescriptive theories** indicate how organizations should operate. Proper application of a good prescriptive theory will lead to an effective and efficient organization.

The four types of theories that we will go through in this chapter are Classic organizational theory, Human Relations Theory, Contingency theory, and Systems theory.

8.1.1 Classic organizational theory

The theories of organizations are there since ancient times but the structure theories came into existence after the work in factories became popular. It is dated back to 1700 when the classical theories started emerging. In 1996 Shafritz and Ott gave four basic tenets of Classical Theory.

1. To achieve economic and productivity goals organizations are functioning
2. Through systematic analysis, we can determine the best way to run an organization
3. To maximize the production, specialized employees and division of the employees are required.
4. Economic growth is the prime motive and people and organizations work to shape their goals in accordance with it.

Bureaucracy Theory

In the late 1800 Max Weber a German political scientist initially developed this Bureaucracy Theory, this is considered a classic theory about the structure of the organization. In the early 20th century, when there was excessive favouritism and nepotism functioned in organizations, he developed this theory as a form of social protest. Majorly focusing on the structure of command than the process. Nowadays the word bureaucracy is thought to indicate as inefficient, and unresponsive, when it was proposed by Weber his intention was to provide a structure to the organizations. This provided characteristics and principles that were presumed for the effective functioning of the organization. These four principles are as follows:

1. **Division of Labour** - The talk about specialized positions for each employee will have a different task to perform. To have a separate department for every task. For example, in a restaurant, the purchase, cooking, cleaning, customer service, and billing are to be handled by different employees.

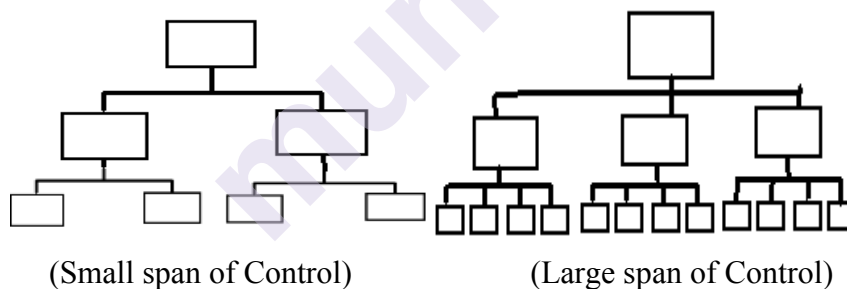
Herewith the division of the task employees are fully aware of their role and expectations from them, they are expected fewer skills, and therefore getting employees with specific KSAO becomes easier. People can become experts in their skills, it is easier for them to train, and with few tasks at hand, their effectiveness also increases. The disadvantage is that to manage these different task forces we need to hire separate supervisors, managers, and trainers to coordinate and make sure the job gets done.

2. **Delegation of Authority** - To accomplish the task, the employees, have to report to their supervisors so that they can coordinate between different departments and they can report it to the higher authority. It is like a hierarchy, the reporting starts from the lower level to the higher level but it the not the other way round. The person at the lower level does not get the reports. Except for the person at the highest level, every employee report to their supervisor.

Each person is responsible for their task and reporting it to the superiors called the following chain of commands, the superiors make sure the completed work gets communicated to the other coordinating departments. The person at the highest authority has to delegate the work as per the skills of the department called delegation of authority. For example, the restaurant owner distributes the responsibilities of the work, life deciding the menu, arrangement of the orders, time for preparations, purchase, and maintenance of the goods, and handling customers. All these departments periodically report to him regarding the completion of the work.

3. **Span of Control** - It refers to the number of subordinates who report to each supervisor. In this theory all employees have a supervisor except the highest authority, these supervisors can have a small span of control where they look after a few people at times or a large span of control where they look after lots of people at once. In the large span of control, there is no limit to how many individuals can be placed under a supervisor. So it can become chaotic for the supervisor to maintain every task and observe every individual's work. Two factors determine how many subordinates a supervisor can take: if the subordinates are skilled and require less day-to-day monitoring, experienced subordinates do not occupy much of the time of the supervisor. The second factor is the style of supervision, participative style allows larger number of subordinates and a large span of control. In this particular style, subordinates are allowed to make their own decisions, allowing the supervisor time for other tasks.

Figure 8.1 Span of Control



{Source: Conte, J. M. & Landy, F. J. (2019). Work in the 21st Century: An introduction to Industrial and organizational psychology (6th Ed.). New York, NY: Wiley}.

4. Line versus staff

A line position is directly related to the organization's major objective whereas the staff position is related to a supporting line position to achieve these goals. For example, in the education system, the teachers are in the line position whereas the support staff helps them execute their work by providing essential facilities in the classroom, technical support, managing salaries, benefits of the teachers, and other administrative responsibilities to maintain the school infrastructure and premise suitable for attaining a goal.

This classic organizational theory has some assumptions about motivation, satisfaction, performance, and leadership.

1. It assumed leadership line of authority and delegation will lead to successful leadership
2. Having specialization in a specific field leads to job satisfaction and motivation there for division of labours is required.
3. Having an optimal number of subordinates, a supervisor can manage increases productivity and performance there for the span of control and the structure of reporting is essential.

These assumptions paid less attention to individual differences, leadership styles, and the effectiveness of participative work styles. This theory was more invested in the structure of the organization and its effect on employee behaviour. It ignored the reverse effect of employees' behaviour on the organization. It believed having the most accurate structure will surely get to the success and did not consider the effect of circumstances.

This theory did not consider the participative decision-making style, as it assumed the one who is making the decision will not be implementing the decision. But in reality, the team or individual who is working closest to the production makes the maximum decision.

This theory has played an important role in bringing a structure to the initial organizational functioning and has provided the much-required platform for the upcoming theories.

8.1.2 Human relations theory

Theory X/Theory Y

In 1960 Douglas McGregor proposed a theory based on human relations in the workplace. As the earlier classical theory did not consider the role of human behaviour that can influence organizational functioning McGregor came up with a theory that believed beliefs that managers hold about their subordinates influence their behaviour toward those subordinates. The attitude and belief of the manager about their subordinates influence their behaviour which determines the approach of the organization's management. For example, if the manager believes that the subordinates are capable of handling their task, the level of monitoring will be less intense than when the manager believes that the subordinate is not capable. The closed monitored subordinate in turn develops a lack of trust towards his own skills as well as in the management. It is also possible that in the time of critical incidents these closely monitored subordinates might not perform well.

Based on these views McGregor developed two types of contrasting belief systems called Theory X and Theory Y.

Theory X – Theory X believes managers are solely responsible for introducing change elements in the organization. Managers are responsible

for directing human and nonhuman elements. Employees need close monitoring as they are lazy, if they are not constantly reminded of their work responsibility it will not get complete as they lack motivation and ambition for work. Employees avoid responsibilities and have apathy for organizational growth. They resist change and are more concerned about their own growth than that of organizations. So to make them perform managers use reward and punishment as measures to shape their behaviour.

Theory Y – Contrary to theory X, theory Y believes managers are to provide challenges and responsibilities to the employees. Managers are responsible for organizing elements of the organization. Employees are capable of directing their behaviour toward their goals as well as the organization's goal, managers should make it possible that employees recognized their strengths. They should provide means by which subordinates can achieve personal rewards through good performance. In theory Y, managers rely more on autonomy and development approaches. As the employees plan their goals in accordance with that of the organization's manager help them by providing guidance to remove the obstacle.

According to McGregor with experiences of the past in the initial days, most of the managers and employees move with the theory X approach. Slowly they move toward theory Y. Nowadays theory Y is seen as being adopted by the majority of the managers and the organization. As expected in theory Y, when the employee's capabilities are channelized, they tend to perform much better and at times employees are expected to multitask, giving them autonomy helps to organize their goals as well as of organizations.

Theory Z - In 1981m Ouchi proposed a Japanese approach to management called Theory Z. This theory assumes that long-term engagement is the basis of effective organizations. Employees who are planning to spend their careers in the same organization will have a high level of commitment and motivation. As they have invested years into an organization they are more likely to put the best performances for the development of the organization.

One thing we should keep in mind Theory X and Y are not either/ or. People can select one approach based on current needs. At times, the manager might have to direct the actions of the employees and similarly the different situations he can practice autonomy with the employees.

The Growth Perspective of Argyris

Chris Argyris (1972) proposed a natural developmental sequence in the human that could be either enhanced or stunted by the organization. Similar to Maslow (1943), Argyris suggested that growth is a natural and healthy experience related to the employees. He criticized classical theory for focusing only on organizational goals and structure. To him, the organization's goals and employees' goals need to be inconsistent with each other to promote growth for both. He believed the personality of the employees can have an influence on the organization. Employees have psychological needs and their actions are directed toward fulfilling these needs. He insisted effective organizations should provide opportunities to

develop human potential and fulfil their needs. By having open interpersonal relationships, the better coordination among employees this development can be facilitated.

Argyris gave the following development levels:

1. Development from passive to active organisms – With experience and maturity employees grow from being passively receiving instructions to actively making changes in their work. Organizations can provide more challenging tasks to stimulate problem-solving skills in employees.
2. Development from dependent to independent organisms – The growth of employees from being dependent can be facilitated by providing them autonomy in their tasks.
3. Development from organisms requiring immediate gratification to those capable of delaying gratification – Here the employee who shows patience and persistence in their task develops this maturity.
4. Development from organisms able to deal only with concrete operations to those able to deal in abstractions – From having structured problems with predefined solutions employees grow towards creating new ideas, and designs.
5. Development from organisms with few abilities to those with many abilities – An employee in the initial days of work can perform his own duties, it is expected with spending a few years in the organization he should be able to mentor others, coordinate with different units and handle different duties.

These assumptions are not applicable for certain job settings with highly repetitive tasks for example telephone operator, or security, mundane work like assembly work for example work of packaging worker. As Argyris prosed employees working in these work positions eventually experience stagnancy leading to absenteeism, and turnover. And organizations react by even imposing more control over them creating negative outcomes.

His idea for promoting self-growth lacks empirical support as it is seen employees often prefer to work under someone's supervision. Psychological growth was not the goal for all employees.

To tackle this, both McGregor and Argyris suggested integrating the goals of the organization with the goals of the individual. Some of the initiatives are total quality management, Six Sigma, and lean manufacturing. These initiatives incorporate participative decision-making.

8.1.3 Contingency theories

The word contingency implies “the best fit depending on the situations’. In the context of organizational leadership and in the context of providing structure to the organization; it suggests that behaviour must be selected to fit the particular situation. It believes there is no one best way to function in

the organization and the selection of the best way depends on the circumstances in the organization. As described by William Richard Scott (1981) contingency theory is "The best way to organize depends on the nature of the environment to which the organization must relate". Let us look at some of the theories that explain this approach.

Woodward – Joan Woodward (1958) studied hundreds of organizations and came to a conclusion that the technology used in an organization could impact the most effective design for the organization. Based on the techniques used for production and the complexity of the production system, these organizations can be grouped into three types. They are as follows-

1. **Small-batch organizations:** produce specialty products one at a time and in small numbers with a restricted number of orders. These types of organizations have a labour process involved in every stage from start to finish.
2. **Large-batch and mass-production organization:** produces large numbers of discrete units at the same time. The labour process is involved at specific departments and levels only. Especially at the assembly. The level of technological complexity is moderate.
3. **Continuous-process organizations:** depend on a continuous process for output or product, including organizations such as refineries, chemical plants, and distilleries. For example, a chemical company will be completely responsible for processing that particular chemical at a different state, the operations like mixing, heating, cooling, etc. Right from the raw material to manufacturing the final product. The labourers are involved in supervising the machinery, as they are programmed to perform the task. There will be no direct physical involvement by the labourers. These organizations have a high level of technological complexity.

Her conclusion was that organizations that fall in the same group of production systems have a similar organizational structure. The organizations which were successful are those which had an appropriate structured technical system. The effectiveness of the organization was based on the fit between technology and the structure.

She proposed the span of control changes based on the type of organization. If the organization is under mass production largest span of control will help, and if the organization is of continuous process it will work very well with a small span of control. With a small-batch organization the span of control falls somewhere in between.

Though her approach seems primitive by current standards, it shifted the attention from the classic theories. She was the one who introduced the concept of technology in organizational thinking. This led to our next theory by Lawrence and Lorsch (1967)

Lawrence and Lorsch – In 1967 Lawrence and Lorsch put emphasis on the stability of the environment. The stability of the environment was defined by the levels of competition, changes in product innovation, and the predictability of the supply and the demand for input and output. According to them, a stable environment in the organization gives more opportunities to grow than an unstable organization. This they called as a **Mechanistic Organization**. These organizations depended on formal rules and regulations, made decisions at higher levels of the organization, and had smaller spans of control. In contrast, **Organic Organizations** are unstable, have a rapidly changing environment. It has a larger span of control, procedures are not so formalized, and the decision-making takes place at the mid-level of the organization. A highly stable environment has low levels of competition, minimalistic changes in product design, a trusted and continuous source of required raw supplies, and stable demand for the product. The unstable environment has rapid changes in their design, there is no fixed supplier as well as no fixed amount of demand for the product.

Based on their research with three kinds of industries plastic, food and containers they made certain conclusions; the first conclusion based on the adaptation process; the stable and certain environment allows organizations to adopt a highly formal, set ways of procedures and routines. Whereas the unstable environment forces the organization to adapt informal procedures and can be uncertain. The second conclusion was based on the subunits of the organization – research and development, sales, and manufacturing. Just as the company undergoes stability and instability of the environment, these subunits also have different levels of stability. The research and development unit is the least stable whereas the manufacturing unit is the most stable unit.

According to Lawrence and Lorsch organizations need to take up the task of differentiation and integration within subunits very carefully. For example, in an organization manager of the research and development unit work more and like organic way as they are required to change their methods, strategies on an intermittent basis that influences the functioning of the lower level departments. In contrast, the administration or Human resource department might function as mechanistic with more formal rules, set working styles, having set decision-making authority. This differentiation in the department is essential for having a specialized task to perform. This differentiation requires integration which can be promoted by having cooperation and coordination between the subunits.

Based on this theory the challenge that organizations face is maintaining system that allows these departments to operate as per their style of working and still work in harmony with each other. The organizations that are able to do this prosper.

Mintzberg- Mintzberg (1979) gave a sophisticated contingency theory based on several categories of characteristics used by organizations. These categories include: (1) the coordinating mechanism used by the organization, (2) the role and responsibilities performed by employees to undertake their functions in the organization, (3) the extent of centralization

or decentralization in decision making in the organization, and (4) the context in which the organization operates.

Based on the first category Mintzberg (1989) identified six forms of coordination. As he believed, the communication within the organization moves from being informal to form as the work progress to being complex and demanding-

1. Mutual adjustments based in informal communication
2. Direct supervision
3. Standardization of work processes
4. Standardization of the KSAOs necessary for the production
5. Standardization of outputs
6. Standardization of norms (what we might call “culture”)

The second category is function and role-based on which Mintzberg gave five characteristics of people in the organization-

1. **Operating core:** the people responsible for producing the goods or providing services
2. **Strategic apex:** a chief executive, or group of senior leaders, to oversee the entire effort of the organization
3. **Middle line:** the midlevel managers and supervisors who facilitate the interactions between the strategic apex and the operating core
4. **Technostructure:** analysts who perform specialized technical support functions, such as engineering or budgeting
5. **Support staff:** employees who perform administrative functions varying from legal to compensation and benefit administration

The third characteristic of an organization is its level and form of centralization. If all the decisions are made at the highest level, then it is a highly centralized organization. If decision-making is distributed among different departments depending on their knowledge and expertise, then it is a decentralized organization. Vertical decision-making is where decisions are passed from the highest authority to lower-level management. Horizontal is more informal in nature where higher-level managers incorporate suggestions, opinions of the lower-level managers.

The last characteristic is the context in which the organization operates. For example, whether the organization is new or old, the level of technological impact, the size of the company.

Based on these four characteristics Mintzberg believed organizational configuration can be created. These configurations are nothing but the various ways in which organizations are shaped and function. He named these shapes as follows.

Entrepreneurial organization, professional organization, innovative organization. Based on these shapes Mintzberg gave configurations of the organizations with the help of four characteristics. For example, the entrepreneurial organization will have specific norms, it will have a highly centralized decision-making system.

8.1.4 Systems theory

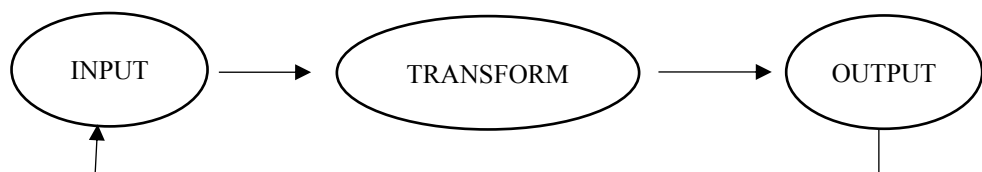
Open System Theory

In 1966, Daniel Katz and Robert Kahn proposed a dynamic view of the organization. The classical theories were focused on making the organizations more structured were as the contingency theories were more focused improving the functions within the organization. The human relations theory put forth idea of human interaction in organization, Contingency theory along with role of human relations considered role of technology in the organization. The System theory consider many of factors that make the organization. They illustrated not only factors within the organization but also outside the organizations. This theory is also called as open system theory as it gives importance to the openness of the environment to be an effective organization.

Taking inspiration from the natural sciences, view the biological organisms like plant, animals, bacteria and viruses as open system. Their aim to study the organizations was to understand their behaviour, unlike other theories which aims at improving the organizations. They wanted to study the organizations in its natural settings as we study the naturally occurring phenomenon. Katz and Kahn were more interested in understanding how organizations behave rather than asking why or improving its functions/structure.

To understand the system theory let's have a look at the process that organizations go through. The simple process of having inputs of resources, transforming these resources and then sending it out.

Figure 8.2 System Theory



{**Source:** Conte, J. M. & Landy, F. J. (2019). *Work in the 21st Century: An introduction to Industrial and organizational psychology* (6th Ed.). New York, NY: Wiley}.

For example, in a restaurant the input will be the vegetables, dairy products, spices, etc. The chef transforms these inputs in to a product the dishes listed in the menu, the output is the number of customers who bought the particular item. Using the capital earned through output the newer dishes, different menus are added in that particular restaurant. In this loop, the feedback given by each department as well as the customers is very essential

to keep this cycle running. By using these services and feedback the organizations can expand their outreach to different locations, adding unique dishes and being innovative in customer engagement.

There are ten characteristics of organization given by Katz and Kahn (1978).

1. **Import energy** – This is the first characteristic. It involves getting all the required inputs for the next step. These inputs can be employees, raw material for a product, technological settings, anything that requires to make the final product or services ready for sales or delivery.
2. **Transform energy**- This characteristic is about transforming the imported energy into the product. Designing the product, deciding the quality and quantity, manufacturing with the raw materials. Departments like research and development, designing, production planning, assembly have important functions here.
3. **Output products**- This characteristic is pertaining to selling ready products/ services. It involves marketing, advertising, and selling it to customers or other companies.
4. **Cycles of events** - The fourth characteristic talks about the work shifts, to maintain the cycle of continuous production a well-distributed working hours' structure is very essential. As we have seen in an earlier chapter the effect of shift work on employees' performance and on production. We need to make these cycles suitable for everyone.
5. **Escape entropy** – This characteristic is about staying profitable. When the product is new and unique gaining profit is somewhat easier than maintaining the profit. The marketing and sales department along with research and development constantly have to work on increasing the profit margin.
6. **Input information** – This characteristic deals with market surveys. These market survey helps to understand the demand of the product, changes required in the product, and based on the surveys deciding steps to be taken for future products.
7. **Homeostasis** – This characteristic is about maintaining the budgetary homeostasis, it is balancing the expenditure and profit. The accounts department need to keep updating the managers of the different department about the expenditure they can do in a year and based on it planning the annual activities.
8. **Specialization** – The eighth characteristic deals with having specialized jobs. As the work increases having specific people for particular work is essential. The experts in the field help the organization deal with critical incidence efficiently. The Human resource department works to create such job positions and hiring them.

9. **Coordination and integration** – The ninth characteristic explains the importance of coordination and integration. As the organization starts gaining its pace, different departments, number of employees start to join the organization, maintaining the coordinated efforts is very essential for the sustaining in the long run. These functions of coordination and integration are done through supervision,

The open system theory is descriptive in nature. It focuses more on the way of thinking. According to this theory, there are different ways to structure and function an organization. However, this theory does not guide in terms of how these principles can be implemented. For Example – This theory tells us to have a strong system for coordination and integration but it does not tell how it can be done.

Sociotechnical Systems Theory

Sociotechnical systems theory (STS) views an organization in terms of the interrelations between people and technology in the context of the organizational environment. In the context of this theory, the term People indicate employees and their relationship with each other. The term Technology indicates the equipment, materials, tools, and other nonhuman objects in the organization. The physical and social conditions in and around the organization indicate Environment. This theory explores how people and technology affect each other. This theory is prescriptive in nature and the research findings can be used to provide good organizational design.

In 1951 Trist and Bamforth studied this theory for the first time. They studied the effect of technology on the British coal industry. Their observations suggested the changes in the communication, relationship between the workers before and after the introduction of the technology. This study helped in establishing a link between people and technology.

Sociotechnical systems theory believes in Joint Optimization. The idea is people and technology systems combined can benefit the organization. It should be easy to work together and these technologies should be suitable for people to use. This means humans should be part of designing the equipment and the designed technology should be able to facilitate humans. In the early 1990s when computers were introduced to the offices, they were designed in such a way that they should be easy to use, and humans are specifically trained to use this technology. It should not be a mere replacement of the old tools but it should have features that function differently to facilitate work.

The principle that this theory believes is Unit control of Variances. It means when there is a problem that arises at work who will handle it. Employees are trained to perform their regular tasks however once in a while there is variation in the routine, for example, the machine stopped working or the customer has some problems. At such times the employee who is in charge of that machine or customer should be able to solve it. By allowing them to handle their problems organization is providing the opportunity to develop mastery over tasks, it develops their self-efficacy, they feel more empowered. To solve these issues, the working group of the unit can share

the information, knowledge, and learnings among each other. By doing this the response time to address the problem is reduced and increases the productivity of the organization. To make this possible, while training for the machine and customer services organization should provide the optimum level of training.

To promote autonomy in the work teams STS theory helped in developing self-regulation in individual employees as well as a team. A self-regulated employee or a team required less amount of supervision, which allows their managers to work on creating supportive activities for the employees, they can focus more on improving the overall functioning of the organization.

In the current working environment, STS theory has been found to be the most widely used. One of the reasons has been less need for managerial supervision. When an employee is well self-regulated, companies will not require hiring a manager to supervise them. This will help the organization in saving on expenditure. The second reason is as the technological changes are occurring rapidly these empowered employees can adapt to new circumstances and work flexibly. Research on STS by Wall, Corbett, Martin, Clegg, and Jackson (1990) found that allowing machine factory workers to deal with their problems, improved their productivity, decreased downtime and job pressure.

8.2 SUMMARY

At The end of this chapter we all have understood, that is organizations are not just a physical place or stringent rule, it is a systematic, workplace involving a number of factors that work together to achieve a goal. As we studied the development of theories of organizations as well as the evolution of these theories; it has given us insight into the organization as a system, a process.

Starting with the Classical theory of Bureaucracy given by Max Weber was focused on the structure of the organization, chain of command. This theory helped to make the industry more organized and structured. Organizing the labourers, span of control, and delegation of authority. Having its own limitations like rigidity, less attention to human factors; this theory was a pioneer to upcoming theories.

The Human relations theory by McGregor was the first one to recognize the humans working in the industry. Based on how the managers deal with their subordinates he developed theory X and theory Y. As he pointed out the impact of manager's attitude towards employees and its impact; it helped in developing strategies for human resource management to understand which strategy works in which setups.

As Woodward studied organizations' functions she noted the role of circumstances especially the technology in organization. We learned the type of organizations and the effectiveness of these organizations. Lawrence and Lorsch added to the contingency theory; here they suggested the stability within the organization and its impact on the productivity of the

employees. Mintzberg gave a sophisticated approach till now regarding the structural characteristics, role or functions, levels and types of decentralization, and coordination mechanisms.

As the method of studying, organizations started changing from being constricted towards incorporating many factors that influence the organization; Open system theories came into the picture. Here we saw two theories Open system theory and Socio- technical system theory. These theories are dynamic in nature, they have explained a number of factors like characteristics of the organization, the influence of technology, human relations, society at large. Though these characteristics are much empirically tested; they serve as a checklist for the organizations to have a better functioning. The Socio- technical theory explained the interrelation between machines and humans. The STS theory emphasized the importance of autonomy in employees. The important ideas that are proposed by this theory are Joint Optimization; which is designing an organization's structure that the technology and humans should fit to each other and Unit Control Variances it means promoting self-efficacy in employees by encouraging them to solve their issues.

8.3 QUESTIONS

1. Evaluate the Classical Organizational Theory.

2. Explain impact of technology with reference to Woodward's theory.

3. How does employee's personality affects organizations.

4. Explain Open System Theory.

5. Compare and Contrast Theory X and Theory Y.

8.4 REFERENCES

Aamodt, M.G. (2013). *Industrial Psychology* (7th ed.) Boston, MA: Cengage Learning

Conte, J. M., & Landy, F. J. (2019). *Work in the 21st century: An introduction to Industrial and Organizational Psychology* (6th ed.). New York, NY: Wiley. (earlier editions: 2016, 2013, 2010, 2007, & 2004)

Levy, P. E. (2005). *Industrial/Organizational Psychology: Understanding the workplace*. Houghton Mifflin. (2019 edition published by Worth)

Spector, P.E. (2012). *Industrial and Organizational Psychology: Research and Practice*. Singapore: Wiley. (Indian reprint 2016)

