

# **SCOPE AND ORGANISATIONAL STRUCTURES – BASIC ISSUES AND CLASSICAL RESPONSES**

## **Unit Structure**

- 1.1 Introduction
- 1.2 Understanding an Organizational Structure
- 1.3 Types of Organizational Structures
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## **1.1 INTRODUCTION**

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Organizational structure is the method by which work flows through an organization. It allows groups to work together within their individual functions to manage tasks. Traditional organizational structures tend to be more formalized—with employees grouped by function (such as finance or operations), region or product line. Less traditional structures are more loosely woven and flexible, with the ability to respond quickly to changing business environments.

### **What Is an Organizational Structure?**

An organizational structure is a system that outlines how certain activities are directed in order to achieve the goals of an organization. These activities can include rules, roles, and responsibilities.

The organizational structure also determines how information flows between levels within the company. For example, in a centralized structure, decisions flow from the top down, while in a decentralized structure, decision-making power is distributed among various levels of the organization.

Having an organizational structure in place allows companies to remain efficient and focused.

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## **1.2 UNDERSTANDING AN ORGANIZATIONAL STRUCTURE**

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Businesses of all shapes and sizes use organizational structures heavily. They define a specific hierarchy within an organization. A successful

organizational structure defines each employee's job and how it fits within the overall system. Put simply, the organizational structure lays out who does what so the company can meet its objectives.

This structuring provides a company with a visual representation of how it is shaped and how it can best move forward in achieving its goals. Organizational structures are normally illustrated in some sort of chart or diagram like a pyramid, where the most powerful members of the organization sit at the top, while those with the least amount of power are at the bottom.

Not having a formal structure in place may prove difficult for certain organizations. For instance, employees may have difficulty knowing to whom they should report. That can lead to uncertainty as to who is responsible for what in the organization.

Having a structure in place can help with efficiency and provide clarity for everyone at every level. That also means each and every department can be more productive, as they are likely to be more focused on energy and time.

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### 1.3 TYPES OF ORGANIZATIONAL STRUCTURES

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#### 1. Functional Structure

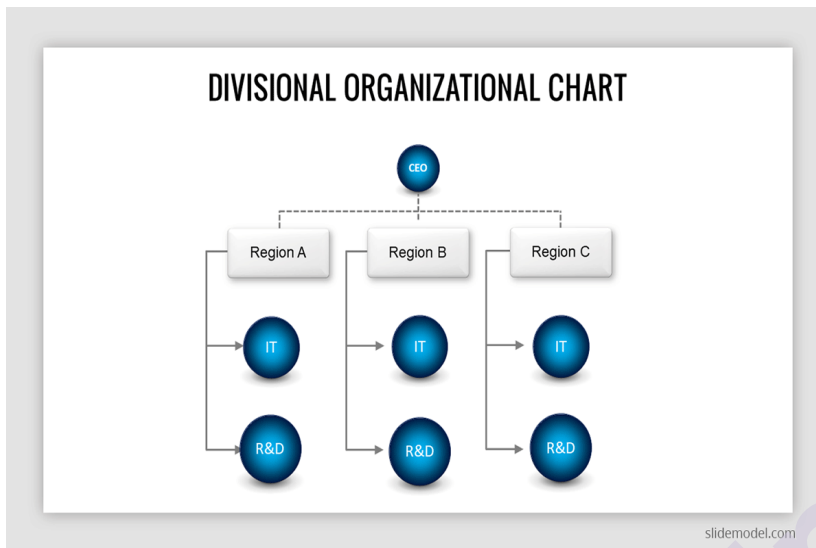
Four types of common organizational structures are implemented in the real world. The first and most common is a functional structure. This is also referred to as a bureaucratic organizational structure and breaks up a company based on the specialization of its workforce. Most small-to-medium-sized businesses implement a functional structure. Dividing the firm into departments consisting of marketing, sales, and operations is the act of using a bureaucratic organizational structure.



#### 2. Divisional or Multidivisional Structure

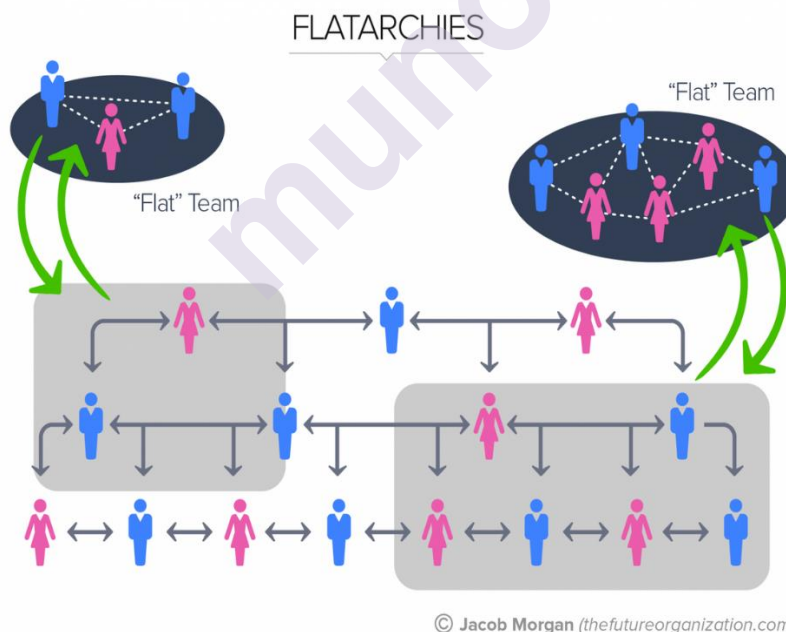
The second type is common among large companies with many business units. Called the divisional or multidivisional structure, a company that uses this method structures its leadership team based on the products, projects, or subsidiaries they operate. A good example of this structure is

Johnson & Johnson. With thousands of products and lines of business, the company structures itself so each business unit operates as its own company with its own president.



### 3. Flatarchy Structure

Flatarchy, a newer structure, is the third type and is used among many startups. As the name alludes, it flattens the hierarchy and chain of command and gives its employees a lot of autonomy. Companies that use this type of structure have a high speed of implementation.



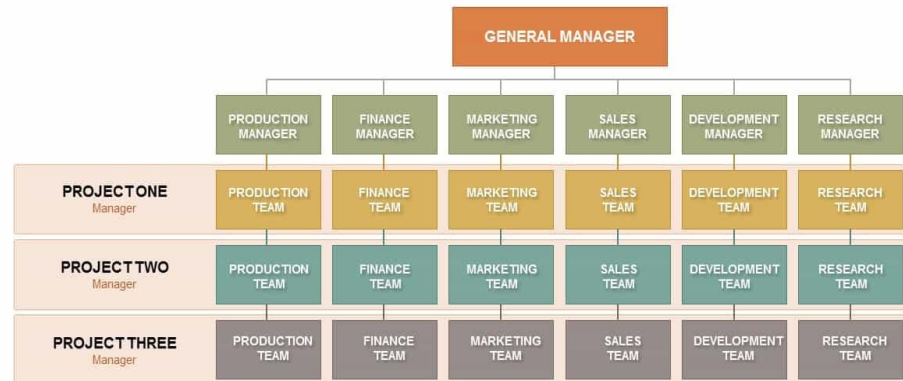
### 4. Matrix Structure

The fourth and final organizational structure is a matrix structure. It is also the most confusing and the least used. This structure matrixes employees across different superiors, divisions, or departments. An employee working

for a matrixed company, for example, may have duties in both sales and customer service.

Org Charts

## MATRIX ORGANIZATION STRUCTURE



## 1.4 ISSUES AND CLASSICAL RESPONSES IN ORGANISATION STRUCTURE

No one thinks about an organization's structure until something goes wrong and profits plummet or customers complain. That's when reporting relationships, operational metrics and business culture come under scrutiny. Proactive business leaders take the time to analyze the organizational structure from the start and make sure it facilitates efficient decision making. An important component to the success of any organization is the type of structure it implements. Organizational structure determines the number of layers of management and how departments interact with one another. Poor organizational structure can create a variety of problems, such as bloated management and poor communication.

Some organizational issues are more common than others, but they can all be challenging to overcome. There are ways to solve these issues with dedication and commitment to making positive outcomes. The following are organizational issues, along with potential causes and solutions:

### 1. Poor Communication

Bad organizational structure can lead to poor communication. For example, a company with too many layers of management may experience misinterpretation of a directive as it is passed down from layer to layer. By the time the communication reaches workers on the front lines, it may have taken on a completely different meaning. Lack of structure or an inflexible structure can impede the work force from achieving desired results. Additionally, poor communication among department leaders could filter down into the rest of the organization.

## The issues of poor communication:

Poor communication can have lasting effects on workplace productivity and performance. Here are just some of the ways that poor communication can affect the workplace.

Poor communication can cause a lack of predictability and stability within the workplace, leading to an uneasy environment. When there is poor communication, employees may have a harder time meeting expectations and catching up when they get behind on projects. This could leave them with a sense of guilt, embarrassment or low self-esteem. Low workplace morale must be addressed immediately so that employees can maintain a healthy work-life balance.

When expectations are clearly communicated, deadlines are not missed, projects are not delayed and work is finished as efficiently as possible. Employees need to know what work to prioritize in order to get things done efficiently. When tensions are high due to the effects of poor communication, a conflict between employees may arise. Good communication prevents workplace conflict from arising in the first place.

## Solution:

How to improve communication in the workplace?

- **Develop a straightforward on boarding process.** Develop a training program with easily accessible documents and videos so employees can review them if they have any questions. Make your company culture easy to understand with clear guidelines for how employees can embody and support organizational values. Your on boarding process should be social so that employees get the chance to ask any questions and form meaningful connections.
- **Make expectations clear and measurable.** Employee expectations are measurable goals that outline steps to follow for success. Regularly meet with employees to assess their performance and give feedback.
- **Consider using social intranet software.** Social intranet software streamlines employee communications allowing for more efficient business processes. They give employees the power to share ideas and connect freely in a transparent environment.
- **Develop an open-door policy.** Sometimes employees can feel intimidated approaching their boss especially when leadership discourages such conversations. Having an open-door policy will allow your employees to feel comfortable approaching superiors. This will help clear up any confusion that may arise when executing business processes.
- **Make sure resources and internal documents are easily accessible.** Make sure that the all resources that employees need are easily available. Freely sharing information is essential to efficiently

answer questions and clear up the confusion. When information is available freely, employees will not need to ask their superiors for help.

- **Consider creating an internal newsletter.** An internal company newsletter is a great way to share news and information quickly to everyone in an organization.

## 2. Poor Customer Service

Organizations with poor organizational structure may not be able to provide efficient customer service, which can eventually lead to a loss of business. This can occur frequently in larger companies where there is little interaction between departments. A customer who calls in with a problem may be handed off from department to department because no one is sure who the right party is to handle the situation.

There are three issues which are creating Poor Customer Service. Issues and solution are discussed as below:

- **Not knowing the answer to a question:**

There will be times that customers catch your agents off guard with questions they simply can't answer in the moment. However, this doesn't mean they should just leave it at 'I don't know' and move on.

### The solution

This is a chance for your team to direct the customer down the right path, or if possible, gather the right information themselves. This could involve directing customers to a knowledge base or putting them in touch with the correct team member to help

Whatever the issue, acknowledge the customer's question and lay out a plan to address the situation.

- **Transferring customer calls:**

Transferring calls can be annoying for everyone involved. Customers often end up frustrated after wasting time repeating information, and with multiple agents involved, it means more time spent waiting for incoming calls or chats to be answered.

### The solution

Explain the problem in simple terms, tell them why you need to transfer the call to another team member, and how that person can better help the situation. Understanding the 'why' behind the transfer ensures the customer knows you get their issue and you're not just transferring them needlessly. The right answer is often only a conversation away.

- **Customer service workflows aren't aligned with the customer's journey:**

Without mapping out customer support workflows, bottlenecks or breakdowns can go unnoticed and unaddressed. And if customers run into too many issues along their journey it could cause them to abandon things altogether.

### **The solution**

It is necessary to build a customer journey map detailing every touchpoint a person goes through on the route to conversion. Each touchpoint should allow access to customer support, whether it be a chatbot, live chat, or knowledge base articles.

### **3. Departmental Conflict**

In a matrix structure, people report to two different managers -- a functional manager and a divisional manager. For example, a human resources employee functions as an expert in recruiting, hiring and training personnel. He reports to the HR manager and also reports to the division head of the department he supports, such as sales, manufacturing or customer service. This approach makes the best use of specially trained employees. However, when deadlines and budgets cause competition among departments, conflicts and power struggles occur, making it difficult for employees to know which direction to go.

Conflicts are created due to inconsistency, Lack of awareness, Unclear Goals and Outdated processes and systems.

- **Inconsistency**

When each department functions independently, inconsistency may result. Company policies and procedures may not be enforced, causing employee dissension and confusion.

- **Lack of awareness**

Building a solid organization takes hard work and a keen awareness of the culture and environment that exists in a business. Most executives are very busy people; a lot of things vie for their attention. Market conditions can change fast in a VUCA (velocity, uncertainty, complexity, and ambiguity) world and demand huge portions of a leader's time. We affectionately call this the "task magnet."

Unfortunately, while they're busy focusing on their many necessary operational distractions, many managers take their eye off the teamwork ball. This means that communication suffers and leaders get preoccupied and fail to recognize people, celebrate progress, build the talent pipeline, or invest time reviewing processes, practices, and better ways of working across functions. People then become disengaged, feel marginalized, and lose focus and commitment.



- **Unclear Goals**

To enable agility, each organization may set its own goals. This minimizes the levels of approval. However, when each department sets its own goals, the whole company lacks a cohesive direction. Infighting results when limited resources must be shared. Setting a clear company strategy and having each department align its individual goals to the company's helps minimize the problems. In a divisional organizational structure, each employee works to meet the division's needs. This works well when each division works separately. However, when divisions need to interact, this works less effectively.

Some organizations use a reporting structure where an employee has to answer to several bosses. The employee can easily become confused by receiving a variety of messages and being given conflicting instructions. Employees may play one boss against the other, which can ultimately lead to friction between the bosses.

- **Outdated processes and systems.**

Processes or rules that are outdated inhibit growth. If updates and requests are taking a long time to get approved or projects are stalling, it's likely because your processes and systems are no longer optimally functioning and need re-evaluation.

**Solution:**

Effective coordination and collaboration can prevent the above departmental conflicts. These conflicts can be handle in the following ways:

- **Defining clearly authority and responsibility**

In an organisation there are several vertical and horizontal authority relationships. Authority flows from top to the bottom. Confusion regarding authority increases the problems of co-ordination manifold because responsibility can be fixed only when the authority and its source are clearly demarcated.

Collaboration skills are what enable you to work well with others. Most work environments require collaboration, so these skills are essential. These skills include understanding a variety of perspectives, managing priorities from everyone in the group, and meeting expectations as a reliable member of a team.

Successful collaboration requires a cooperative spirit and mutual respect. Employers typically seek employees that function effectively as part of a team and are willing to balance personal achievement with group goals.



- **Formulation of clear cut Policies and Procedures:**

Co-ordination becomes very easy if there are clear cut and well defined policies and procedures. It will ensure unity of action. The subjective handling of the problems is completely ruled out when set policies and procedures have been established.

- **Effective Leaderships:**

A good leader creates confidence among his subordinates and effectively resolves differences, if any, of the people working under him. Effective leadership is sure to promote co-ordination at all levels beginning from the planning stage to the implementation stage.

- **Effective Control:**

When an integrated control system is in existence, it automatically ensures co-ordinated group efforts. With the help of control charts, the management can immediately come to know the degree to which the various activities have been co-ordinated. For example, effective control can be exercised if a system of Budgetary Control is followed.

In the light of the 'key factor', the priority of the budgets is decided. Generally, all activities move around sales and sales budget is prepared first of all. All other budgets depend on this budget. Effective control is exercised through these budgets so as to ensure a co-ordinated functioning of the organisation as a whole.

#### 4. **Turnover**

High turnover refers to an organizational issue where employees leave their companies frequently and at high volumes. To compensate, an organization has to regularly hire new people to fill those roles. This can take up company resources and cause delays in company workflows. Some reasons for high turnover rates may include:

- Employees are discontent with management and their leadership officials.
- They feel dissatisfied with their work and do not find it fulfilling.
- Staff members are underpaid and want more compensation for their work.
- Employees don't believe their employer hears their voices, ideas and concerns.
- Team members don't see a path for growth within the company.

#### **Solution:**

To overcome this challenge, it may help organizations if they reach out to their employees and receive feedback from them. It's beneficial for managers to listen to their employees concerns and seriously consider where they can change or improve. Taking actionable steps to meet the concerns

of your team members can help increase employee retention rates and improve productivity.

## 5. Productivity

Productivity refers to the volume of work employees complete successfully and according to schedule. Having high productivity means a company is meeting their production quotas, business operations are on track and the business is fulfilling all orders on time. An organization may suffer from productivity losses because:

- Teams are understaffed.
- Employees lose interest in the work or get distracted.
- Sudden structural and procedure changes can be jarring.
- Stress inducers like unrealistic deadlines and poor leadership can make working challenging.

### **Solution:**

To combat this organizational issue, managers may benefit from hiring on additional staff or provide employees with breaks so they can relieve stress. Slowly ease your team members into upcoming changes so they can prepare accordingly and set deadlines that are realistic and achievable.

## 6. Process management

Managers use process management to ensure that their team is following the best processes for completing their work in an efficient and timely manner. The manager has to set the rules and guidelines and decide what practices to maintain and identify which ones don't add value. Poor process management can occur because:

- Managers establish processes that are convoluted and complicated.
- Company leadership isn't flexible and ignores feedback from employees.
- Managers lack an in-depth understanding of their team's work and what they need to accomplish it.

### **Solutions:**

To overcome process management problems, a manager should work closely with their team, understand their needs and take steps to implement processes that allow them to do their work simply and efficiently.

## 7. Role specification

Role specification means hiring the most qualified person for a job and assigning work to the most appropriate employee. A lack of quality role specification can disrupt workflows, reduce efficiency and decrease communication between team members. Role specification issues can occur because:

- Managers may show biased behavior towards or against particular individuals.
- A hiring manager doesn't take the time to interview a candidate thoroughly.
- Leadership may not understand their team's capabilities and particular strengths.
- Nepotism can sometimes lead to an unqualified new hire.

**Solution:**

To overcome this organizational challenge, it's important that managers learn about the skills and interests of their team members so they can assign work to the most qualified member or train members on how to succeed. It's also essential that managers conduct a thorough hiring process for new candidates to hire people that suit company openings. They may enlist the help of recruiters who are more adept at finding qualified candidates for specific roles.

**8. Customer satisfaction and relationships**

One of the most important aspects of a successful organization is their customers and the relationships they uphold with them. Satisfied customers contribute to increased revenue and consistent purchases as a source of income. Customers become may unsatisfied with an organization because the employees provide poor customer service or they're unhappy with the product itself.

**solution**

A solution to customer satisfaction as an organizational issue could be to retrain employees on how to provide the best customer service and engage with consumers through surveys, social media and market studies.

**9. Innovation**

Innovation is how companies develop new ideas and expand their products and services. An organization that is innovative opens itself up to new opportunities, integrates updated technology tools and becomes an industry leader. Organizations experience low innovation and grow stagnant because:

- They have a company culture that stifles employee creativity.
- The company uses outdated business practices that don't facilitate innovation.

**Solution:**

You can encourage innovation in your organization organizations by listening to the ideas of your team members and creating a culture where they feel comfortable being able to openly and freely express their ideas.

It's also helpful to thoroughly analyze current business practices and make necessary changes so new ideas and innovations can easily integrate into the company's processes.

## 10. Teamwork

Teamwork involves employees working together to achieve a common goal. Effective teamwork increases productivity, revenue and makes everyone's job easier to complete. Teamwork within an organization can falter when:

- Team members have conflicting personality traits.
- Some individuals contribute more to projects than others.
- Managers show favouritism towards specific people.
- The organization has poor communication channels.

### **Solution:**

To resolve this organizational issue, try facilitating team meetings so everyone can share their concerns and craft solutions. Avoid showing favouritism so everyone feels valued and encouraged when they speak up about their ideas. You can also conduct individual meetings with each team member to assess the best way to improve the team based on each person's feedback. If there are conflicting personalities, it's important to have the involved parties discuss their issues civilly so they can determine a way to work together peacefully.

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## **1.5 CONCLUSION.**

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Fast changing technology has affected many aspects of human life, and as a result organization, communities, and society at large are also affected. However, human behaviour has essentially remained the same for centuries. Humans still have the same emotions, same psychological needs, same personal and interpersonal issues, differences in perception, etc. Thus, understanding human behaviour has become not only essential, but also crucial for organizations to succeed and survive. Also, the fact that technology can be easily bought, but human elements, such as motivation, communication, decision-making ability, leadership, interpersonal relationships, effective negotiation, etc., cannot be bought reinforces the importance of human behaviour in organizational success.

Organizations are nothing but a mass of people with different personalities in terms of physical characteristics, abilities, psychological needs, intelligence, etc. Our understanding of human dynamics, thus, becomes more crucial in order to understand organizational dynamics. Interestingly, individual issues may become a cause for organizational issues, and in turn organizational issues may affect individuals working in the organization.

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# ORGANIZATION STRUCTURING - THE HUMAN ASPECTS

## Unit Structure

- 2.0 Objective
- 2.1 Introduction
- 2.2 Concept of Organisation
- 2.3 Characteristics of Organisation
- 2.4 Types of organisations
- 2.5 Organisational Goals
- 2.6 Organisation structure
- 2.7 Formalisation
- 2.8 Environment Complicatedness
- 2.9 Question
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## 2.0 OBJECTIVE

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- Know the concept of organisation.
- Understand characteristics and types of organisations.
- Discuss organisational goals, organisation structure. and
- Explain Organisation-Environment interface and organisation change

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## 2.1 INTRODUCTION

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In the modern organization-based society, organisations are omnipresent. In truth, organisations have existed since the dawn of civilization. They satisfy all types of human requirements, including social, emotional, spiritual, intellectual, and economic. Argyris noted that organisations are typically founded to achieve goals that can be achieved most effectively collectively. Organisations are social constructs for achieving objectives through collaborative effort. They integrate structure and relationship – technology and people. This unit attempts to examine the organisational structure, processes, and operations.

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## 2.2 CONCEPT OF ORGANISATION

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There is no way to avoid the fact that individuals perceive organisations differently. Thus, organisations are defined based on the situations and perspectives of the one doing the defining. For instance, Victor A.

Thompson defines an organisation as "a highly rationalised and impersonal interaction of a large number of specialists cooperating to achieve some announced specific objective," Chester. Barnard defines an organisation as "a system of consciously coordinated personal activities or forces of two or more persons," and E. Wight Bakke defines an organisation as "a continuing system of differentiated and coordinated human activities utilising, transforming, and distributing resources."

These concepts are significantly different and lead to quite different outcomes. Bakke, a social psychologist, saw organisations from a sociological perspective, paying little attention to how organisations accomplish their goals. In contrast, Barnard emphasised in his definition how organisations create collaboration and coordination. In organisation, Thompson emphasises reason, impersonality, and specialisation. None of the given definitions is incorrect.

Different theories have emphasised distinct organisational qualities. In other words, it is quite challenging to provide a definition of the term organisation that encompasses all of its essential elements. This is primarily due to the nonstandard use of the term organisation. For instance, Urwick explains, "In English-speaking countries, particularly the United States, the term organisation has two common definitions or applications. And these are mutually exclusive. First, there is the meaning or usage of the phrase as employed by so-called management classicists.

There is a second usage of the term organisation that is quite common in the United States, but also in the United Kingdom. This is a synonym for the company or enterprise, the human population as a whole. It is evident that various uses of the same phrase are incompatible.

Thus, the term organisation is employed in two different contexts: as a process and as a unit. Clearly, a single definition cannot encompass both concepts.

As a subject of organisational analysis, the term 'organisation' refers to a structured unit. In this situation, Barnard believes that the individual must communicate and be motivated; he must also make decisions. Individuals are the cornerstone for the organization's existence.

According to him, an organisation is formed when a group of individuals are in communication and relationship with one another and are eager to contribute to a common endeavour. According to Barnard, the organisation has four characteristics: (i) Communication, (ii) Cooperative efforts, (iii) Common goals, and (iv) Rules and regulations.

Weber defines organisation as a business group. Accordingly, "A corporate group is a social relation that is either closed or limits the entry of outsiders by regulations, its order is imposed by the activities of particular individuals whose regular duty is this." Weber's definition of organisation has served as the foundation for numerous additional definitions of the term. His primary focus is on legitimate interaction patterns among members of an organisation as they pursue objectives and engage in activities.



As a foundation for the formation of an organisation, Parsons has emphasised the structuring and reorganising of human groups in pursuit of specific goals. He describes organisation as "deliberately formed and reconstructed social units (or human groupings) in pursuit of defined purposes."

Etzioni emphasises three characteristics of organisations based on this definition: (i) division of labour, (ii) the presence of one or more power centres, and (iii) member replacement.

Scott's definition of organisation is more comprehensive. He describes organisation as the establishment of groups for the pursuit of relatively specified goals in a more or less continuous manner. Scott has highlighted the qualities of organisations as relatively defined boundaries, a normative order, a hierarchy of authority, a communication system, and an incentives system that enables diverse sorts of people to collaborate in the pursuit of a common objective. Hall has expanded upon this definition when defining organisations:

"A collectively having reasonably identifiable boundaries, a normative order, authority ranks, communication systems, and membership coordinating mechanisms; the collectivity lives relatively continuously in an environment and engages in activities often tied to a goal or set of goals.

This description outlines the fundamental distinguishing aspects of organisations. A review of the definitions demonstrates that organisations are complicated entities comprised of a number of components and influenced by a variety of circumstances. Thus, an organisation can be defined as a collection of humans organised purposefully and consciously to achieve specific objectives through the rational coordination of activities.

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## 2.3 CHARACTERISTICS OF ORGANISATION

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### ☐ **Identifiable Human Population**

Cluster Organisation is a recognisable collection of individuals. The identification is possible because a human group is not simply a random collection of individuals, but rather a group of interconnected individuals. Identifiable aggregation does not imply that all persons know each other personally, as this is impossible in huge organisations. The organization's boundaries are defined by the identified human group. This boundary divides the organization's elements from other elements in its surroundings. The degree of interaction is comparable to the permeability of an organization's barrier. This refers to the movement of both individuals and information over a barrier.

### ☐ **Creation with Intent and Consciousness**

Organisation is a human group that has been founded purposefully and consciously. It indicates a contractual tie between the organisation and its members. They enter the organisation through a

contract and can also be replaced, i.e., dissatisfied employees can be fired and replaced with others. Additionally, the organisation can reorganise its personnel through promotions, demotions, and transfers. As a result, organisations can endure considerably longer than their members. This deliberate and conscious formation of human groups distinguishes social units from accidental or focused gatherings with transient relationships, such as a mob.

#### ☐ **Intentional Creation**

The organisation is a creation with a purpose, meaning that all organisations have goals or a set of goals. The group members have unanimously agreed upon the objectives. An organization's objective is the intended condition of things that it strives to achieve. Thus, organisations are intermediaries between needs and their satisfaction. The achievement of an organization's objectives determines its success or failure.

#### ☐ **Coordination of Efforts**

Within the organisation, closely relevant activities of the members are coordinated. The coordination is required since all members contribute to goals that have been mutually agreed upon. The target of coordination is activities, not individuals, because only a subset of individuals' actions are important to the accomplishment of a given objective. From this perspective, the organisation must specify the activities or duties that must be performed in order to reach the objective.

The individual who performs this function may be immaterial to the concept of organisation, but the effectiveness with which the organisation actually operates is relevant.

#### ☐ **Structure**

Coordination of human activity necessitates a framework into which varied individuals fit. The structure provides power centres that coordinate and lead the coordinated efforts of the organisation towards its objectives. Obviously, coordination among a large number of distinct persons is impossible without a mechanism of commanding, directing, and timing the various individuals or groups. Since humans are organised in a hierarchy, there is also a hierarchy of authority, and depending on the size and nature of an organisation, there may be numerous centres of authority.

#### ☐ **Rationality**

The coordination of activity or behaviour is reasonable. Every organisation has some specific norms and standards of conduct; these norms of conduct are established collectively by the individuals, and every member of the organisation is required to conform to these norms or standards. The reward and punishment system of the

organisation serves as a binding force on its members' conduct. The desirable behaviour is rewarded, while the negative behaviour is punished.

These qualities distinguish organisations from other social units.

However, although not all, modern organisations tend to be vast and complex. These attributes are essential from a managerial standpoint. In a nutshell, organisations:

- are purposeful, complex human collectivising;
- are characterised by secondary (or impersonal) relationships;
- have specialised and limited goals;
- are characterised by sustained cooperative activity;
- are integrated into a larger social system;
- provide goods and services to their environment;
- are dependent upon exchanges with their environment.

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## 2.4 TYPES OF ORGANISATIONS

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Organizations can be categorised in numerous ways. A simple and descriptive classification may be based on size (small, medium, large, and giant); ownership (public, private, and mixed); legal form (sole trader, partnership firm, joint stock company, corporation, and co-operative society); and operation area (local, regional, national, and international). Such classifications are very straightforward, but they do not provide an analytical framework for the study of organisations. There are numerous organisational classification schemes based on analytic criteria. Parsons, for instance, distinguishes four sorts of organisations based on their functions.

This includes economic organisations, political organisations, integrative organisations, and pattern maintenance organisations. Hughes classifies organisations as (i) voluntary associations, (ii) military organisations, (iii) philanthropic organisations, (iv) corporations, and (v) family businesses. Blau and Scott's classification of organisations is based on the output of an organization's beneficiaries.

This categorises organisations into the following four groups:

- (i) mutual benefit associations,
- (ii) business organisations,
- (iii) service organisations, and
- (iv) commonwealth organisations.

Etzioni has classified organisations on the basis of compliance. Thompson and Tuden's classification are based on decision-making techniques. These classes exhibit a tremendous deal of variety. This suggests that there is no single classification of organisations.

These broad typological categories are determined by

- (i) function or purpose,
- (ii) major beneficiary, and
- (iii) compliance.

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## 2.5 ORGANISATIONAL GOALS

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As deliberate and purposeful creations, organisations have aims. These final outcomes are referred to as mission, purpose, aims, objectives, and targets, among other terms. Although there are distinctions between these names, they are used interchangeably.

- **Mission and Objectives**

Mission and purpose are frequently used interchangeably, however there is a theoretical distinction between the two. Mission ties the organisation to the society in which it operates and has an external focus. A mission statement enables an organisation to connect its activities to societal requirements and to justify its existence.

Purpose is similarly externally centred, but it refers to the section of society that the organisation serves; it defines the organization's business.

- **Goals**

An organisation is a group of individuals collaborating to achieve common objectives.

Top management decides the organization's direction by defining its purpose, adopting goals to achieve that purpose, and developing tactics to attain those goals.

Establishing objectives transforms the identified purpose into measurable performance objectives. Organisational goals are objectives pursued by management in pursuit of the firm's mission. Goals drive individuals to collaborate.

Although the goals of each individual are vital to the organisation, the organization's overarching objectives are of the utmost importance. By directing the attention and efforts of its members, goals keep an organisation on track. They also give the organisation an outlook on the future.

Organizations are creations with a purpose. Therefore, they must have objectives; the following describes the nature of organisational objectives:

- Each organisation or group of people has objectives.
- Objectives might be either general or particular.
- Goals may be clearly specified, or they may be ambiguous and must be interpreted based on the behaviour of organisation members. Especially those at the highest level
- Organizational objectives are socially sanctioned, i.e., they are formed in accordance with societal standards.
- An organisation may have several objectives, many of which are interconnected and interdependent.
- Objectives are hierarchical. It may be a broad organisational purpose at the highest level, which can be broken down into specific departmental objectives.
- Organizational objectives can be modified; new objectives may replace older ones.

#### ☐ **Official and Operational Objectives**

Another characteristic of organisational objective's analysis is that official goals and real operating goals frequently diverge. According to Perrow, official aims include the organization's general purposes as stated in its charter, yearly reports, and public comments by its leaders and other authoritative announcements. Operative objectives, on the other hand, denote the ends targeted through the organization's real operating policies:

they tell us what the organisation is actually attempting to do, regardless of what its stated aims are.

#### ☐ **Role of Organizational Objectives**

##### **Accountability for Objective-Setting**

Because they serve a variety of purposes, organisational objectives must be clearly defined. Practically every organisation has a formal, clearly recognised, legally designated body for establishing the initial goals and their modifications. Typically, the senior management of an organisation defines the general goals that the organization's members unify to pursue. When upper-level managers establish general objectives, managers at lower levels develop objectives for their respective units.

Goals are the product of an ongoing bargaining, learning, and adaptive process in which both internal and external environmental elements play crucial roles.

Consequently, the many determinants of organisational objectives can be categorised as

- (1) environmental determinants of organisational objectives and
- (2) personal determinants of organisational objectives.

#### □ **Environmental Factors Influencing Organizational Objectives**

The environment with which an organisation interacts is one of the most important factors in establishing its aims. As an input-output system, the organisation takes inputs from the environment, modifies these inputs, and returns outputs to the environment. Therefore, the organization's survival depends on the environment.

Thus, the environment influences how an organisation must run, including goal setting. In this process of interaction, the organisation must develop appropriate tactics for adapting to its surroundings. These strategies may take the shape of competition or collaboration.

#### □ **Individual Determinants of Organizational Objectives**

In two ways, personal variables influence the selection of organisational objectives. First, the selection of particular organisational goals is an ordering of a type of personal preference, especially on the part of the organization's senior management and founders, who cannot ignore their own preferences. Second, the selection of organisational objectives is influenced by qualitative data whose interpretation is likely to be subjective. There are three significant personal elements that influence goal selection. These include personal preferences and goals, the value system of senior management, and the managerial power relationship.

#### □ **Goals Succession**

Organisational interaction with environment may result in the limitation on goals choice. This may reflect the goal-choice at the initial stage or modification of existing goals. This may also result into goals succession. Goal succession means adoption of new goals. This may happen in three specific conditions:

1. If the existing goals have been achieved and the organisation is left with no alternative, it must adopt new goals for its continuous existence.
2. In the context of changed environmental or internal circumstances, if it is not desirable to pursue the existing goals, the organisation will have to evolve new goals.
3. If the existing organisational goals are such that they cannot be achieved, the organisation has to adopt, modify, or later the goals. The goals succession may take the character of goals multiplication,

expansion; or substitution of existing goals depending upon the situations.

### ☐ **Organizational and Personal Objectives**

There are three angles from which objectives might be viewed:

environmental level,

(ii) organisational level, and

(iii) person level

These three level objectives influence and interact with one another. Having recognised the relationship between environment and organisation, this part focuses on the interaction between organisational and individual goals.

In actuality, no organisation or individual has aims that are diametrically opposed or similar. Thus, it may be stated that there is always some integration between individual and organisational objectives. Based on this, two models illustrate the process of integrating two sets of goals. One involves fusion, while the other involves inducement-contribution.

### ☐ **Fusion Process**

Fusion Process is predicated on the premise that there are specific interacting organisational and individual qualities. Out of this encounter, two processes simultaneously occur: socialising and personalising. Individuals are transformed into organisational and/or informal group agents through the socialisation process. The personalising process is described as the means by which an individual actualizes himself and by which elements of an organisation or informal group become agents for the individual. These processes occur simultaneously and are equally essential.

### ☐ **Inducement - Process of Contribution**

The inducement-contribution process established by March and Simon is another method for integrating individual and organisational objectives. The fundamental aspects of this procedure are as follows:

- ☐ Each member of the organisation receives incentives for his services to the organisation.
- ☐ Each member will continue to give as long as the inducements are greater than or equal to the contributions. It assumes that the member can place equal value on contributions and inducements.
- ☐ Contributions from varied members are the means by which the organisation generates incentives for its members.



The organisation will continue to provide inducements or accept donations so long as the contributions are sufficient to provide inducements.

The fusion and inducement-contribution models describe the integration of individual and organisational objectives. Both emphasise that a greater level of balance between the two will increase member satisfaction and, as a result, improve organisational outcomes.

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## 2.6 ORGANISATION STRUCTURE

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Strategies are detailed action plans that enable an organisation to accomplish its objectives and so fulfil its mission. Pursuing a plan necessitates the development of an organization's structure and work procedures. Organizational structure is the framework of task, reporting, and authority relationships within which an organization's work is performed. Consequently, structure determines the form and function of an organization's activities. An organisational chart demonstrates that structure also specifies how the pieces of an organisation fit together.

The objective of an organization's structure is to organise and coordinate the actions of its personnel in order to achieve its objectives. The idea of organised effort is that individuals can accomplish more by cooperating than by working alone. To realise the potential benefits of group effort, however, the task must be coordinated appropriately.

The structure must identify the numerous tasks or procedures required for the organisation to accomplish its objectives. The structure must combine and coordinate the divided jobs in order to attain the appropriate output level. The more interconnected the split tasks, the greater the need for coordination. These two essential requirements are addressed by any organisational structure. What differentiates one organization's structure from another is the variety of means by which they accomplish this objective.

The structure of an organisation can be evaluated in three ways. First, we might evaluate its size and shape as portrayed on an organisational chart. Second, we can examine its operational characteristics or components, such as the division of specialised jobs, rules and procedures, and decision-making. Finally, we can evaluate organisational responsibility and authority.

### □ **Structural Configuration**

Typically, an organization's structure is described using its organisation chart. A comprehensive organisation chart depicts all personnel, jobs, reporting ties, and channels of formal communication. A company's organisation chart is a graphic depicting all employees, positions, reporting relationships, and channels of formal communication.

An organisation chart highlights reporting links and work group memberships, as well as how positions and small work groups are integrated into departments, which together comprise the organisation's configuration or shape.

#### □ **Structure and Procedures**

Some crucial components of the organization's structure are not depicted on the organisation chart and are therefore quite distinct from the configurational aspects. The structural policies that have an impact on operations and prescribe or regulate how employees conduct themselves during organization-wide activities. The policies are the formalisation of norms and procedures and the centralisation of decision-making.

#### □ **Centralisation**

The first structural policy affecting operations is centralisation, in which decision-making authority is centralised at the top of the organisational structure. On the opposite end of the continuum is decentralisation, in which choices are made at all levels of the hierarchy. Increasingly, centralisation is discussed in terms of decision-making involvement. In decentralised organisations, employees at lower levels engage in decision-making.

Organizational decision-making is more complex than the centralised/decentralised categorisation suggests. Some decisions are quite routine and can be resolved by applying a decision rule. These decisions are programmed, as opposed to those that are not routine, which are unprogrammed. This contrast between programmed and unprogrammed decisions has a tendency to obscure the distinction between centralization and decentralisation.

When employee engagement in decision-making is minimal, regardless of the nature of the decisions being made, decision-making is centralised. On the opposite end of the spectrum, a structure can be defined as genuinely decentralised if individuals or groups are heavily involved in making non-programmed decisions.

People are involved in the everyday decision-making and management of the organisation, according to the definition of participatory management as an all-encompassing management approach. As part of an organization's culture, it can greatly contribute to the organization's long-term success. It has been defined as both efficient and morally required in organisations. Thus, involvement in decision-making has become more than a simple feature of organisation structure for many individuals.

### **2.7 Formalisation**

Formalisation is the extent to which rules and procedures shape the tasks and actions of employees. The objective of formalisation is to anticipate and regulate employee conduct on the job. Both explicit and tacit rules and

procedures exist. Job descriptions, policy and procedure manuals, and office memos contain explicit guidelines.

As employees become accustomed to doing things a specific way over time, implicit rules may emerge. Although unwritten, these established methods of doing tasks become standard operating procedures, which have the same effect on employee conduct as written rules.

The proportion of occupations that are governed by rules and procedures, as well as the degree to which those rules permit variation, can be used to evaluate the degree of formalisation in an organisation. More formalised organisations have a greater number of rule-governed positions and a lower tolerance for rule infractions. Increasing formalisation may have an impact on the design of employment within an organisation, as well as on employee motivation and work group interactions.

As the demand for control of activities develops, organisations tend to incorporate more rules and procedures.

Although rules exist in some form in nearly every organisation, the degree to which they are adhered to varies greatly from one organisation to the next and even within a single organisation. A good manager in a formalised organisation may be judged by his or her ability to exercise sound discretion when establishing exceptions to the rules.

#### ☐ **Responsibility and Responsibility**

Both configurational and operational components of an organization's structure are related to responsibility and authority. There is frequently considerable misconception over what accountability and authority represent for managers and how the two concepts relate.

#### ☐ **Responsibility**

Responsibility is the duty to perform an action with the expectation that a particular act or outcome would ensue. For instance, a manager may expect an employee to develop and present a proposal for a new programme by a given date; the employee is therefore responsible for drafting the proposal. Ownership is the ultimate source of responsibility inside an organisation.

#### ☐ **Authority**

Authority is legitimacy of authority within a certain social setting.

Authority comprises the legal right to utilise resources to achieve desired results. Like responsibility, authority came from organisational ownership.

The relationship between authority and responsibility is such that a manager who is accountable for achieving particular objectives must have the authority to deploy resources to achieve those results. The link between authority and responsibility must be equal; that is, the

manager's power over resources must be adequate for him or her to meet the production expectations of others. However, authority and duty differ substantially.

Responsibility cannot be delegated, although authority can be.

In organisations, authority is a "top-down" function, meaning that it originates at the top and is delegated downward as the top managers deem appropriate. In Chester Barnard's alternative viewpoint, authority derives from the person, who decides whether or not to comply with an order from above. This viewpoint is known as the acceptance theory of authority because it implies that the manager's authority is contingent on the subordinate's acceptance of the manager's right to issue directives and expect obedience.

#### □ **Classical perspectives on structure**

The early perspectives on organisation structure merged configuration and operation components into recommendations for how organisations should be formed. These perspectives are often referred to as "classical organisation theory" and include Max Weber's concept of the ideal bureaucracy, Henri Fayol's classic organising principles, and Rensis Likert's human organisation perspective. Despite the fact that all three are universal methods, their concerns and structural prescriptions vary considerably.

Thus, the fundamental features of organisation structure are reflected in the traditional notions of organisation. However, each perspective blended these essential features in unique ways and with other management elements. These three classic perspectives are representative of how early authors attempted to propose a best-in-all-circumstances approach to organisational structure.

#### □ **Adaptive methods in organisational design**

Organisational structures range from inflexible bureaucracies to adaptable matrix structures.

The majority of theories of organisation design adopt either a universal or a contingent stance. A universal approach is one whose prescriptions or assertions are intended to be applicable in any circumstance. The classical methodologies are all universal methodologies. A contingency approach, on the other hand, posits that organisational efficiency can be attained in various ways. In a contingency design, the structure is determined by factors such as the environment, technology, and the organization's workforce.

Each of Weber, Fayol, and Likert presented an organisation design that is independent of the type and surroundings of the organisation. Despite the fact that each of these techniques has added to our understanding of the organising process and the practise of management, none of them has shown to be universally applicable.

Multiple contingency plans that seek to identify the conditions, or contingency elements.

The contingency elements include the organization's strategy, technology, the environment, the scale of the organisation, and the social structure within which it functions. Numerous aspects influence the organisational structure design determination.

#### □ **Strategy**

A strategy consists of the necessary plans and actions to fulfil an organization's objectives.

Environment, technology, and scale are the three fundamental structural imperatives that determine organisation structure.

**Size:** There are numerous ways to measure the size of a company. Typically, it is assessed by the total number of personnel, the value of the organization's assets, the previous year's total revenue (or the number of clients served), or physical capacity. Larger organisations typically have more intricate organisational structures than smaller ones.

Historically, as organisations have evolved, multiple layers of advisory staff have been hired to assist in coordinating the inherent difficulties of huge organisations. In contrast, the current trend in organisations is to reduce staffing levels. This prevalent tendency, known as organisational downsizing, aims largely to minimise expenses by lowering the size of corporate staff and middle management.

#### □ **Technology**

Organisational technology refers to the mechanical and cognitive transformations of inputs into outputs. In small organisations, the structure is mostly determined by the technology, whereas in large organisations, the requirement to coordinate complex tasks may be of more significance.

#### □ **Organisational Environment**

The organisational environment consists of all external aspects, including as people, other organisations, economic variables, items, and events, that reside outside the organization's boundaries. In addition to political-legal, socio-cultural, technological, economic, and international elements, the general environment consists of a wide array of dimensions and factors within which the organisation operates. The task environment consists of influential groups, organisations, and individuals.

There is environmental uncertainty when managers have little knowledge of environmental events and their effects on the organisation. When the organisational environment is dynamic and

complicated, the manager may have limited knowledge of future events and have tremendous trouble anticipating them.

Strategy and the size, technological, and environmental imperatives are the fundamental factors of organisation design. Various organisational structures have been developed to adapt organisations to the numerous contingency variables they confront.

A mechanistic structure is largely hierarchical; interactions and communications are often vertical, orders come from the boss, knowledge is concentrated at the top, and loyalty and obedience are necessary to maintain membership.

An organic structure is organised like a network; interactions and communications are horizontal, information lives wherever it is most beneficial to the organisation, and membership demands dedication to the organization's tasks.

The socio-technical systems approach to organisation design sees the organisation as an open system designed to integrate technical and social subsystems into a single management system. Instead, than emphasising structural imperatives, individuals, or norms, Mintzberg's description of structure emphasises the coordination of activities.

According to him, the organisational structure reflects the division and coordination of duties. Mintzberg outlined five key methods for coordinating tasks: mutual adjustment, direct supervision, standardisation of worker (or input) skills, work processes, and outputs. These five methodologies can coexist inside an organisation.

### **Matrix Organisation Design**

The matrix design combines two distinct designs to reap the benefits of each; typically, a product or project departmentalisation scheme and a functional structure are merged to form the matrix design. The matrix structure seeks to embed into the organization's structure the capacity for adaptability and coordinated responses to internal and external challenges.

A virtual organisation is a temporary alliance of two or more organisations that come together to pursue a particular mission.

### **Modern Organizational Design**

The contemporary proliferation of design ideas and different organisational structures provides managers with a bewildering assortment of options. The manager or organisation designer is responsible for analysing the company's circumstances and designing an organisation that matches its requirements. Modern alternatives include approaches such as downsizing versus rightsizing, reengineering the organisation, team-based organisations, and the virtual organisation. These methods frequently employ total quality management, employee empowerment, employee involvement and participation, force reduction, process innovation, and alliance networks.

Reengineering is the radical reworking of an organization's processes in order to achieve significant cost, time, and service delivery gains.

Rethinking the organisation necessitates a new perspective on organisation design, potentially even abandoning the traditional pyramidal concept.

Managers operating in a global setting must evaluate not just the similarities and contrasts between enterprises from other cultures, but also the structural characteristics of multinational organisations. As an increasing number of businesses have joined the foreign market, they have found it necessary to modify their designs to better accommodate for cultural differences.

The four prominent themes of contemporary design strategies are the effects of technical and environmental change, the significance of people, the need to maintain consumer contact, and global organisation. Technology and the environment are evolving so rapidly and in so many unanticipated ways that no organisational structure will be suitable for a considerable amount of time. Changes in the processing, transmission, and retrieval of electronic information alone are so enormous that employee relationships, information distribution, and job coordination must be reassessed almost daily.

Unfortunately, there is no single optimal method. Managers must examine the impact of numerous elements – socio-technical systems, strategy, the structural imperatives, evolving information technology, people, global considerations, and a concern for end users – on their particular organisation and organise it accordingly.

## **Organisation – Environment Interface**

### **Organization as a Method**

Organization may be researched and analysed effectively if seen as a system. A system is a collection of interconnected or interdependent entities that constitute a complex unity: a whole made of parts and subparts arranged in accordance with a strategy or design.

The organisation operates under the framework provided by society's many components. All of these elements exist outside the organisation and are referred to as the external environment or environment. At the same time, an organisation may develop an internal environment that influences its many subsystems.

Environment consists of all situations, circumstances, and influences surrounding and impacting the organisation as a whole or any of its parts. Therefore, environmental forces are fairly extensive.

There are numerous environmental influences that influence the functioning of organisations. These pressures can be categorised as economic, legal, political, technological, sociological, and cultural, among others. These factors provide the structure for various organisations and have a homogenising effect. These environmental variables have a significant impact on the available resources for inputs, the most suitable organisational procedures, and the acceptability of organisational outputs.



Various qualities of such elements may be beneficial or detrimental to the expansion of businesses in general.

Understanding two characteristics of the environment – complexity and variability – is essential for analysing the organization-environment interface, as their varying degrees effect organisations differently.

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## 2.8 ENVIRONMENT COMPLICATEDNESS

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Environmental complexity refers to the variability and diversity of activities related to the operations of an organisation. Heterogeneity refers to the range of environmental activities affecting the organisation. Perception dictates whether an environment is complex or simple. The same environment that one organisation perceives as unpredictable, complex, and ephemeral may be perceived by another organisation as unchanging and easily comprehended.

### Environmental Variability

The level of environmental unpredictability is a crucial factor of organisational performance. In truth, because the environment is dynamic, it changes throughout time, but the rate of change is a cause for concern. The rate of change might be low or high, depending on one's perception.

Environmental variability refers to the degree of change that may be viewed as a function of three variables: (i) the frequency of change in relevant activities, (ii) the degree of variation between each activity, and (iii) the degree of irregularity in the overall patterns of change. The degree of environmental variability influences organisational performance via influencing task performance. The more the environmental variability, the greater the task performance uncertainty.

Every organisation must operate under the constraints of environmental forces, and there is a constant interplay between an organisation and its environment. This interplay generates influences; the environment affects the organisation, and the organisation, in turn, affects the environment, but the former influence is stronger.

This connection can be examined from three perspectives. The organisation may initially be viewed as an input-output system. Second, the organisation can serve as the focal point for the contributions of numerous groups, both within and beyond the organisation.

Thirdly, the organisation can be viewed as an operating unit inside an environment that presents it with opportunities and risks. Thus, how an organisation may make the most of the supplied opportunities and risks is of paramount importance.

The intricate link between the organisation and its surroundings cannot be adequately explained by a single approach alone. Furthermore, these techniques are not contradictory; they are complementing. Consequently, a company will be affected by its operating environment. This will have an

impact on numerous facets of management, including organisational structure, organisational procedures, product line, market served, product price, resource allocation, community services, etc.

### Strategies for environmental management

A business is confronted with two types of issues while developing plans for environmental management. First, there is interdependence between the organisation and its environment as a result of a range of non-uniform trade connections. Therefore, the organisation must develop distinct strategies for dealing with various environmental elements. Second, the trade relationships are unknown since the organisation may not have complete information about them.

Concerning the environment, the organisation must overcome the issues of interconnectedness and unpredictability in exchange connections. In order to overcome these challenges, the organisation must regularly monitor its surroundings and develop acceptable tactics.

These strategies may be of three types:

- (i) methods for isolating the organisation from external influences,
  - (ii) strategies for establishing control over particular environmental features, and
  - (iii) strategies for organisational adaptability.
- ☐ **Insulation of the Business:** Strategies for isolating an organisation from environmental pressures strive to minimise environmental factors' harmful impact.
  - ☐ **Gaining Control of the Environment:** The primary purpose of this sort of strategy is to gain control over certain components of the environment in order to lessen the organization's reliance on the environment. This can be accomplished in a variety of ways.
  - ☐ **Organisational Adaptation:** Adapting organisational structure, systems, and processes to the needs of the environment is one of the most often adopted tactics by organisations in response to the environment.

### Organisation Development and Change

Organisation development is the process by which an organisation changes and evolves.

Change within an organisation may involve employees, technology, and competition, among other factors.

Thus, organisation development means organisation transformation in the broadest sense. Organisation development has grown as a distinct subject of study and practise during the past three decades. Experts are now mostly

in agreement on what defines organisational development in general, while disagreements persist over specifics.

Organisation development is the process of altering and enhancing an organisation via the use of behavioural science expertise. The most extensive sort of organisational change is a significant reorganisation, often known as a structural change — a system-wide reorganisation of task division, authority, and reporting linkages.

A structural change influences performance evaluation and compensation, decision-making, and communication and data processing systems.

Changes to the tasks required in doing the work, the technology, or both, are an additional method for achieving system-wide organisation development. There are numerous methods in which groups and individuals can be involved in organisational development. Change is inevitable, as is change resistance. Organizations paradoxically foster and fight change.

Resistance to change within an organisation may originate from both internal and external causes. Managing resistance to change involves working with the sources of resistance as opposed to attempting to overpower or conquer them.

Successfully managing organisation change requires adopting a comprehensive perspective, securing the backing of top management, promoting engagement from all affected parties, fostering open communication, and rewarding those who contribute to the change effort.

An organisation is merely a social unit with specific goals. The most frequent formal definition of an organisation is a group of individuals engaged in specialised and interconnected activity to achieve a mission or objective. The fundamental components of organisations have changed little over the years.

All organisations have stated or implicit goals, recruit members, and acquire and deploy resources to achieve those goals. Often, in the presence of competing interests and activities, it is necessary to develop a structure to allocate and coordinate work and allow certain members to lead or manage others.

To ensure that everyone is aware of who is responsible for what, to coordinate operations, and to limit the extent of people's activities and decisions, rules are required.

Organizations are diverse animals for various individuals... Organisations are 'defined' based on the unique contexts and viewpoints of the one doing the defining.

Organisations are tremendously complex social/economic/political systems, necessitating the use of different vantage points to comprehend the numerous interrelationships and variables around them. Different theories are required for various reasons.

Since World War II, both government organisations and organisation theories have undergone profound changes. Numerous "schools" or "paradigms" of organisation theory have arisen to assist us in comprehending government organisations and the reasons why they and the individuals around them behave as they do.

In the late 1950s and early 1960s, the human relations school of organisation theory deviated significantly from the concepts of classical organisation theory. Since the 1960s, some of the new "paradigms" in organisation theory have included system terms theories, critical theories, "modern" structural theories, cultural theories, feminist theories, rational choice theories, post-modern theories, etc.

The primary hypotheses contest the hierarchical authority model. Organisational theories based on the dynamics of human relationships criticise the impersonality of bureaucratic structures and therefore advocate for the humanization of organisations. Given the variety of angles from which organisations can be examined, it is not surprising that more theories have been developed. Any public organisation theory may appear to be incorrect.

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## 2.9 QUESTION

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1. Explain in detail concept of organisation.
2. Explain the characteristics of organisation
3. State the Types of organisations.
4. Discuss the Organisational Goals
5. Explain in detail the Organisation structure

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## PERSONALITY THEORIES

### Unit Structure

- 3.0 Objectives
- 3.1 Introduction
  - 3.1.1 What is Personality?
- 3.2 Theories of Personality
  - 3.2.1 Psychoanalytic Theory
    - 3.2.1.1 Id
    - 3.2.1.2 Ego
    - 3.2.1.3 Superego
  - 3.2.2 Type Theories
    - 2.2.1 Carl Jung Extrovert Introvert Theory
    - 2.2.2 William Sheldon's Personality Classification
  - 3.2.3 Trait Theories
    - 2.3.1 Gordon Allport Personality Traits
    - 2.3.2 Raymond Cattell 16 Personality Factors
  - 3.2.4 Self theory
- 3.3 Self Assessment Questions
- 3.4 Case Study Essay for Practise
- 3.5 Critical Thinking

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### 3.0 OBJECTIVES:

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After having worked through this unit, you should be able to:

1. Define personality and learn its types and characteristics
2. Explain various theories of personalities
3. Understanding how personality affects organisational behaviour through case studies and exercises

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### 3.1 INTRODUCTION

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#### 3.1.1 1.PERSONALITY

What is Personality?

Personality refers to a person's combination of attributes that explain repeated patterns of behaviour, thoughts, and feelings

The word personality can be traced back to the Latin word *per sona*, meaning to express through. It was originally used in reference to the masks worn by the actors in ancient Greece. Today, the word describes the role that a person plays in public. Salvatore Maddi, a well-known personality theorist, has proposed the following definition of personality:

“Personality is a stable set of characteristics and determine those commonalities

and differences in the physiological behaviour (thoughts, feelings and actions)

of people that have continuity in time and that may not be easily understood as

the sole result of the social and biological pressures of the moment”.

Organizations strive to leverage on individuals' distinctive habits and proclivities as opposed to their knowledge, skills, and abilities to improve organisational success, hence it has been a subject of study in the workplace. An individual's personality represents his or her characteristics and traits that can identify consistent patterns of behavior. Therefore, determining the personality of an individual has a significant impact on job performance. Consequently, knowledge of the traits that determine behaviour must be obtained, providing a paradigm for predicting behavior of employees (or people in general)

Also, each employee is unique in an organization, so their reactions to a particular situation may vary from others.

Personality theories include trait theory, type theory, psychoanalytic theory, sociological theory, and self-theory. Each of these theories adds a new perspective on the nature of personality.

### **3.1.2. Personality Theories**

Because personality factors represent recurring and consistent patterns of behaviour, these patterns can be divided into categories. so that if we identify the pattern of behaviour as belonging to a given category, the behaviour can be predicted

The following are the many types of personality theories:

1. Psychoanalytic Theory
2. Type Theories
3. Trait Theories
4. Self Theory

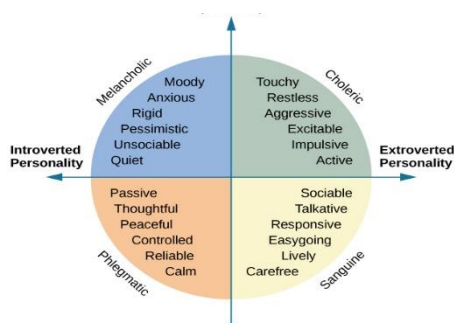




Psychoanalytical



Type



Trait



Self

### 3.2.1 Psychoanalytic Theory

Psychologists and psychiatrists have long been fascinated by the psychoanalytic theory of personality. Its creator, Sigmund Freud, had a significant influence. The theory focuses on the id, ego, and superego, which are the three fundamental concerns.

#### Psychoanalytic Theory's Components

##### 3.2.1.1 ID

The only portion of the personality that is there at birth is the id. It is passed down the generations, is basic, inaccessible, and utterly unconscious.

The id follows the pleasure principle, which means it seeks pleasure, avoids suffering, and receives rapid fulfilment of its desires.

The id comprises the following information:

- Sexual instincts and biological needs such as hunger and thirst are examples of life instincts.
- The death instinct, which explains our destructive and violent tendencies.

### **3.2.1.2EGO**

The ego is the only aspect of the conscious personality that is aware of itself. It's what a person notices when they think about themselves, and it's what they strive to reflect onto others.

The ego grows in order to serve as a buffer between the unrealistic id and the external reality. It is the part of the personality that makes decisions. The ego, in its ideal state, is rational, whereas the id is chaotic and illogical.

**Example:** Aarohi really wanted to borrow her mom's necklace, but knew her mom would be angry if she took it without asking, so she asked her mom if she could wear it.

### **3.2.1.3SUPEREGO**

The superego — the moral component of the personality — is created in children between the ages of 5 and 6.

There are two elements to the superego:

- (a) The "conscience," which is made up of all the wrongdoings for which we have been punished and feel guilty.
- (b) The "ego ideal," which includes the behaviours for which we have been recognised and rewarded, and which give us pride and satisfaction.

The superego, as a moral guide, establishes signposts that define and limit ego's flexibility in its pursuit of moral perfection.

**Example:** The cashier only charged the couple for one meal even though they had eaten two. They could have gotten away with only paying for one, but they pointed out the cashier's mistake and offered to pay for both meals. They wanted to be honest and they knew that the restaurant owner and employees needed to make a living.

### **3.2.2Type Theories**

The type theories are an attempt to bring some order to the disorder that is personality theory.

The type theory is an attempt to categorise people into useful groups in order to scientifically describe their personalities.

Here are three key personality 'type hypotheses' explained:

**3.2.2.1 CG Jung's Classification:** CG Jung divided people into two groups based on their sociability: Introverts and Extraverts.

**Introverts** are defined as those who exhibit traits such as shyness, social retreat, and a reduced tendency to speak. These features make these persons appear self-centered and unable to adjust to social circumstances readily.

They are not easily persuaded. They are forward-thinking, pragmatic, and adamant in their beliefs.

**Extroverts** have a proclivity for being outgoing, sociable, talkative, and social. They prefer social interactions, as well as being generous, athletic, and daring.

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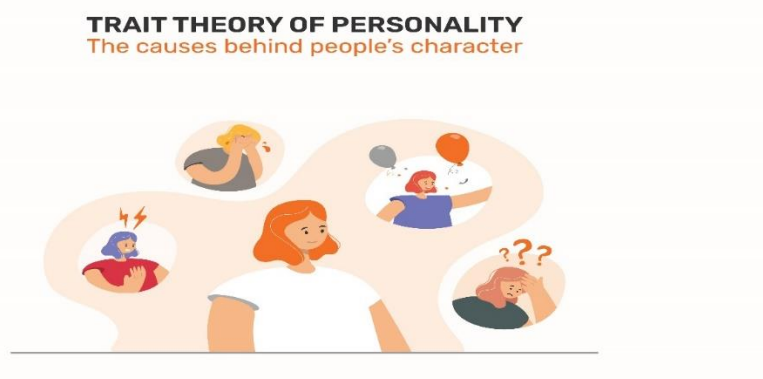
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- a. Endomorph: These individuals will have a soft, chubby, and round body with a prominent belly region. They are friendly and laid-back (can be compared to pyknic type).
- b. Ectomorph: These are persons who are tall, skinny, and have a flat chest, with skin, bones, and neural structure as their primary features. They're restrained, bashful, and self-conscious (can be compared with asthenic type).
- c. Mesomorph: Mesomorph is a term used to describe a type of individuals who are well-built, with a prominent appearance of hefty and strong muscles. By nature, they are physically active, boisterous, and adventurous (can be compared to athletic type).

### **3.2.3 Trait Theories**

Some early personality psychologists believed that in order to understand people, we needed to break down their behaviour patterns into observable features.

A personality trait is described as a "enduring feature of a person that displays consistently in a range of contexts," according to trait theory. Such characteristics, when combined, distinguish one personality from another.



### **3.2.3.1 Gordon Allport Personality Traits**

Personality traits, according to Gordon Allport, are genuine entities that are physically located someplace in the brain. Each of us is born with a distinct collection of raw materials for specific features, which are then sculpted by our life experiences.

Traits reflect how we respond to the environment and how consistent our responses are. If we are shy, we react differently to strangers than if we are friendly; if we are confident, we reply differently.

Gordon highlighted two primary types of characteristics:

1. **Shared Qualities:** Shared traits are those that we have in common with the majority of people in our culture.
2. **Individual Qualities:** There are three types of individual traits, according to Allport: cardinal, central, and secondary traits.

- ☐ **Cardinal Traits:** A cardinal trait is one that is "so ubiquitous and prominent in a person's life that practically every conduct appears to be traceable to its influence."

**Example:** Oprah Winfrey's cardinal trait could be sociability. She is sometimes called the "queen of talk" because of her extraordinary ability to talk to different kinds of people

- ☐ **Central Traits** According to Allport, central characteristics are those that we would "include in writing a thoughtful letter of recommendation."

**Example:** You might describe yourself as smart, kind, and outgoing. Those are your central traits.

- ☐ **Secondary Features:** Unlike the cardinal and core traits, secondary traits are less evident, less constant, and less important in establishing our personality. Food and music preferences are examples of secondary features.

**Example:** You might normally be a pretty easy-going person, but you might become short-tempered when you find yourself under a lot of pressure.

### **3.2.3.2 Raymond Cattell 16 Personality Factors**

Cattell heavily relied on the previous work of scientists in the field in developing a taxonomy of the 16 Personality Factors. Cattell aims to refine the work already done by his predecessors. He aims to achieve integration of language and personality, that is, to identify the adjectives in language that are related to personality characteristics.

He believed that personality is not an unknown and untestable mystery, but something that can be studied and organized. Through scientific study, he believed we can predict human characteristics and behaviors based on underlying personality traits.

Personality, according to Raymond Cattell, is a set of attributes that can be used to analyse and predict a person's behaviour.

Cattell distinguished two categories of people:

- a. **Surface Traits:** Cattell defined "surface traits" as observable attributes of a person such as honesty, helpfulness, kindness, generosity, and so on.

**Example:** Arriving early for appointments and leaving the office only after one's work is complete are visible manifestations of the characteristic of conscientiousness.

- b. **Source Traits:** These personality traits make up the most fundamental personality structure and, according to Cattell, are what actually cause behaviour. Intelligence is a source attribute, and everyone has some, but not everyone has the same quantity or type of intelligence.

**Examples:** social boldness, dominance, and openness to change

## Raymond B. Cattell 16 personality factors



	Factor	Descriptors	
<b>A</b>	Warmth	Reserved	vs. Outgoing
<b>B</b>	Reasoning	Less Intelligent	vs. More Intelligent
<b>C</b>	Emotional Stability	Affected by feelings	vs. Emotionally stable
<b>E</b>	Dominance	Humble	vs. Assertive
<b>F</b>	Liveliness	Sober	vs. Happy-go-lucky
<b>G</b>	Rule Consciousness	Expedient	vs. Conscientious
<b>H</b>	Social Boldness	Shy	vs. Venturesome
<b>I</b>	Sensitivity	Tough-minded	vs. Tender-minded
<b>L</b>	Vigilance	Trusting	vs. Suspicious
<b>M</b>	Abstractedness	Practical	vs. Imaginative
<b>N</b>	Privateness	Straightforward	vs. Shrewd
<b>O</b>	Apprehension	Self-Assured	vs. Apprehensive
<b>Q1</b>	Openness to Change	Conservative	vs. Experimenting
<b>Q2</b>	Self-Reliance	Group-dependent	vs. Self-sufficient
<b>Q3</b>	Perfectionism	Self-conflict	vs. Self-control
<b>Q4</b>	Tension	Relaxed	vs. Tense

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### 3.2.4 Self Theory

The Self Theory focuses on an individual's set of self-perceptions, as well as his perceptions of his interactions with others and other areas of life. Carl Rogers made a substantial contribution to the self-theory. Both

psychoanalytic and behavioristic theories of human nature are rejected as being excessively mechanistic, presenting individuals as helpless animals buffeted by internal instincts or external stimuli.

Humanist psychologist Carl Rogers believed that self-concept is made up of three different parts:

**Ideal self:** The ideal self is the person you want to be. This person has the attributes or qualities you are either working toward or want to possess. It's who you envision yourself to be if you were exactly as you wanted.

**Self-image:** Self-image refers to how you see yourself at this moment in time. Attributes like physical characteristics, personality traits, and social roles all impact your self-image.

**Self-esteem:** How much you like, accept, and value yourself all contribute to your self-concept in the form of self-esteem. Self-esteem can be impacted by a number of factors—including how others see you, how you think you compare to others, and your role in society

Thus, according to Carl Rogers, the self theory is composed of several perceptions of “I” or “me” and the perception of relationships of “I” and “me” to others.

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### 3.3 SELF ASSESSMENT QUESTIONS

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1. According to you, which theory of personality is more comprehensive?  
Give reasons.
2. How would you describe your own personality? Do you think that friends and family would describe you in much the same way? Why or why not?
3. Critically examine the psychoanalytic approach to personality
4. Explain Trait Theory of Personality
5. Research suggests that many of our personality characteristics have a genetic component. What traits do you think you inherited from your parents? Provide examples. How might modelling (environment) influenced your characteristics as well?
6. Why might a prospective employer screen applicants using personality assessments?

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### 3.4 CASE STUDY ESSAY FOR PRACTISE

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Select an epic story that is popular in contemporary society (such as Harry Potter or Star Wars) and explain it terms of Jung's classification..

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### 3.5 CRITICAL THINKING

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1. In the Award-Winning Comedy Show, The Office, the characters played in the office of the Paper Company have individual personality that either add to or regress the progress of work in the Organisation. Based on the characters, can you identify the personality of each of the characters and state reasons for the same.
2. Respond to the question, "Who am I?" Based on your response, do you have a negative or a positive self-concept? What are some experiences that led you to develop this particular self-concept?

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# PERSONALITY, VALUES AND ATTITUDES

## Unit Structure

- 4.0 Objectives
- 4.1 Introduction
  - 4.1.1 What is Personality?
    - 4.1.1.1 Theories of Personality
  - 4.1.2 Personality Determinants in the Workplace
- 4.2 What are Values?
  - 4.2.1 Types of values
  - 4.2.2 Values in the Workplace
- 4.3. What are Attitudes?
  - 4.3.1 Formation of Attitudes
  - 4.3.2 Attitudes in the Workplace
- 4.4. Self-Assessment Questions
- 4.5. Critical Thinking and Exercises to Solve

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## 4.0 OBJECTIVES

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After having worked through this unit, you should be able to:

1. Define personality and understand various theories of personalities
2. Understand how personality affects organisational behaviour through case studies and exercises
3. Define values, formation and role in the workplace
4. Explain attitude, its formation and role in the workplace

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## 4.1 INTRODUCTION

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### 4.1.1. PERSONALITY

What is Personality?

Personality refers to a person's combination of attributes that explain repeated patterns of behaviour, thoughts, and feelings

The word personality can be traced back to the Latin word *per sona*, meaning to express through. It was originally used in reference to the masks worn by the actors in ancient Greece. Today, the word describes the role that a person plays in public. Salvatore Maddi, a well-known personality theorist, has proposed the following definition of personality:

“Personality is a stable set of characteristics and determine those commonalities and differences in the physiological behaviour (thoughts, feelings and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment”.

Organizations strive to leverage on individuals' distinctive habits and proclivities as opposed to their knowledge, skills, and abilities to improve organisational success, hence it has been a subject of study in the workplace. An individual's personality represents his or her characteristics and traits that can identify consistent patterns of behavior. Therefore, determining the personality of an individual has a significant impact on job performance. Consequently, knowledge of the traits that determine behaviour must be obtained, providing a paradigm for predicting behavior of employees (or people in general)

Also, each employee is unique in an organization, so their reactions to a particular situation may vary from others.

Personality theories include trait theory, type theory, psychoanalytic theory, sociological theory, and self-theory. Each of these theories adds a new perspective on the nature of personality.

#### **4.1.1.1 Personality Theories**

Because personality factors represent recurring and consistent patterns of behaviour, these patterns can be divided into categories. so that if we identify the pattern of behaviour as belonging to a given category, the behaviour can be predicted

The following are the many types of personality theories:

1. Psychoanalytic Theory
2. Type Theories
3. Trait Theories
4. Self Theory

#### **Psychoanalytic Theory**

The psyche according to psychoanalytic theory is divided into three functions:

1. the id - the unconscious source of primitive sexual, dependency, and aggressive impulses;
2. the superego - which is the conscious source of societal norms; and
3. the ego - the conscious source of self-interest.

According to Freud, personality is based on the dynamic interactions of these three components.

Psychoanalytic theory in literature is often cited in the Lord of the Rings trilogy by J.R.R. Tolkien, especially as depicted in Gollum (in the book and the movie), Frodo (in the film), and Samwise (in the book). These characters represent the id, ego, and superego respectively.

Gollum lives according to instinct – he desires the ring. Frodo also wants the ring due to a selfish need but can control his behavior (for example, by placing the ring on a string around his neck). Samwise is the conscience of this small group, always putting Frodo and his part in the mission to destroy the ring far above his personal desire to return to his beloved Shire.

### **Type Theories**

The type theories are an attempt to bring some order to the disorder that is personality theory.

The type theory is an attempt to categorise people into useful groups in order to scientifically describe their personalities.

Here are three key personality 'type hypotheses' explained:

I. **CG Jung's Classification:** CG Jung divided people into two groups based on their sociability: Introverts and Extraverts.

**Introverts** are defined as those who exhibit traits such as shyness, social retreat, and a reduced tendency to speak. These features make these persons appear self-centered and unable to adjust to social circumstances readily. They are not easily persuaded. They are forward-thinking, pragmatic, and adamant in their beliefs.

**Extroverts** have a proclivity for being outgoing, sociable, talkative, and social. They prefer social interactions, as well as being generous, athletic, and daring.

**Ambiverts** are only a small percentage of people are true introverts or extroverts. The vast majority of people have both introvert and extravert characteristics. Ambiverts are people who fall under this category. This categorization was devised by post-Jung psychologists.

II. **William Sheldon's Personality Classification:** Sheldon presented a personality theory based on temperament and bodily type. He categorises humans into three groups:

- a. **Endomorph:** These individuals will have a soft, chubby, and round body with a prominent belly region. They are friendly and laid-back (can be compared to pyknic type).
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- c. **Mesomorph:** Mesomorph is a term used to describe a type of individuals who are well-built, with a prominent appearance of

hefty and strong muscles. By nature, they are physically active, boisterous, and adventurous (can be compared to athletic type).

## **Trait Theories**

Some early personality psychologists believed that in order to understand people, we needed to break down their behaviour patterns into observable features.

A personality trait is described as a "enduring feature of a person that displays consistently in a range of contexts," according to trait theory. Such characteristics, when combined, distinguish one personality from another.

### **Gordon Allport Personality Traits**

Personality traits, according to Gordon Allport, are genuine entities that are physically located someplace in the brain. Each of us is born with a distinct collection of raw materials for specific features, which are then sculpted by our life experiences.

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**Example:** Oprah Winfrey's cardinal trait could be sociability. She is sometimes called the "queen of talk" because of her extraordinary ability to talk to different kinds of people

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## 16 Personality Factors by Raymond Cattell

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Cattell distinguished two categories of people:

- c. **Surface Traits:** Cattell defined "surface traits" as observable attributes of a person such as honesty, helpfulness, kindness, generosity, and so on.

**Example:** Arriving early for appointments and leaving the office only after one's work is complete are visible manifestations of the characteristic of conscientiousness.

- d. **Source Traits:** These personality traits make up the most fundamental personality structure and, according to Cattell, are what actually cause behaviour. Intelligence is a source attribute, and everyone has some, but not everyone has the same quantity or type of intelligence.

**Examples:** social boldness, dominance, and openness to change

### SELF THEORY

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#### 4.1.2 PERSONALITY DETERMINANTS IN WORKPLACE

Employee self-esteem is one quality that has recently emerged as a critical element in determining work behaviour and effectiveness. One's view or belief about one's self and self-worth is referred to as self-esteem. It's about how we regard ourselves as people. Do we have faith in our abilities? Do we consider ourselves to be successful? Attractive? Are you deserving of others' admiration or friendship?

According to studies, high self-esteem boosts assertiveness, independence, and creativity in school-aged youngsters. People who have high self-esteem find it simpler to give and accept affection, establish higher personal accomplishment objectives, and invest effort to reach those goals. Furthermore, those who have high self-esteem are more inclined to pursue higher-status jobs and to take greater chances in their job hunt. Students with higher self-esteem, for example, were evaluated better by college recruiters, received more job offers, and were more satisfied with their job search than students with low self-esteem, according to one study. As a result, personality traits like this one might have an impact on your job and career even before you start working.

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## 4.2. VALUES

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According to one definition, a value is "an enduring belief that a specific mode of conduct or end state of existence is personally or socially preferable to an opposite or converse mode of conduct or end state of existence." By contrast, a value is a judgment that something is "good" or "bad," "important" or "unimportant," and so on. As such, values serve a useful function in providing guidelines or standards for choosing one's own behavior and for evaluating the behavior of others.

### 4.2.1 TYPES OF VALUES

G.W. Allport and his associates have identified six types of values.

- Theoretical: high importance to discovery of truth through critical and rational approach.
- Economic: Emphasis on useful and practical.
- Aesthetic: Highest value on form and harmony.
- Social: Highest value to the love of people.

- Political: Emphasis on acquisition of power and influence.
- Religious: Concerned with the unity of experience and understanding of the cosmos as a whole

Instrumental and terminal values are the two basic categories of values identified by Rokeach. Instrumental values are those that have to do with how we approach end-states. Do we value ambition, cleanliness, honesty, or obedience, for example? What variables influence your day-to-day decisions?

Terminal values, on the other hand, are the desired outcomes at the end of a process. Things like a pleasant existence, a sense of success, equality among all people, and so on are included. Both sets of values have a big impact on how people behave at work on a daily basis.

Several studies suggest that values differ across culture. Various cultural factors influence values of a particular society; in turn they also influence perceptions, attitudes, motivation, behaviour, relationship patterns, leadership styles etc. of the people of the society.

### Importance of Values

Values also have a large impact on what individuals think of the organisation's function (Versnel and Koppenol, 2005). Values affect the way individuals approach a subject and tackle problems. For instance, if a person places high value on honesty, he or she tends to avoid giving a bribe in order to get a promotion. However, if another person places high value on reaching the highest position in the workplace, he or she is more likely to give a bribe for a promotion.

Because values influence individual behaviour, negative behaviour is also the result of negative values. Mitchell and Scott (1990) stated that increase in unethical business practices are usually attributed to change of values. This should show how important and relevant values are to an organisation. Physicians even claim that an individual's values induce most of the problems she or he faces (Cunningham, 2001). Another importance of values is that, when aligned with organisational values, it increases organisational commitment of individuals (Baker, 2009).

### Similarities between Values and Attitudes

1. Values and attitudes are two important variables influencing the cognitive process and behavior.
2. They are learned and acquired essentially from the same sources.
3. They endure and are resistant to change.
4. They have a reciprocal influence and are used interchangeably.



Values	Attitudes
Values help to guide our behavior.	Attitudes are the response that is a result of our values.
Values decide what we think as for right, wrong, good, or unjust.	Attitudes are our likes and dislike of things, people, and objects.
Values are more or less permanent in nature.	Attitudes are changeable with favorable experiences.
They represent a single belief that, guides actions and judgment across objects and situations.	They represent several beliefs focused on a specific object or situation.
They derived from social and cultural mores.	These are personal experiences.

#### **4.2.2 VALUES IN THE WORKPLACE**

Employee behaviour in the workplace can be heavily influenced by values. If an employee appreciates honesty, hard work, and discipline, for example, he will most likely try to demonstrate those characteristics at work. As a result, this person may be a more productive employee and a more favourable role model for others than someone with opposing ideals.

However, if an employee discovers that his coworkers do not share his ideals, conflict may occur.

Apple's brand ambassadors, for example, are those who believe in Apple's ideals rather than people who appreciate the concept of being associated with Apple or the rewards of working for Apple. Harley-Davidson, McDonald's, and Ikea are all in the same boat. It's improbable that someone will succeed in a company whose ideals they don't believe in.

We've learned through experience that a lack of congruence between an organization's principles and its employees' own values leads to poor performance. As a result, the quality of deliverables suffers, as does the organization's financial success. When the organization's values are matched with employees' personal values, the consequence is a high-performance environment with high levels of employee engagement and the pursuit of excellence for the organization's benefit.

Most businesses have values, but for the most part, they are confined to wall plaques and induction handbooks, distant from the hearts of employees.

This mismatch can be traced back to leaders who lack the authority to exemplify values through their decisions and actions.

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## 4.3 ATTITUDES

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An **attitude** can be defined as a predisposition to respond in a favorable or unfavorable way to objects or persons in one's environment. When we like or dislike something, we are, in effect, expressing our attitude toward the person or object.

An attitude can be thought of as composed of three highly interrelated components:

- (1) a *cognitive* component, dealing with the beliefs and ideas a person has about a person or object;
- (2) an *affective* component (**affect**), dealing with a person's feelings toward the person or object; and
- (3) an *intentional* component, dealing with the behavioral intentions a person has with respect to the person or object.

### 4.3.1 FORMATION OF ATTITUDES

This is a topic on which there is a lot of debate. The dispositional approach, proposed by psychologist Barry Staw and others, contends that attitudes are generally stable predispositions to respond to individuals or situations around them. In other words, attitudes are treated as if they were personality traits. As a result, some people have a tendency—a predisposition—to feel content at work, regardless of the nature of the employment. Others, nearly regardless of the nature of the task, may have an internal inclination to be miserable.

A series of research indicated that people's attitudes change very little before and after they change jobs, which supports this strategy. To the extent that these findings are valid, managers may have little control over improving job attitudes other than attempting to select and hire only individuals with the right attitude.

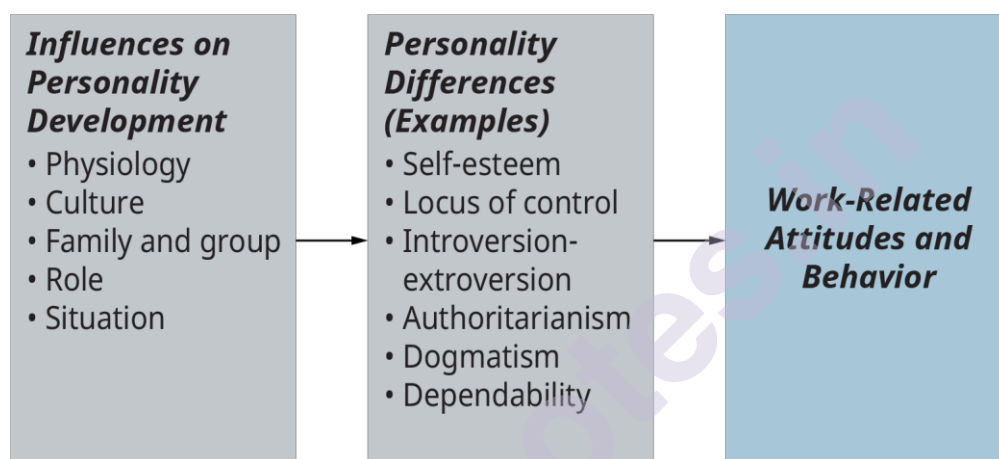
#### Degree of Influence of Attitude towards Behaviour

Following are the factors, which determine degree of influence of attitudes on behaviour.

- **Attitude Specificity:** Specific attitudes are much better predictors of behaviour than general ones.
- **Attitude Strength:** Intense or strong attitudes are generally much better predictors of overt behaviour than weak ones.
- **Attitude Relevance:** It means the extent to which attitude objects actually have an effect on the life of the

person holding various attitudes. The stronger such effects, the stronger the link between attitudes and behaviour.

- **Attitude Accessibility:** It is the ease with which specific attitudes can be brought into consciousness from memory. The greater such accessibility, the stronger the effect of various attitudes on behaviour.
- **Existence of Social Pressure:** When social pressures hold exceptional power, individuals' overt behaviour follows the pattern set by such pressures, though there may be discrepancies between attitudes and behaviour.
- **Direct Experience:** Attitude may influence behaviour more strongly if an attitude refers to something with which the individual has direct personal experience.



Relation of Personality to Attitudes and Behavior (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

#### 4.3.2 ATTITUDES IN THE WORKPLACE

People often feel a need for behavioral justification to ensure that their behaviors are consistent with their attitudes toward the event. This tendency is called cognitive consistency. When people find themselves acting in a fashion that is inconsistent with their attitudes—when they experience cognitive dissonance—they experience tension and attempt to reduce this tension and return to a state of cognitive consistency.

For example, a manager may hate his job but be required to work long hours. Hence, he is faced with a clear discrepancy between an attitude (dislike of the job) and a behavior (working long hours) and will probably experience cognitive dissonance. In order to become cognitively consistent, he can do one of two things. First, he can change his behavior and work fewer hours. However, this may not be feasible. Alternatively, he can change his attitude toward the job to a more positive one. He may, for example, convince himself that the job is really not that bad and that working long hours may lead to rapid promotion. In doing so, he achieves a state of cognitive consistency. Failure to do so will more than likely lead to increased stress and withdrawal from the job situation.

#### 4.4.SELF ASSESSMENT QUESTIONS

1. What is Personality and how does it play a role in an organisation?
2. What do you mean by values? How value-based organisation can be created?
3. Do values of a person influence his/her behaviour? Why?
4. How can a work environment characterized by positive work attitudes be created and maintained?
5. Explain how attitudes influence behaviour, and how behaviour influence attitudes?

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#### 4.5. CRITICAL THINKING AND EXERCISES TO SOLVE

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##### CASE STUDY 1

##### **Making a Diverse Workplace the Top Priority**

Johnson & Johnson is a leader in multinational medical devices as well as pharmaceutical and consumer packaged goods. Founded in 1886, the company has been through generations of cultural differences and is consistently listed among the Fortune 500. Johnson & Johnson is a household name for millions with many of their products lining the shelves of medicine cabinets around the globe. In 2017, Johnson & Johnson took the number two spot on the Thomson Reuters Diversity & Inclusion Index.

At such a multinational company, with over 130,000 employees worldwide, the forefront of the focus on their internal workforce is diversity. At the forefront of their mission statement, this is clearly stated: “Make diversity and inclusion how we work every day.” Having a mission statement is wonderful, but how does Johnson & Johnson live up to these standards day in and day out?

Chief Diversity & Inclusion Officer Wanda Bryant Hope works tirelessly to inject the company with the very founding principles that built the company 130 years ago. She is one of 46 percent of employees worldwide that are women, and is delivering solutions that serve all of the patients and companies that work with Johnson & Johnson.

One initiative that sets Johnson & Johnson apart in the diversity category is their programs and initiatives such as the Scientist Mentoring and Diversity Program (SMDP), which is a yearlong mentorship program pairing ethnically diverse students with industry leaders.

Additionally, the company commits to alignment with Human Rights Campaign Equality Index benchmarks, as well as supporting the armed forces and wounded soldiers. These benefits include transgender-inclusive health insurance coverage and paid time off after military leave for soldiers to acclimate back to life at home.

These commitments make Johnson & Johnson one of the best cases for a company that is making great strides in a tough cultural climate to bridge the gaps and make all of their employees, customers, and clients feel included and a part of the bigger whole.

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## QUESTIONS

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1. What diversity challenges do you think Johnson & Johnson management and employees face due to their presence as worldwide organization?
2. What other considerations should the company take in order to increase their impact of diversity and inclusion in the workplace?
3. Johnson & Johnson prides themselves on bridging the gender equality gap. What are some challenges or concerns to consider in the future with their hiring practices?

Sources: Johnson & Johnson website accessed August 1, 2018, <https://www.jnj.com/about-jnj/diversity>; Johnson & Johnson website accessed August 1, 2018, <http://www.careers.jnj.com/careers/what-makes-johnson-johnson-a-global-leader-in-diversity-inclusion>.

## CASE STUDY 2

### How Satisfied Are Employees?

If you've ever flown on Southwest Airlines, you can tell something is different just from the first interaction with their employees. From the flight attendants, to the pilot's announcements, and even to their customer service representatives, they have a cheerful disposition, and contrary to popular belief, this isn't an act.

In 2017, Southwest Airlines announced that it would be sharing their \$586 million in profits with its 54,000 employees, given them a bonus of approximately 13.2 percent on average. This doesn't account for the extra \$351 million that they contributed to the employee's 401(k) plans either. This is just one of the many ways that Southwest has given back to their employees in a day and age when minimum wage for even qualified candidates seems like a fight.

Southwest CEO Gary Kelly reflects that "Our people-first approach, which has guided our company since it was founded, means our company does well, our people do really, really well. Our people work incredibly hard and deserve to share in Southwest's success." With this attitude, it is no wonder the employees on and off your flight are showing their satisfaction in their everyday attitudes. The year 2017 was the 43rd year that Southwest shared its profits with their people. While compensation ranks among one of the most attributed traits of a company to help with employee satisfaction, it goes much deeper than that to keep motivation high.

At Southwest, they rank employees first and customers second. They create a culture of fun and inclusive core values that help to give their employees a sense of community and belonging. When their employees are motivated and take pride in what they do, they are able to give their best to their customers every day, which accounts for their highly ranked customer satisfaction results on surveys each year.

**Sources:** Dahl, Darren, “Why do Southwest Employees Always Seem so Happy,” Forbes, July, 28, 2017, <https://www.forbes.com/sites/darrendahl/2017/07/28/why-do-southwest-airlines-employees-always-seem-so-happy/#3cba8dbc59b0>; Martin, Emmie, “A major airline says there's something it values more than its customers, and there's a good reason why,” Business Insider, July 29, 2015, <https://www.businessinsider.com/southwest-airlines-puts-employees-first-2015-7>; Ramdas, Shreesha, “The Southwest Way to Employee Satisfaction: Flying High Like the High Flier,” Customer Think, May 12, 2018, (<http://customerthink.com/the-southwest-way-to-employee-satisfaction-flying-high-like-the-high-flier/>).

### **Questions:**

Oftentimes it is hard to stay at the top. What considerations should Southwest take to maintain their employee satisfaction and keep improving?

Not all companies can share profits. What would you suggest to a new company that is just starting off to help gain high employee satisfaction?

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# MOTIVATION, SATISFACTION AND PERFORMANCE

## Unit Structure

- 5.0 Objectives
- 5.1 Introduction
- 5.2 Definition and Meaning of Motivation
- 5.3 Types of motives
- 5.4 Successful Motivated Behaviour
- 5.5 Needs Hierarchy Theory
- 5.6 Characteristics of Self-Actualising People
- 5.7 Questions
- 5.8 References:

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## 5.0 OBJECTIVE

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- Define and explain the meaning of motivation;
- Delineate the different types of motives;
- Explain primary, general and secondary motives;
- Elucidate the theories of motivation under content theories;
- Enumerate the various theories;
- Describe the Maslow theory of motivation and apply to organisations; and
- Explain how Process theories contribute to employee motivation in organisations.

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## 5.1 INTRODUCTION

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In this unit, we will examine the concept and meaning of motivation, the various theories of motivation in the organisational environment, and the function of motivation in the management of employee behaviour in organisations.

Managers in practise and organisational scientists are unable to solve the question of what exactly motivates individuals. They have attempted to study many techniques, such as satisfying fundamental human wants, establishing goals, treating people fairly, and fostering the conviction that the desired rewards can be obtained, among others.

However, they have not been able to rely on a single strategy because humans are the most driven members of charitable organisations. Also, what motivates one individual cannot motivate another, and what motivates an individual in a given situation may not motivate him in future situations.

Numerous hypotheses have been established as a result of extensive research, and some theories have been proposed to explain what motivates an organization's employees. This section will begin with a definition of motivation and an explanation of its process. We will also cover the many motivational theories and the various motivational styles.

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## 5.2 DEFINITION AND MEANING OF MOTIVATION

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Motivation is one of the key determinants of employee behaviour within an organisational structure. It is commonly believed that highly driven individuals are more productive than those who are not highly motivated. Therefore, it is essential for managers to comprehend the nature of motivation and the factors that govern how motivated people enhance performance and job satisfaction.

Motivation can be conceptualised as a collection of forces that propel an individual toward a goal. It is concerned with how behaviour is stimulated, directed, and maintained.

Motivation, according to Stephen Robbins, is "the readiness to exert high amounts of effort toward organisational goals, contingent on the effort's ability to satisfy some individual need."

Motivation, according to Fred Luthans, is "a process that begins with a physiological or psychological deficiency or need that initiates behaviour or a drive directed toward a goal or incentive."

From these definitions, we may deduce that the process of motivation involves three crucial components. These are needs, motives, and objectives.

Needs are physiological or psychological deprivations that generate a drive, which is the effort exerted to satisfy the need. The objective is to reach a physiological or psychological condition in which the need has been satisfied.

Using the following example, needs, urges, and goals can be explained on a fundamental level. Hunger is a necessity if an individual is hungry. This hunger forces the individual to search for food, which is the motivation. After locating and consuming food, a person's hunger is satisfied; consequently, satiety is the objective. Once the objective has been achieved, the need no longer exists.

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## 5.3 TYPES OF MOTIVES

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Motivation refers to the fundamental psychological causes of an individual's behaviours and behaviour. These are the causes or factors that induce an



individual to act or behave in a particular manner. An individual can be influenced by a variety of incentives. including the following:

□ **Primary or fundamental Reason**

This relates mostly to reasons associated with our drive for self-preservation.

This encompasses demands such as hunger and thirst, warmth, sex, pain avoidance, and other fundamental motivations that influence a person's behaviour on a fundamental level.

□ **Secondary Reasoning**

This form of "drives" is more commonly referred to in psychology as "learned" motivation, and it varies from person to person. In numerous ways, they involve an individual's values and priorities in life.

Many of the secondary motivation-derived behaviours are aware.

In other words, a person actively craves a particular goal or outcome and acts in a manner that brings them closer to achieving it. What motivates individuals to perform or act in a particular manner is a desire for something they do not now have or possess.

There are generally two fundamental types of motivation: inner and extrinsic motivation.

□ **External Inspiration**

Typically, extrinsic motivation involves the concept of rewarded behaviour. Thus, engaging in a certain type of activity or exhibiting a particular behaviour results in a desired outcome.

For example, a trip motivates you to save money. As a result, you fight the impulse to make impulsive purchases and become more selective with your money overall. Over time, you amass a gradually increasing quantity of savings, which you set aside. When you have saved enough for a vacation, you use your savings for their intended purpose and take a trip. The external motive is the vacation, which also serves as the reward for saving.

□ **Internal Driving Force**

Alternatively, there are also less obvious types of motivation.

It would be incorrect to assert that such conduct has no inherent benefits. To be more specific, the final objective is not anything outward or observable, but rather something internal and psychological. The accomplishment of these objectives, which can be viewed as a reward in and of itself, is typically not evident to others.

Thus, a student may be motivated to achieve high grades (external incentive) or simply to learn more about a specific subject (intrinsic motivation). Good grades are the externally obvious reward. The fact that a student has mastered a particular subject or lesson serves as a psychological reward for his innate desire to study.

### **Secondary Motives**

In the industrialised world, secondary motives are significantly more important than primary and general motives. Primarily, the idea relates to those wants that are acquired rather than innate or physiological. David McClelland recognised three significant secondary motives: the Power motive, the Achievement motive, and the Affiliation motive.

The power motive is an individual's desire for superiority or control over others.

This motivation indicates a desire to manipulate or exert influence over others. The accomplishment motive motivates an individual to perform at a high level and to the best of his ability in competitive situations. Typically, they seek the gratification that comes from completing a task. The affiliation motive is the desire to be accepted by a group and to experience a sense of belonging.

In addition to power, achievement, and affiliation, contemporary psychologists also recognise the security and status motives as secondary motivators.

The security motive is the desire of individuals to shield themselves from life's uncertainties and to avoid situations in which they cannot satisfy their primary, general, and secondary motives. The status motive is tied to social prestige and compels an individual to pursue material indicators of achievement, such as a large house or automobile, the newest electronics, etc.

### **General Motives**

Like primary reasons, general motives can also be unlearned. The fundamental difference, however, is that they are not physiologically-based. Curiosity, manipulation, activity, and affection are the most prominent examples of generic motivations. In an organisational framework, broad motives carry more weight than main ones.

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## **5.4 SUCCESSFUL MOTIVATED BEHAVIOUR**

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Generally, good and effective acts or behaviour involve a balance between these two levels of motivation. If a person is driven by both intrinsic and extrinsic motives, inner conflict is decreased, and they are more likely to dedicate uninterrupted and harmonious actions to a certain activity.

Both internal and external incentives are effective reinforcement strategies. For many individuals, this is the true path to success. By selecting goals that

you desire for their intrinsic and extrinsic benefits, you can synchronise your behaviours and commit your efforts to achieving your objectives. In such circumstances, the likelihood of success increases substantially.

As stated previously, primary motives are those that are unlearned or dependent on physiology. Typical examples are hunger, the need for sleep, thirst, pain avoidance, etc.

### **Theories of motivation**

The theories of motivation enable managers to comprehend why people choose to work and what motivates them to perform at their highest potential. It is crucial for managers to comprehend this in order to optimise performance for the fulfilment of organisational objectives.

The theories of motivation can be divided into two categories: Content Theories and Process Theories. Types of content theories include the following:

#### **Need Hierarchy Theory**

Let's examine each of these points in greater depth.

The focus of content theories is on the factors that arouse, initiate, or initiate motivated behaviour. The following are the primary motivational content hypotheses.

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## **5.5 NEEDS HIERARCHY THEORY**

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Abraham Maslow devised the Needs Hierarchy hypothesis, which became famous in the 1960s. According to Maslow, human needs comprise a five-level pyramidal hierarchy, which he conceptualised. The lowest level of the pyramid depicted the most fundamental demands, while the needs became increasingly sophisticated as they ascended the pyramid.

Maslow identified five stages of needs, which are as follows:

- 1) Physiological needs, such as the need for food, clothing, and shelter.
- 2) Safety and security requirements: freedom from fear of physical, monetary, and mental harm
- 3) Social needs: the need for affection and fundamental social relations
- 4) Self-Esteem needs: Respect and Recognition
- 5) Self-actualization requirements: the need to maximise performance and the liberty to be creative and original.

According to Maslow, people normally satisfy their needs in this order.

Typically, individuals satisfy their physiological requirements first. Once that desire is satisfied, they move on to the next, and so on. An individual's motivation is a product of an unfilled desire. For instance, a person whose

physiological requirements have been met is no longer motivated by them. He endeavours to meet the next degree of requirement, safety needs.

It is essential for managers to comprehend the level of their personnel in order to successfully motivate them. A person with work stability is unlikely to be driven by the need for security. The manager must next determine what will inspire the employee and propose to meet that demand. A person seeks employment primarily to satisfy his physiological necessities. Once these conditions are met, he will seek job stability.

Thus, he ascends the hierarchy until he reaches the requirement for self-actualization. Self-actualization wants are the greatest level of needs.

Later psychologists, Motivation in Organisations, considered Maslow's theory to be overly simplistic because demands cannot be categorised into airtight containers. However, the broad concept behind Maslow's theory has been acknowledged as a significant contribution to the effort to comprehend the requirements of employees in order to encourage them.

Maslow himself eventually agreed that the needs hierarchy may be inverted in certain circumstances. Even though his physiological and security requirements have not been addressed, a starving artist may have the need for self-actualization through creating a masterpiece.

#### **Four Meta Needs**

Note that the four meta-needs, cognitive, aesthetic, self-actualization, and self-transcendence, can be pursued in any sequence, depending on a person's desires or circumstances, so long as their basic needs are addressed. Self transcendence is a transegoic stage that emphasises intuitive perception, benevolence, and unified consciousness. Transegoic refers to a higher level of psychic or spiritual growth. The trans is associated with transcendence, whereas the ego is founded on Freud's research. We go from pre egoic levels to egoic levels to transegoic level.

All three phrases refer to the ego in the Jungian meaning of consciousness against the unconscious. The ego is equivalent to the personality.

Self-actualization, on the other hand, refers to a person understanding precisely who he is, where he is going, what he is pursuing, and what he wishes to achieve.

This describes a condition of health.

Aesthetic refers to doing something not just for the outcome, but because it is your *raison d'être*. The individual is more at peace and more interested in the inner workings of all things.

Cognitive refers to a person who is independent of the approval of others, learns for the sake of learning alone, and contributes knowledge.

Esteem relates to the sensation of advancement in the world, acknowledgment, and the absence of self-doubt.

Belonging and affection refer to the individual's membership in a group and the presence of close confidants, etc.

Safety needs refer to a person's sense of freedom from imminent danger.

Physiological demands include the requirement for food, drink, and shelter, among others.

In addition, as in his earlier concept, we may be in a state of flux, i.e., we may shift between levels (Maslow, 1968). For instance, there may be transitory peaks of self-actualization and self-transcendence. These are our religious or artistic moments.

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## 5.6 CHARACTERISTICS OF SELF-ACTUALISING PEOPLE

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- 1) Possess enhanced views of reality and are at ease with it.
- 2) Accept their own natures and selves.
- 3) Absence of artifice
- 4) They are concerned with fundamental issues and everlasting questions and are concerned with situations external to themselves.  
They prefer alone and are typically disconnected.
- 6) Rely on their own growth and continuing progress.
- 7) Appreciate life's simple joys (e.g., do not take blessings for granted).
- 8) Feel a profound sense of connectedness with others.
- 9) Are profoundly democratic and largely unaware of distinctions.
- 10) Possess high moral and ethical standards.
- 11) Are more unique, imaginative, less constrained, and contemporary than others.

### Two Factor Theory of Herzberg

In the late 1950s, Herzberg and his colleagues conducted a comprehensive study involving 200 engineers and accountants to determine the level of their job satisfaction or unhappiness. The conclusions of his study were based on Maslow's hierarchy of needs in an effort to determine what motivates people at work.

Herzberg (1966) is best known for his list of variables that are based on Maslow's Hierarchy of Needs, but his version relates more closely to the workplace:

## **Herzberg's Hygiene and Motivational Factors**

### **Hygiene or Dissatisfiers**

- Working circumstances
- Policies and administrative practises
- Compensation and Benefits
- Supervision • Status
- Job Security
- Colleagues
- Private life

### **Incentives or Satisfaction**

- Reputation
- Accomplishment
- Progression
- Development
- Responsibilities
- Job difficulty

Before a person to be stimulated by motivators, hygiene or dissatisfiers must be present in the workplace. Thus, motivators cannot be used until all hygienic requirements are met. As opposed to Maslow's Hierarchy of Demands, which reflects all of a person's life needs, Herzberg's needs are specifically job-related and reflect some of the distinct things that people want from their employment.

On the basis of this paradigm, Herzberg invented the term "ternjob enrichment," which refers to the process of restructuring work in order to incorporate motivators by expanding both the number of activities performed by an employee and the control over those tasks. It relates to the design of occupations and is an extension of job enlargement (the rise in the number of tasks performed by an employee).

During Herzberg's study, participants were asked to recollect times in which they felt especially satisfied or unsatisfied with their employment. Herzberg discovered that the majority of the elements that contributed to employee job satisfaction were job-related, such as being given a demanding project, increasing responsibility, an exciting chance, acknowledgment, etc.

Herzberg referred to these elements as "motivators." On the other hand, emotions of discontent or dissatisfaction were correlated with factors that were not only associated with job content but also affected by the immediate

work environment but not directly related to the job. Inadequate working conditions, inadequate supervision, a lack of perks, etc., were among these causes. These were designated as "hygiene factors."

According to Herzberg's Two Factor Theory, the existence of motivators' led to employee happiness, whilst their absence led to discontent. On the other hand, the existence of hygienic variables avoided employee unhappiness but did not immediately result in employee contentment.

In other words, job content elements were closely related to employee motivation, and the manager needed to focus more on motivators than cleanliness issues in order to keep his people motivated.

In general, Herzberg's motivators are compared to Maslow's higher-level requirements, such as esteem and self-actualization. The hygiene elements compare to the physiological, safety, and social needs that are of a lower priority. The idea of Herzberg has been criticised for downplaying the significance of individual differences. What motivates one individual may merely be a hygiene factor for another. Nonetheless, the hypothesis is significant in the field of job design.

### **ERG Model**

Clayton Alderfer's ERG Theory is an expansion of both the Needs Hierarchy Theory and the Two Factor Theory - Alderfer proposed that requirements can be divided into three categories: existence needs, relatedness needs, and development needs (ERG).

Existence needs pertain to the physiological health of the individual.

Relatedness needs involve the need to develop and maintain intimate relationships.

Growth needs involve the aspiration to be creative and to make constructive contributions.

The primary difference between Alderfer and Maslow is that Alderfer believed that these requirements formed a continuum rather than a hierarchy. Different needs can coexist, and people can shift back and forth along the continuum as circumstances change, according to him. Therefore, according to this idea, it is very possible for a lower level need to take precedence over a higher-level need at any given time.

All content theories of motivation believe that people have various types of wants, with higher level needs often motivating individuals more than lower-level needs. In view of the complexity of work in contemporary organisations, it is often believed that the concept behind content theories is somewhat restricting.

### **McGregor's Theory X and Theory Y**

Douglas McGregor (1957) produced a philosophical understanding of humanity with his Theory X and Theory Y - two competing perspectives on

how individuals perceive human behaviour in the workplace and in organisational life.

McGregor believed that organisations and their managers adhered to one of two strategies.

### **Theory X**

- ☐ People have a natural aversion to work and avoid it whenever feasible.
- ☐ Individuals must be persuaded, directed, controlled, or threatened with penalty in order to fulfil organisational goals.
- ☐ People prefer to be guided, are unwilling to assume responsibility, and have little to no ambition.
- ☐ People prioritise safety above all else.
- ☐ In an organisation premised on Theory X, the role of management is to force and control personnel.

### **Theory Y**

- ☐ Work is as normal as recreation and leisure.
- ☐ People will exercise autonomy if they are devoted to the goals (they are NOT lazy).
- ☐ Commitment to goals depends on the rewards connected with their accomplishment.
- ☐ People acquire the ability to accept and seek responsibility.
- ☐ Creativity, inventiveness, and imagination are prevalent across the population. People are able to utilise these skills to overcome organisational issues.
- ☐ Individuals have potential.

In an organisation based on the assumptions of Theory Y, the duty of management is to develop the potential of employees and assist them in releasing that potential towards common goals.

Theory X represents the standard managerial perspective on the workforce. The majority of organisations now hold an educated perspective of hypothesis Y. (even though they might not be very good at it). A boss can be considered as adhering to theory X, whereas a leader adheres to theory Y.

Observe the connection between Maslow, Herzberg, and McGregor's theories:

- Herzberg's theory is a condensed form of Maslow's theory that focuses on the workplace.



- McGregor's Theory X is based on employees trapped in the lower levels (1 to 3) of Maslow's theory due to poor management practises, but his Theory Y is for employees who have risen above level 3 with the assistance of management.
- McGregor's Theory X is also based on workers who fall into Herzberg's Hygiene Dissatisfiers category, but Theory Y is based on workers who fall into Herzberg's Motivators or Satisfiers category.

Process theories of motivation focus on the psychological and behavioural processes that inspire an individual and involve a cognitive-rational process. In other words, this is all about the influence and motivation of human needs on behaviour. People need to see what's in it for them and perceive that everyone is being treated fairly.

This insight is fundamental to the psychological underpinnings of successful change management and the change management tactics that will bring about such success. Expectancy theory and Equity theory are the two major process theories of motivation.

Not only are process theories concerned with the causes of behaviour, but also with its course, direction, and selection. They seek to describe the mental processes humans undergo while deciding whether or not to engage in a particular behaviour. In doing so, they provide better guidance to managers attempting to motivate personnel. The leading process theories are as follows:

- i. The Expectancy Theory
- ii. Porter Lawler Model.
- iii. Theory of Equity
- iv. Theory of Attribution and
- v. Theory of Control

### **Expectancy Theory**

Victor Vroom developed the expectation theory as an alternative to the content theories. This hypothesis aimed to explain why individuals exhibit particular behaviours. He based his thesis on the principles of Valence, Instrumentality, and Expectation; thus, it is also known as the VIE theory. This hypothesis proposes that effort is (a) related to the desire for certain outcomes and (b) regulated by an assessment of the possibility of success.

This pragmatic viewpoint suggests that as we are always attempting to predict probable future outcomes, we seek to form what we judge to be reasonable expectations regarding future events.

Thus, if the future appears plausible and desirable, if we know how to get there, and if we believe we are capable of achieving it, we will be motivated to take action to make it a reality.

Individual motivation, according to Victor Vroom, depends on three variables: Force, Valence, and Expectation.

Valence refers to the intensity of a person's preference for a specific outcome. In other terms, it is the importance a person places on a given outcome. Positive valence exists when an individual prefers achieving a certain outcome to not achieving it. It is zero when the individual does not care whether he achieves the result or not.

Instrumentality refers to the likelihood that a first-level outcome will result in the desired second-level consequence.

Expectation is the probability (from 0 to 1) that a specific activity will result in the desired outcome. A probability of 0 suggests that the efforts will not result in the intended outcome; hence, a person must observe a likelihood greater than zero in order to exert any effort.

In contrast to instrumentality, expectation relates efforts to first-level outcomes, whereas instrumentality links first-level outcomes to second-level consequences.

For example, valence refers to the intensity of a person's desire to receive a promotion. If it is vital to have a high performance in order to receive a promotion, then the likelihood that a person's increased efforts will result in improved performance is a function of expectation, while the importance of a high performance in obtaining a promotion is a function of instrumentality. Therefore:

$$\text{Valence} \times \text{Instrumentality} \times \text{Expectancy} = \text{Motivation}$$

Before opting to exert effort toward a goal, a person would weigh all three factors, according to this view. In addition, it acknowledges that every individual has a unique combination of valences, instrumentalities, and expectations. This acknowledges individual diversity. Nonetheless, the primary deficiency of the Expectancy hypothesis is that it provides no concrete recommendations for what motivates employees in organisations. It restricts itself to an abstract comprehension of individual motivation.

This theory leads to the following conclusions:

- Individuals will only act if they believe they have a strong probability of achieving their goals;
- Effort alone is insufficient.
- Job happiness is generated from successful job performance, not the other way around
- Job design is therefore of utmost significance

## Porter-Lawler Model

This concept, created by Lyman Porter and Edward Lawler, extends the Expectancy Theory. It is founded on the notion that desire or effort does not equal satisfaction or achievement, as performance is influenced by other elements, such as the individual's attributes and abilities.

People will immediately correlate satisfaction with performance and be motivated, according to Vroom's idea, provided valuable rewards result from good performance. On the other hand, Porter and Lawler contend that contentment does not always lead to performance. In reality, the opposite is true, as people might get complacent after achieving satisfaction. On the other hand, if reward mechanisms are effective, performance can lead to satisfaction.

Consequently, according to this concept, an organization's reward structures affect how motivated its employees will be to accomplish. If rewards are effectively linked to performance through job clarity and clearly stated goals, motivation will follow, as people will be encouraged to perform in order to obtain the benefits that give them satisfaction.

It is believed that the Porter-Lawler model is more application-oriented than the Vroom Theory since it teaches managers that reward systems may be utilised to inspire personnel. However, cognitive processes are believed to have a far larger part in pleasure than the theory suggests, as individuals interpret rewards and satisfaction differently.

## Equity Theory

Stacy Adams, a social psychologist, has formulated the equity theory. This idea focuses on the justice and fairness perceptions of individuals. According to the notion, an individual's motivation is dependent on the degree of fairness they perceive in their work environment. When an employee feels that his inputs are proportional to the outcomes, he has a sense of satisfaction. Inputs typically allude to a person's credentials, experience, and unique skills. Outputs include compensation, benefits, etc.

People routinely evaluate their outcome-input ratio to that of relevant others, such as friends, co-workers, and neighbours within the same organisation or other organisations. Occasionally, people may also compare their current position to one they previously held in the same or a different organisation.

When a person views his outcome-input ratio to be equivalent to that of relevant individuals, equity exists. Inequity exists when there is a disparity between a person's outcome-to-input ratio and the outcome-to-input ratio of other relevant individuals. This results in a condition known as "equity tension."

When a person feels under-rewarded, he experiences wrath and anxiety; when he feels over-rewarded, he may experience guilt. The presence of equity tension drives an individual to take corrective action. A person who

is under-rewarded may reduce the quantity or quality of his production or decrease his degree of dedication to the job, while a person who is over-rewarded may either work harder or discount the value of the reward in order to maintain a sense of equilibrium.

In accordance with equity theory, in exchange for an employee's abilities, effort, or output, he or she receives a combination of income, status, and fringe benefits.

This establishes a ratio of input to output, and equity is attained when these ratios are the same for all members of the organisation.

The equity hypothesis examines a person's impression of the fairness of an employment position and concludes that perceived inequities might result in behavioural changes.

When individuals believe they have been unfairly treated in compared to their coworkers, they will respond in one of four ways:

- Reduce their effort and output to be more commensurate with their pay
- Request more money or maybe pursue legal action
- Alter their own understanding of the circumstance.
- Resign from their position

In conclusion, unfair treatment of employees demotivates them.

The greatest shortcoming of the equity hypothesis is that it provides no recommendations for restoring equity. Nevertheless, it emphasises the significance of social comparison and acknowledges the function of cognitive processes in motivation.

Other recent ideas seek to explain the process of motivation in organisations in addition to the equity theory. Other contemporary motivational theories include the attribution theory, the control theory, and the agency theory:

Unlike the other theories of motivation described on this site, process theories are concerned with rational and cognitive motivation rather than emotional motivation.

In plain practical terms, these theories demonstrate to the change agent that you must also appeal to people's intellects.

People must be informed of the WIFM (what's in it for me) benefit. They must see the steps and believe that they can and desire to complete the task. Additionally, they must believe in the equality or fairness of what you say.

### **Attribution Theory**

This theory asserts that individuals view their behaviour as a result of internal and external influences that influence their behaviour. Internal factors may include human characteristics such as ability, effort, and education, while external factors may include general economic situations,

government policies, and the weather, among others. In each given circumstance, a person's behaviour is impacted by how he perceives the internal and external elements influencing him. These views have a direct impact on a person's willingness to exert effort toward a particular objective and, consequently, his motivation.

### Control Theory

According to the control hypothesis, an individual's behaviour depends on the degree of control they think they have over their lives. A person who feels that he has a high degree of control over his life and the effects of his actions will be more motivated and experience less job-related stress than one who sees a low degree of control.

The agency theory investigates the interaction between upper-level management (the principal) and subordinate employees (agents). When the principal contracts another person or persons to provide some service, an agency relationship is formed. However, there may be a difference of opinion between the principal and the agent, meaning that the employees may not be aware of what is expected of them.

Therefore, it is the role of the principal to communicate objectives, outcomes, and rewards to agents so that they remain motivated.

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### 5.7 QUESTION

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1. Define motivation and examine its characteristics .
2. What are the different types of motives?
3. Describe successful motivated behaviour
4. Discuss the Needs Hierarchy theory of Maslow and its 5 levels.
5. Elucidate McGregor's Theory X and Theory Y.
6. Elucidate Expectancy theory of motivation. How is it used in organisations?
7. Explain Motivation =Valence x instrumentality x Expectancy.
8. Describe Porter Lawler model of motivation.

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# THEORIES OF LEARNING

## Unit Structure

- 6.0 Objectives
- 6.1 Introduction
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- 6.8 Exercises to Solve

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## 6.0 OBJECTIVES:

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After having worked through this unit, you should be able to:

1. define learning and its basic conditions,
2. explain various theories of learning and their implications,
3. understanding organisational context of learning theories through case studies and exercises

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## 6.1 INTRODUCTION

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### 6.1.1. THEORIES OF LEARNING

Learning can be influenced by a wide range of factors such as emotional, cognitive, past experiences, and the environment around us. Learning theories explain the right format or method of teaching in order to make it effective and more impactful. Learning is defined, for our purposes, as a change in behavior that occurs as a result of experience. In other words,

someone is said to have learned something when they consistently exhibit a new behavior over time. It is first important to understand that learning involves changing an attitude or behavior. This change does not necessarily have to be an improvement, and can involve forming bad habits or prejudices. Learning takes place when there is a significant change in the behavior. Changing behavior due to a temporary adjustment to a situation or fatigue does not constitute learning. Additionally, the process of learning is typically accompanied by some form of practice or experience. For example, the change that occurs as a result of physical maturation—such as a baby learning to walk—is not necessarily a process of learning. Finally, one must reinforce this practice or experience over time for learning to take place. If reinforcement does not follow practice or experience, the behavior will eventually diminish. The final point is that learning is an inferred process. We cannot observe learning directly, so we determine whether or not it exists by observing changes in overt behavior.

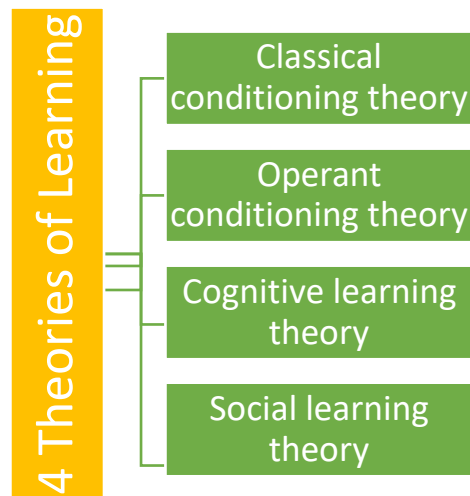
## FACTORS AFFECTING LEARNING

The key elements or the major factors that affect learning are motivation, practice, environment, and mental group.

1. Motivation is defined as the encouragement and support received in order to finish a task or achieve a goal. It is a crucial part of learning since it provides us with the motivation to accomplish a task. The coach, for example, inspired the players to win the game.
2. We've all heard the saying, "Practice makes perfect." It is critical to practise what we have learned in order to be a perfectionist or at the very least complete the work. For example, we can only be a programmer if we run the programmes we've written.
3. We learn from our environment, and we learn from the people we meet. Internal and exterior environments are the two sorts of environments. When a child is at home, he or she learns from their family, which is an internal environment, but when they are sent to school, they are exposed to an external environment.
4. It depicts our thinking as a result of the individuals we choose to hang out with. Simply put, we form a group of people with whom we have a connection. It could be for a social cause, when people with similar mindsets work together to achieve a common goal. For example, a gathering of readers, travellers, or other people.

Theories of learning are a set of concepts that explain how people acquire, retain, and recall knowledge. Learning theories provide a conceptual framework for describing how information is absorbed, processed, and retained during the learning process. Emotional, cognitive, past experiences, and environmental factors all have an impact on human learning. Learning theories specify the proper format or methodology for learning in order to make it more successful and powerful. The study of psychology gives importance to only those variables whose value can be measured and quantified from a scientific perspective.





**Fig 1: Classification of Theories of Learning**

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## 6.2. CLASSICAL CONDITIONING

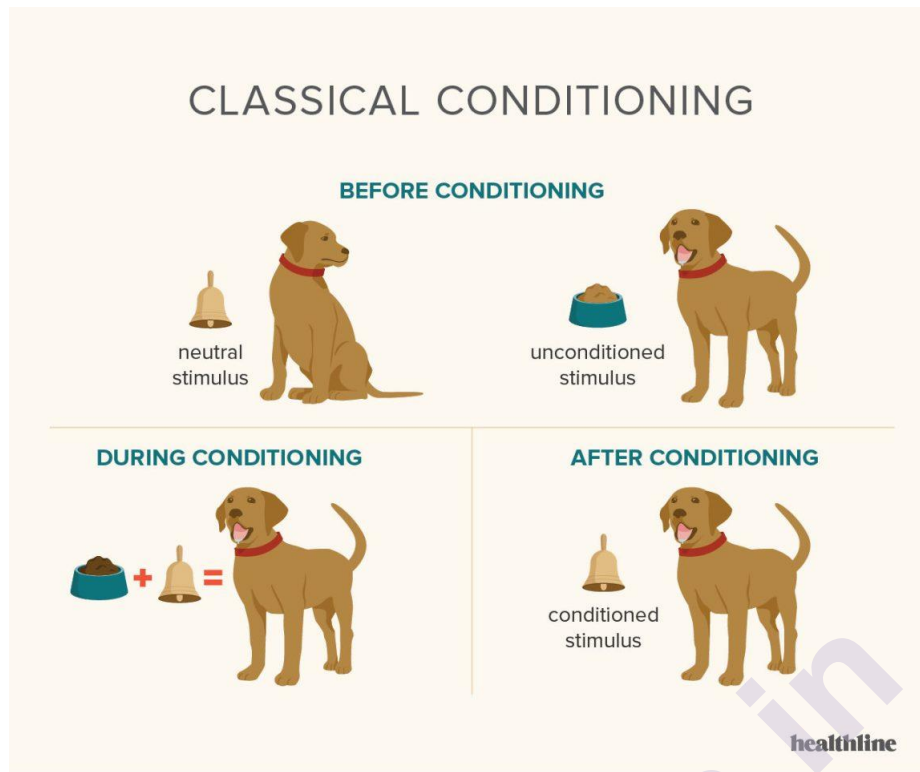
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Classical conditioning is a sort of conditioning in which a person reacts to a stimuli that would not normally elicit such a reaction. It is the process of learning to link a specific object in our environment to a prediction of what will occur next. Classical conditioning, or the association of one experience with another desired occurrence that results in behaviour, is one of the most straightforward learning processes.

The Russian psychologist, Ivan Pavlov comes to mind when we think of classical conditioning. When Pavlov gave the dog meat (an unconditioned stimulus), he noted a lot of salivation (conditioned response). However, no salivation was observed in the dog when only the bell was sounded. The next thing Pavlov performed was to accompany the dog's meat presentation with the ringing of a bell. This was something he done countless times. He simply rang the bell without presenting the meat after that. As soon as the bell rang, the dog began to salivate. Even if no meat was offered, the dog would salivate at the sound of the bell after a while. In effect, the dog had learnt to respond to the bell by salivating.

The dog has been classically conditioned to salivate (respond) to the sound of the bell, according to Pavlov (stimulus). It will be demonstrated that animals can learn Classical Conditioning using stimulus-response (SR) connections.





### 6.2.1 Classical Conditioning Examples

This stimulus-response relationship (S-R) can be used to examine organisational behaviour in management. When a CEO comes to visit an organisation, production charts are updated, people dress nicely, windows are cleaned, and floors are washed. All one has to do is say that the Top Boss is paying a visit.

You'll see that all of the preceding work (response) is done without any instructions. Because everyone in the company has picked up on the behaviour (conditioned). It has resulted in a long-term shift in the organisation (S-R connections).

### 6.2.2 Factors Influencing Classical Conditioning

1. **Acquisition:** This is the first stage of learning, when a response is formed and then gradually strengthened. During the acquisition phase, a neutral stimulus is paired with an unconditioned stimulus that can trigger or generate a response automatically or naturally without any learning. The subject will exhibit a behavioural response that is now known as conditioned stimulus once an association between the neutral stimulus and unconditioned stimulus has been established. Once a behavioural response has been established, it can be gradually reinforced or strengthened to ensure that the behaviour is learned.
2. **Extinction:** When the intensity of a conditioned response lessens or eliminates altogether, extinction is expected. When a conditioned stimulus is no longer connected or paired with the unconditioned stimulus, this is known as classical conditioning.

3. **Spontaneous Recovery:** When a learned or conditioned reaction resumes after a brief resting time or reappears after a brief period of extinction, it is referred to as spontaneous recovery.
4. **Stimulus Generalization:** It is the tendency of a conditioned stimulus to elicit similar kinds of responses after the responses have been conditioned.
5. **Stimulus Discrimination:** The ability of a subject to distinguish between stimuli that are similar to one another is referred to as discrimination. It indicates that you won't respond to stimuli that aren't similar, but just to particular specific stimuli.

### **6.2.3 Limitations of Classical Conditioning**

For at least three reasons, classical conditioning's applicability to human behaviour in organisations is severely limited:

1. Humans are more complicated than dogs, but they are also less susceptible to basic cause-and-effect conditioning.
2. Organizational behavioural environments are also complicated.
3. Because the human decision-making process is complex, it is possible to bypass simple conditioning.

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## **6.3 OPERANT CONDITIONING**

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Operant conditioning is a psychology theory that is used in the workplace to reward individuals who demonstrate productive behaviour and penalise them when they do not. The theory that underpins operant conditioning was developed by psychologist B. F. Skinner, and it is frequently referred to as Skinnerian conditioning.

### **Types of Behaviors**

Skinner differentiated between two forms of behaviour.

Respondent behaviours include actions such as moving your hand away from a hot stove or jerking your leg when the doctor taps on your knee. You are not required to learn these habits. They just happen on their own, unintentionally.

Operant behaviours, on the other hand, are those that we are aware of. Some may happen accidentally, while others are planned, but the consequences of these actions determine whether or not they happen again in the future. The effects of our activities on the environment, as well as the consequences of those acts, are a crucial element of the learning process.

### 6.3.1 Operant Conditioning Examples

These operant conditioning examples demonstrate how managers can address employees, the repercussions, and the ensuing change. Both positive and negative reinforcement are used in the instances.

#### Operant conditioning with negative reinforcement

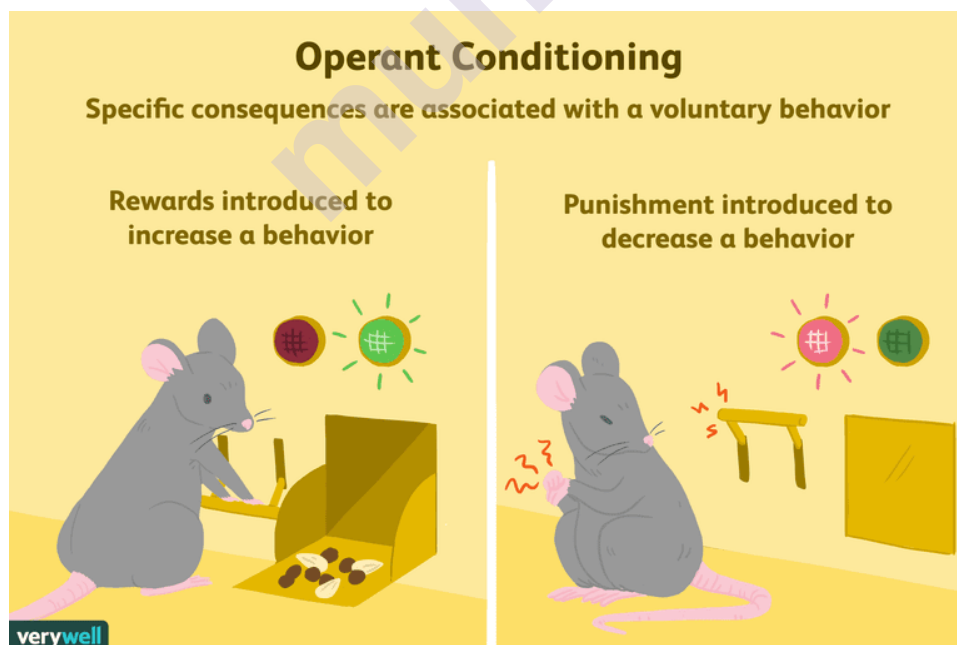
A programmer is now working on a module for a piece of software that will be released later this year. They are given a task with a one-week deadline. The coding professional completes and delivers the module to their supervisor for implementation by Thursday afternoon. This behaviour is rewarded by the supervisor, who tells the employee that he or she can take Friday off, alleviating the stress of starting a new module straight immediately. This motivates the coder to keep working hard because their efforts may win them time off, reducing the chance of procrastinating.

Can you think of an example of Operant conditioning with negative reinforcement?

#### Operant conditioning with positive punishment

A senior staff member discovers that one of the managers they supervise is overburdened with obligations. Some of the manager's tasks are reassigned, and weekly performance reviews are scheduled by the senior staffer. To avoid further repercussions, the manager devotes more time to their remaining responsibilities, which improves their total performance.

Can you think of an example of Operant conditioning with negative punishment?



### 6.2.3 Factors Influencing Operant Conditioning

1. Type of reinforcement:

- ☐ Positive reinforcement refers to stimuli that have a pleasant outcome. They reinforce and maintain the responses that brought them about.
- ☐ Unpleasant and painful sensations are used as negative reinforcers. Negative reinforcement is provided through responses that drive organisms to avoid and escape painful stimuli. Negative reinforcement causes avoidance and escape responses to be learned.

2. Frequency/number of reinforcements, as well as other characteristics:

- ☐ The number of times an organism has been reinforced or rewarded in an experiment.
- ☐ The amount of reinforcement received on each trial, i.e. how much reinforcing stimuli (food or water) is received.
- ☐ The type of reinforcer, or the quality of reinforcement. In comparison to cake pieces, low-quality bread has a different reinforcing value.

Schedule of reinforcement:

- ☐ The schedule of reinforcement relates to how reinforcement will be delivered during trials.
- ☐ Continuous reinforcement happens when a desired response is reinforced each time it occurs.
- ☐ Partial reinforcement occurs when answers are sometimes reinforced, sometimes not, according to a schedule, and has been shown to increase resistance to extinction.

4. Delayed reinforcement: It has been discovered that delaying reinforcement results in lower levels of performance.

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## 6.4. COGNITIVE LEARNING

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Cognition is a term used to describe a person's ideas, thoughts, knowledge, interpretation, and understanding of himself and his surroundings. Learning, according to this view, is the result of purposeful thinking about an issue or circumstance based on existing facts and responding objectively and more orientedly. It believes that a person learns the meanings of numerous objects and experiences, as well as the responses associated with those meanings. This theory contends that the learner creates a cognitive structure in memory that organises knowledge about the events that occur.

Employers need to expose employees to training on cognitive learning—an organization whose employees have strong cognitive skills is likely successful. Well-trained and fully engaged employees are capable of learning quickly and being highly productive by handling multiple complex tasks without the necessity of a supervisor.

Traditional education places a greater emphasis on memorization than on achieving mastery in a subject.

### **6.4.1 Components of Cognitive Learning**

The following are some of the most important features of cognitive learning:

1. Understanding

Understand why you are learning a given subject in the first place for cognitive learning to be effective and beneficial.

2. Recall

Cramming of material, which is unproductive in education, is discouraged by cognitive learning. The ability to tie new knowledge to previous experiences or information improves when you have a thorough understanding of a subject.

3. Implementation

Cognitive learning strategies aid in the application of new knowledge or abilities in real-life settings. They support you as you continue to improve your problem-solving abilities.

### **6.4.1 Benefits of Cognitive Learning**

The following are some of the most important advantages of cognitive learning:

1. It improves learning.

Lifelong learning is aided by cognitive learning theory. Workers can expand on past notions and apply new concepts to previously acquired knowledge.

2. Increases self-assurance

As employees get a better understanding of new topics and acquire new skills, they become more confident in tackling assignments.

3. It Improves Comprehension

Learners' comprehension of new knowledge improves with cognitive learning. They will be able to gain a better comprehension of new educational materials.

#### 4. Enhances problem-solving abilities

Employees are given the abilities they need to learn effectively through cognitive learning. They are able to build problem-solving skills that they can use to difficult activities as a result of this.

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### 6.5 SOCIAL LEARNING THEORY

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Social learning theory is really a combination of two other kinds of learning theories. On the one hand, there is the cognitive learning theory, which states that the learning of an individual is entirely determined by psychological factors while on the other there is the behavioral learning theory, which claims that learning is based on how we respond to the stimuli in our environment.

The social learning theory combines these two theories and identifies four major factors that influence the learning process:

- ☐ Observation, which is an aspect of the environment
- ☐ Retention, which is a cognitive aspect, is one of the most important factors to consider.
- ☐ Motivation, which is both environmental and cognitive in character, and
- ☐ Reproduction, which is a cognitive element.

#### 6.5.1 Assumptions of Social Learning Theory

1. Observation is how people learn. By simply observing a model, learners can learn new behaviours and knowledge.
2. The effects of reinforcement and punishment on behaviour and learning are indirect. Based on how present behaviours are reinforced or punished, people create expectations about the potential consequences of future responses.
3. Our actions are influenced by meditative processes. Cognitive elements that influence whether or not a behaviour is learned.
4. Learning does not always result in transformation. Just because someone learns something does not guarantee that they will change their behaviour.

#### 6.5.2 Social Learning Theory Examples

Social media presents plenty of social learning examples with people imitating others whether acting a movie scene, copying dance moves from a music video, and not the least, the many social media challenges people attempt. This frenzied behavior is typically spurred by the desire to be socially accepted or liked.

The management of human resources is critical to an organization's success. Employees that have a favourable attitude toward organisational structures, processes, and activities, as well as acceptable interpersonal behaviour, can maximise the use of various material inputs in the organisation.

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## 6.6 SELF ASSESSMENT QUESTIONS

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1. What is learning? What are the factors affecting learning?
2. Based on a stimulus-response relationship (S-R), can you give an example of behaviour at a workplace or an organisational level behaviour?
3. Consider the differences between operant and classical conditioning. Give examples of each type.
4. What is the concept of social learning theory? Explain how this procedure works.
5. What managerial implications do you see in social learning theory?
6. Identify four reinforcement strategies and give an example of each.
7. Explain the four different reinforcement schedules and how managers can use them differently.
8. How would you go about creating a small behaviour change programme for a group of employees? Explain.

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## 6.7 CASE STUDY AND CRITICAL THINKING

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### Walt Disney World

The concept of the learning organisation became popular in the 1990s. A learning organisation is a collection of structures and policies that encourage individual learning and benefit both individuals and organisations. The company can also be considered a self-learning organism. As a result, for many businesses, information has eclipsed commodities and products as a valuable asset.

At Walt Disney World, there are approximately 70,000 cast members, each of whom receives extensive training to ensure that the customer experience is world-class. "It always impresses me, especially at the cast member level, the training that goes into enabling these guys offer a fantastic experience and to see it on stage and see it done," says Mike Fox, author of *Hidden Secrets & Stories of Walt Disney World*.

Walt Disney is an example of many different types of acknowledgement, many of which are actual in-park recognitions. These include homage to Disney's best "imagineers" who helped design some of the park's greatest rides and innovations, as well as names in windows on Main Street. The

Lifetime Fred award, which honours employees who demonstrate the company's basic values of friendliness and dependability, is one of the most unique. These various forms of recognition are what make Walt Disney's incentives programme so comprehensive and varied, and they keep employees engaged and motivated to achieve more.

### Questions:

What key factors are important to consider when creating a rewards program?

Why is timing a key component to a rewards program?

What can be problematic about the wrong type of reward or the wrong frequency of the reward for employees?

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## 6.8 EXERCISES TO SOLVE

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- A. Because to globalisation of markets and competition, rise of immediate digital information and communications, growth of the service-based economy, and changes in rules influencing corporate governance and trade agreements, organisations are facing changes in their business environment. Assume the role of a CEO who has to improve his or her company's culture and operating standards. Your industry's organisational structures have shifted away from tall, hierarchical bureaucracies and toward flat, decentralised operations that foster innovation. Changes like this don't happen by themselves. What ideas and tactics would you employ to improve the culture of your company?



- B. Dr. Walsh is interested in investigating if depression symptoms may be modulated using classical conditioning methods. He offers a group of patients a sweetened Coke with a mood-enhancing medication in it for several weeks of an experiment and sees that their depression symptoms improve dramatically. After that, he removes the medicine from the beverage and observes that the patients' symptoms improve when they drink the soda. In Dr. Walsh's experiment, what is the conditioned stimulus?

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# GROUPS AND GROUP BEHAVIOUR

## Unit Structure

- 7.0 Objective
- 7.1 Introduction
- 7.2 Definition and Meaning of Group
- 7.3 Children and Group
- 7.4 Important features of Group
- 7.5 Theories of Group Formation
- 7.6 Ten (10) Rules that Govern Groups
- 7.7 Types of Groups
- 7.8 Group Conflict
- 7.9 Question
- 7.10 References

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## 7.0 OBJECTIVE

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- ☐ define the meaning of group;
- ☐ explain the characteristics of group;
- ☐ describe the formation and theories of group;
- ☐ analyse the types of groups; and
- ☐ explain the importance and functions of the structure of group

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## 7.1 INTRODUCTION

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This unit covers the definition and description of groups. In addition, the unit discusses group formation, group types and structures, and group formation theories. The unit contains information on fundamental features of group formation.

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## 7.2 DEFINITION AND MEANING OF GROUP

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Everyone is familiar with the definition of a group in general. When two or more individuals engage in a single location, they may be referred to as a group. The group can be defined in a number of ways. Listed below are several key definitions of group, each of which emphasises one or more important characteristics of the group.

- 1) R.M. Williams (1951) "A social group is a given collection of individuals with interdependent functions who recognise themselves as a unit of interaction"

In this context, a group is a collection of individuals. The roles of the members of the group are interdependent. The group is treated as a unit.

Secondly, R.M. MacIver (1953) "We refer to a group as any grouping of social beings who form different social ties with one another." It is obvious that social interactions must exist between the members of a group.

- 3) According to David (1968), a social psychological group is "an organised system of two or more individuals who are interrelated in such a way that the system performs some functions, has a standard set of role relationships among its members, and has a set of norms that regulate the function of the group and each of its members."
- 4) Kretch, Crutchfield, and Ballachy (1962) defined psychological group as "two or more persons who satisfy the following conditions: I the relations among the members are independent, each member's behaviour influences the behaviour of each of the others, and (ii) the members "share on ideology" – a set of beliefs, values, and norms that regulate their mutual conduct."
- 5) Paulus (1989) A group consists of two or more interacting individuals who have common aims, have solid relationships, are interdependent in some way, and regard themselves to be members of a group. Individuals engage with one another, either directly or indirectly, in this situation. Moreover, the members of the group are interconnected in some way, meaning that what happens to one must affect what happens to the others. Additionally, their relationship should be reasonably steady. The members of the group will collaborate to achieve the goals, and their interactions will be planned so that each member performs the same or comparable functions at each meeting.

Finally, it can be claimed that the members of a group must recognise their membership in the group.

The term "group" has a variety of meanings. Generally, we use the term 'group' with three primary considerations in mind:

- i) where multiple people are seated or working together. The key element is the physical closeness of a group of people at a given time, with or without a common purpose;
- ii) the classification of individuals as members of an organisation. Occasionally, it is observed that people may not be related, but they have certain features, therefore we designate them as a group;
- iii) when individuals belong to an organisation. This group has a distinct structure, and its members feel a sense of belonging to the particular organisation.

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## 7.3 CHILDREN AND GROUP

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The social development of a child occurs progressively as the child ages.

To meet their physical demands, youngsters execute a variety of tasks. They demonstrate symptoms of responding to those whom they perceive as meeting their wants. Then, infants begin to comprehend the items and people in their environment. As children age, their play and other activity patterns also shift significantly. The feelings of "I" and "MINE" arise, followed by "YOU" and "YOURS." Children learn sharing, asserting one's rights, cooperation, etc. throughout the initial period of their socialisation.

Initially, they are part of a close-knit community of children of roughly the same age, although distinctions may emerge depending on the composition of different groups. They are continually integrating new information through direct instruction, training, imitation, spontaneous reaction, repeated experience, etc. Living in a community, they progressively form feelings, opinions, interests, habits, and so on. In this sense, interaction and communication play a crucial role.

To have a clearer understanding of the concept of group, you consider all the groups to which you belong, including your local friends, college buddies, music/dance group, and so on. People join organisations for a variety of reasons, including the satisfaction of important psychological and social needs, such as receiving affection and attention, in order to have a sense of belonging.

- ii) Goal accomplishment in a seamless and effortless manner. By collaborating with others, the individual does the task more effectively than while working alone.
- iii) Acquiring knowledge and information about issues that are not readily available in one location.
- iv) Acquiring security and safety.

Group is defined in psychology as the study of organisations and their behaviour.

Psychology investigates group dynamics and the influence of the individual within a group context. Social, organisational, and group psychology are all potent fields of study that examine numerous aspects that influence group behaviour and decisions. Depending on the organization's impact, group members frequently sacrifice their individualism for the greater welfare of the group. Social psychology is responsible for determining why this release occurs in groups and what impact it has on society.

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## 7.4 IMPORTANT FEATURES OF GROUP

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Important characteristics of a group include the following:

- i) One or more individuals get together and influence one another.

- ii) There are social exchanges and relationships amongst the group's members.
- iii) Group members share some common motivations, drives, interests, feelings, etc.
- v) Verbal and/or nonverbal communication exists amongst group members.
- v) The group members share a shared focus of attention, and they stimulate one another.
- vi) They share a shared allegiance and engage in similar activities.

There is a sense of unity inside the group. A spirit of camaraderie develops amongst the members of a group who treat one another with respect and regard.

The actions of the members are governed by the group.

Some practises, standards, and procedures are universally acceptable, but if a member deviates from them, he or she will be excluded from the group.

### Characteristics of a Group

Suppose you are a member of a group whose distinctive characteristics you can accept or reject. It may be excellent or bad, healthy or unhealthy, favourable or unfavourable, but the group's qualities highlight a number of significant features.

**i) A sense of we-feeling:** The members of the group experience a sense of belonging. The group members assist one another in carrying out their responsibilities. They collaborate against the destructive forces. They consider non-members of the organisation to be outsiders. They strive to make the group self-sufficient at all times.

**ii) Common interest:** All group members share a common interest. The members' shared interests contribute to their cohesiveness. The group consists of individuals who are so closely related that they should be treated as one.

**iii) A sense of unity:** Every group need a sense of unity. Every member of the organisation respects every other member as their own, and a sense of camaraderie develops among the group's members.

**iv) Interconnected:** It is true that the members of the group are interconnected.

There is reciprocal communication between the members of the group. Social relationships are the foundation of group existence.

Every group has social traits that distinguish it from both comparable and dissimilar groupings. These traits influence the group's members.

Individuals may be affected in different ways, but the group has an impact on every member.

**vi) Shared values:** There are certain values that are shared by all members and have been passed down from generation to generation.

They reveal themselves in the reciprocal behaviours of the members. By virtue of these shared values, members of the social group are united.

In every group, there are some customs, rules, and processes that are acceptable to all members. In fact, the existence of group life is unthinkable without norms. The uniformity of behaviours in group life may be attributed to the fact that the actions of the individuals are regulated by the group.

**viii) Obligation:** In a group setting, all members have obligations that complement one another. Additionally, the mutual obligation and shared societal values of a group's members deepen the bonds between its members.

**ix) Expectations:** In addition to mutual obligation, group members anticipate love, compassion, empathy, cooperation, etc. from all other group members. When shared expectations are met, the integrity of the group is maintained. A organisation can only continue to exist if its constituent members fulfil their responsibilities by gratifying their own desires.

Groups are the organisational units of society. Consequently, the integration and disintegration of social organisation depend on the integration and dissolution of the groupings. In a group, social relationships play a crucial role. The primary and most important social relationship is the tie between family members. Thus, it can be concluded that the family is an essential social group.

You are one of your family's members. You engage with other family members, and your relationship with others is reciprocal. Undoubtedly, you have a sense of belonging. There are ties such as husband-wife, father-son, and brother-sister, etc., among family members, and they all work together for the family's best interests. Each member of the family treats the others as his own, and despite their divergent viewpoints, they share certain ideas and values. The cohesiveness of the organisation is primarily attributable to members' shared interests.

As an illustration, we may state "school is a social club." Significant qualities of the school as a whole include:

- i) All students share a common objective;
- ii) Both students and teachers are driven to attain a common objective;
- iii) The school has an organised structure.

The school provides exceptional opportunity for the group to meet its needs.

## Group formation and related theories

Formation of groups involves the following:

- i) The manner in which groups form,
- ii) The structures and processes of the group, and
- iii) The roles of the group in various circumstances.

Generally, there are five stages of group development: formation, storming, norming, performing, and disbanding.

- i) The stage of formation is marked by considerable confusion and ambiguity.

In reality, formation is an orientation period during which members get to know one another and discuss their expectations for the group. This is the initial phase in which the group assembles and members begin to form their relationships with one another and understand what is expected of them.

- ii) The storming phase is characterised by the greatest level of dispute and conflict. At this stage, members mostly express their worry, and criticism occurs. In fact, interpersonal conflicts and differences of opinion over the group's objectives emerge at this stage. It is essential to work through the current conflicts and develop clear objectives.
- iii) Norming is distinguished by an appreciation for individual diversity and shared expectations. Members are assigned responsibilities, and the group decides how to evaluate progress. If the group can overcome its disagreements, it will be able to build patterns for completing its job. Members of the group have articulated and accepted one another's expectations.
- iv) Performance comes when the group has reached maturity and a sense of cohesion. In this phase, group members make decisions based on a rational approach that prioritises relevant goals over emotional concerns.

Roles, expectancies, and norms-related concerns are no longer of paramount relevance. The group is focused on its job and working efficiently to achieve its objectives.

- v) Adjourning suggests that group members frequently experience sentiments of closure and melancholy as they prepare to depart. It is the final phase in which the group, having accomplished the purposes for which it was formed, begins to progressively dissolve.

Therefore, a group is a gathering of people. Group refers to two or more individuals who communicate with one another, share common aims, and recognise their group membership. Groups assist us in satisfying crucial psychological and social requirements. Different types of tasks are performed by distinct individuals. A group may select a leader and other

members to serve as followers. There is a connection between the members. Moreover, interaction among group members is crucial for the efficient operation of group activities.

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## 7.5 THEORIES OF GROUP FORMATION

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Theories are the formulation of hypotheses that explain a certain occurrence. A phenomenon, such as "delinquency," may be explained by a variety of ideas. There are psychological, biological, and social explanations for delinquency.

Similar to the above, there are numerous ideas that explain how groups are formed and how they evolve. There are numerous group creation and development theories. The presented theories are classic theory, social exchange theory, and social identity theory.

- i) **Traditional Theory:** According to a classic hypothesis proposed by George Homans, groups form primarily on the basis of activities, relationships, and emotions.

This hypothesis suggests that as individuals engage in common activities, they will interact more and form attitudes (good or negative) toward one another. The primary element is the interaction between the participants.

- ii) **Social Exchange Theory** This alternate explanation for group development is provided by the social exchange theory, which is another prominent theory. Individuals, according to this idea, develop relationships based on the implicit expectation of mutually beneficial transactions based on trust and a sense of obligation. A sense that exchange relationships will be favourable is also necessary for individuals to be drawn to and join a group.
- iii) **Social Identity Theory** In addition to this theory, another significant theory is social identity theory, which explains group formation. This idea proposes that a person's sense of identity and self-esteem are influenced by their membership in conspicuous groups. The group's foundations are demographic, cultural, and organisational.

Decision-making is one of the most crucial activities that groups conduct. This is the process by which people or groups combine and integrate knowledge pertaining to several potential actions. Most people believe that a group, by utilising the skill and knowledge of its members and by avoiding extreme courses of action, obtains conclusions that are superior to those reached by an individual acting alone.

During the period of deliberation, members express diverse points of view. In general, social decision-making occurs in two phases: i) the first phase is discussion, which serves mostly to affirm or strengthen the most popular viewpoint, which is seldom overturned; and ii) the second phase is the proper scenario or conclusion, which ultimately comes to the fore.



In addition to the preceding two, the group's procedure includes the following:

- i) adherence to protocols,
- ii) management of interactions among members, etc. Some individuals, upon learning the opinions, especially the prominent members, are inclined to join the majority and influence the choice accordingly.

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## 7.6 TEN (10) RULES THAT GOVERN GROUPS

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We spend the most of our lives in groups with other individuals. We establish organisations to socialise, make money, play sports, create music, and even to alter the course of history. However, despite the diversity of groupings, many of the psychological processes involved are very similar.

The following ten rules are indicative of what has been learned about the dynamics of group psychology.

### **Rule 1. Groups can form from virtually nothing**

Our innate impulse to develop and join social groupings is quite strong. Groups provide us with a very precious gift in the form of our social identity, which contributes to our sense of self.

In the so-called 'minimal groups paradigm', Tajfel et al. (1971) demonstrate the ease with which individuals form and join groups. In their study, boys who did not know each other were given merely a clue that they would be divided into two groups. Even without knowing or seeing who else was in their group, they gave preference to members of their own group. Therefore, group behaviour can originate from absolutely nothing.

### **Rule 2: Initiation ceremonies enhance group evaluations.**

Existing groups do not allow others to join for free: sometimes there is a monetary cost, sometimes there is an intellectual cost, and sometimes there is a physical cost; but, there is typically an initiation ceremony, even if it is disguised.

Aronson and Mills (1959) examined the effect of initiation ceremonies by requiring one group of women to read sexually explicit novel sections. They afterwards rated the group they had joined far higher than individuals who had not endured the humiliating initiation. In addition to testing you, groups also want you to respect your membership.

### **Rule 3: Groups encourage conformity**

After entering a group and getting initiated, we must become familiar with the group's standards and rules of conduct. Group norms can be incredibly potent, influencing our behaviour in unexpected ways.

Asch conducted one of the most renowned experiments demonstrating how readily we adapt to unwritten group rules (1951). Participants were

instructed to judge the length of a line alongside a group of other individuals. All of the other members of the group were actually accomplices of the experimenter who had been instructed to lie about which line was longer. Incredibly, 76% of participants ignored their own senses' evidence at least once in order to adhere to the group. People later devised a variety of explanations for their behaviour. The most prevalent version was "many individuals cannot be wrong."

#### **Rule 4 : Learn the ropes or risk being shunned.**

Group norms are widespread to an excessive degree. This becomes increasingly evident as we begin to violate them. Garfinkel (1967) had teenagers return to their families while acting completely out of character, i.e., speaking only when spoken to, being polite, acting formally, etc. However, this was only to last 15 minutes at a time.

Instead of being pleased, their parents were astonished and upset, accusing them of being selfish and impolite. If you violate the group's rules, you will soon find out about it.

#### **Rule 5. You become your job**

Despite the fact that groups have standards and it is understood that the rules apply to everyone in the group, there is still room for improvement. People have responsibilities and corresponding regulations inside groups to justify their respective positions. The Stanford Prison Experiment is the most widely known instance of the power of roles. Determine the nature of this experiment.

Psychologists placed young men in a simulated jail setting, assigning some as inmates and others as guards (Zimbardo, 1972). The experiment had to be terminated after just six of the fourteen scheduled days because the participants adhered too closely to their roles as submissive captives or dominant guards. Some were affected emotionally by the encounter. Before the experiment was halted, even the experimenters were falling to their 'roles' as jail superintendents.

#### **Rule 6: Leaders inspire confidence by conforming**

A prominent and prestigious position in any group is that of its leader, but whence do leaders originate? In some organisations, leaders are nominated or imposed from the outside, yet in many others, they develop gradually and silently from the ranks.

Merei (1949) conducted a study that has much to teach by observing youngsters in a Hungarian nursery school. He observed that effective leaders were those who initially fit in with the group and then gradually began to promote new activities based on the existing ones. Children did not follow potential leaders who immediately introduced novel concepts. Leaders comply first, and only after gaining followers' trust can they be confident that others would follow. This has been validated by further research (with adults!).

### **Rule 7: Organizations can enhance performance**

Simply being in the presence of others can improve our performance. Social psychology pioneer Norman Triplett observed that racing cyclists with a pacemaker completed each mile around five seconds faster than those without (Triplett, 1898).

Later studies revealed that this wasn't entirely due to the consequences of competition. The presence of others appears to improve our performance, but only when the task is substantially distinct from that of others and can be evaluated independently.

### **Rule 8: Humans will be idle**

Researchers discovered in the 1890s that participants in a tug-of-war exerted only half as much effort in teams of eight as they did individually. It appears that hiding within a group is simple; for instance, when duties are additive and each individual's contribution is difficult to evaluate, people will slack off significantly.

### **Rule 9: 80 percent of gossip is accurate**

Many groups rely on intelligence, rumour, gossip, and tittle-tattle for sustenance. It spreads quickly in large organisations because people enjoy a juicy rumour, but what are "they" talking about, and can you believe what "they" say? Simmons (1985) analysed workplace communication and discovered that around 80% of the time, people are discussing work, and 80% of the information is correct.

### **Rule 10: Groups breed rivalry**

Cooperation across groups can be challenging, although cooperation within group members is typically unproblematic. Individuals may be cooperative, but when placed in a "them vs us" environment, they quickly become notably antagonistic.

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## **7.7 TYPES OF GROUPS**

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We can categorise groups in several ways. On the basis of the degree of closeness, the relationship can be split into two primary segments.

There is an intimate face-to-face interaction between the members of the primary group, and the members are experiencing maximum "we feeling." This category includes family, play groups, and the community of the village.

In this category, partnerships are more or less casual and characterised by shared interests. This category includes clubs, labour unions, etc.

**In-group/ we group:** Here, we identify with the group that has a shared goal and interests. They have a sense of togetherness. Members of the in group consider others to be outsiders. These groupings might be created

based on relationships, shared nationality, shared political and economic interests, etc.

**Out-group:** This is the group whose members are viewed by us as outsiders. Groups other than the in-group are sometimes referred to as the out-group.

On the basis of norms and regulations, the following types of groups can be distinguished:

**Formal group:** It is typically formed according to particular norms, regulations, and ideals. A classroom's student population falls under the category of formal group. Consequently, school is among the structured group environments.

**Informal group:** the group has no defined characteristics. Generally, the rules are flexible. Play groups, peer groups, and social clubs, among others, are informal groupings.

In addition to the above two categories, group can also be divided into the following subgroups:

**Organised groups** are those groups that are organised for a specific purpose and are meticulously prepared. Families, schools, and other institutions are also considered structured groups.

**Spontaneous groups:**

- ☐ The formation of these groups is unplanned.
- ☐ After listening to a speech by a renowned speaker, the audience may be termed a spontaneous group.
- ☐ The organisational chart outlines the command groupings.
- ☐ It is composed of a supervisor and his or her subordinates.
- ☐ A group of individuals who collaborate to complete a common task. In numerous circumstances, there is a predetermined time frame. This is equivalent to task forces.

**Functional groups:** A functional group is typically constituted by an organisation to achieve specific objectives over an undetermined period of time. Typically, a functional group exists after the accomplishment of existing objectives and goals.

**Interest groups** are typically ongoing and may endure longer than general informal groups. Despite the fact that the member's interests may not fall within the same organisational department, it is evident that they share certain common interests.

**Friendship groupings** can take various forms. Members who share similar social interests, political ideas, religious values, and other affiliations form these groups.

**Reference groups** are the group in which individuals judge themselves.

Reference groups have a significant impact on the behaviour of their members.

Studies reveal that transient groupings assemble for a specific reason and disperse after the activity is complete. These groupings have their own distinct action sequences. The most notable features are:

- i. Their initial gathering determines the group's orientation.
- ii) The initial stage of group activity is characterised by inertia.
- iii) A changeover happens at the conclusion of this initial phase, which occurs precisely when the group has consumed half of its allowed time.

A transition initiates significant transformation.

- v) A second inertial phase follows the transition.
- vi) The group's most recent meeting is marked by notably heightened activities.

There are many types of groupings, some of which are detailed below:

**Informal**, close-knit group, typically in a High School or College setting, with shared interests. In most Cliques, there is an established yet fluid power structure. Diverse consequences are caused by Cliques.

**A club** is a group for which membership typically requires an application. These clubs may be devoted to specific activities, such as sports.

**A community** is a group of individuals who share a commonality or a complicated web of overlapping commonalities, who are frequently, but not necessarily, geographically close to one another and have some degree of consistency over time. They frequently have some leadership and organisation.

**Franchise:** This is an organisation that operates multiple locations of the same business.

**A gang** is typically an urban group that congregates in a specific region. This is a group of people who frequently congregate. They may be similar to clubs, but considerably less formal.

**A group** is a generic phrase for a collection of individuals who affiliate themselves with one another. This is a fundamental word with numerous applications.

Typically, **a mob** is a gathering of individuals who have taken the law into their own hands. Typically, a mob is a temporary gathering of individuals for a certain purpose.

**Posse:** Originally, a posse was an American phrase for a group of individuals who had joined forces to uphold the law. Nevertheless, it may also refer to a street gang.

**Squad:** This is typically a small group of 3 to 8 individuals who work together to achieve a specific objective.

**Team:** This is comparable to a squad, except that a team may comprise many more individuals.

A team functions similarly to a squad.

### Group Structure

It refers to the interrelationships between group members and makes the group's operation systematic. Important elements of group organisation include:

- i) **Role:** The part that a member of a group is expected to play in conformity with the expectations of the other members.
- ii) **Norms** are the group's regulations and common expectations. Norms have a significant impact on the behaviour of members because they promote conformity.
- iii) **Status:** Status is the relative status or social standing accorded by others to groups or people.
- iv) **Group cohesion** refers to the degree to which group members are attracted to one another and share a sense of "we" Without appropriate group structure, a group cannot function effectively in any circumstance.

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## 7.8 GROUP CONFLICT

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Group conflicts, also referred to as group intrigues, occur when social behaviour causes groups of persons to clash. It may also allude to an internal struggle between these parties. This conflict is frequently the result of divergent societal standards, values, and religion.

In most small organisations, both productive and destructive conflict happens. It is crucial to emphasise productive conflict while minimising harmful conflict. Conflict is inevitable, but it need not be negative if we employ it effectively.

When destructive conflict is utilised in small groups, the long-term objective is undermined. It is comparable to poisoning the golden egg-laying goose. In the context of small-group communication, disruptive conflict generates antagonism among the participants. This poisons group synergy, and the outcomes, if you will, the golden eggs, either cease to be produced or are of inferior quality.

In small groups, using constructive conflict has the opposite impact. It is comparable to feeding the goose so that it continues to lay golden eggs, eggs that may be even superior to those that the unfed goose may have laid. In this way, bringing up challenges and alternative ideas in small groups while still valuing others enables the group to advance. (Engleberg & Wynn, 2007)

### **Group Behaviour and Group Action**

Group behaviour refers to interactions between individuals in large or small groups. The discipline of group dynamics focuses on small groups that may attain consensus and operate in concert.

Large groups of individuals in a given region may operate concurrently (herd behaviour) to attain a goal that differs from what individuals would do if operating alone. A large group (a throng or mob) is likely to exhibit group behaviour when individuals assembled at a certain location and time respond similarly, for as by joining a protest or march, engaging in a brawl, or displaying patriotism.

Particular forms of large group behaviour include:

- 1) **Crowd "hysteria"**
- 2) **Spectators:** a group of individuals gathering for the purpose of observing an event, such as a play, movie, football game, concert, etc.
- 3) **Public:** exemption from the regulation requiring the group to occupy the same physical location. People watching the same station on television may react similarly because they assume the same type of position in front of the television, even though they are geographically located in different parts of the world.

Group behaviour contrasts from mass activities, which refer to people behaving identically on a larger scale (such as consumers in different stores), whereas group behaviour typically refers to individuals in a single location. Collective action is characterised by coordinated group behaviour. Swarm intelligence is a subset of group behaviour, which refers to the interaction between a collection of agents in order to accomplish a specific objective. In the guise of the particle swarm optimisation algorithm family, this type of group dynamics has attracted considerable attention from the soft computing field.

Group action occurs when a large number of agents operate simultaneously to attain a shared objective; their actions are typically coordinated. Social actors will frequently engage in group action when they realise, they are more likely to attain their objective while acting collectively as opposed to independently.

Group action is distinct from both group behaviours, which are uncoordinated, and mass actions, which are geographically constrained.



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## 7.9 QUESTION:

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- ☐ Define group. Explain the three main points to define the group?
- ☐ Write the important features of a group.
- ☐ Define common interest and common values as characteristics of a group
- ☐ What are the five stages of group development?
- ☐ What are the basic characteristics of feeling of unity and control of group?
- ☐ What are the five stages of group development?
- ☐ Elucidate group formation theory
- ☐ Elucidate the rules of the group
- ☐ What are the important aspects of group structure?
- ☐ Enumerate the different types of groups

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# DECISION MAKING AND COMMUNICATION IN GROUPS

## Unit Structure

- 8.0 Objective
- 8.1 Introduction
- 8.2 Significance of Decision Making
- 8.3 Decision Making Process
- 8.4 Types of decisions
- 8.5 Models of Decision Making
- 8.6 Creativity and Decision Making
- 8.7 Some common errors in, decision making
- 8.8 Question
- 8.9 References

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## 8.0 OBJECTIVE

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- discuss the importance and process of decision making,
  - discuss the models of decision making,
  - discuss common errors in decision making
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## 8.1 INTRODUCTION

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Making a decision is the process of selecting actions that are geared towards the resolution. It can be defined as "the selection of a course of action from among possible courses of action: it is the essence of planning." The decision-making process can be conducted either by individuals acting independently or by groups. Several models and theories have been established to explain decision making and the effectiveness of decision making.

Decision making is the process of selecting, from a range of potential courses of action, the one that is believed to meet the decision problem's objectives more satisfactorily than the others. Decision making is an integral aspect of any managerial activity. According to Peter F. Drucker, "a management does everything through decision making." When discussing teachers, it is evident that they are continuously involved in decision-making, whether about school activities or student-centered activities, etc.

Unknowingly or not, a teacher is always making decisions. Every activity necessitates deliberation and selection prior to action, and hence decision

making is essential to every endeavour. This is why decision making is often referred to as the "essence" of management.

No one can exist without the ability to make sound decisions. Some of the judgments may be regular and repeated, while others may be strategic and require a great deal of rigorous and scientific evaluation. In the field of education, a teacher is always a deliberate choice. It is expected that teachers would make decisions that affect the growth and development of the kids in their care.

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## 8.2 SIGNIFICANCE OF DECISION MAKING

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Due to its essential role in the overall process of directing and controlling the behaviour of organisational members, decision-making is crucial to the effectiveness of an organisation. Goal-setting, strategic planning, organisational design, personnel actions, and individual and group actions are governed by decisions. In addition to its organisational impact, decision making also has an individual impact. The quality of a decision influences a person's professional success and sense of fulfilment. Therefore, the study of decision making is essential from both an organisational and an individual standpoint.

Another important reason for researching decisions is so that we can make better decisions than we do currently. This must be highlighted forcefully because the quality of our decisions is sometimes far inferior to what we believe.

Selective perception tends to distort the decision-making information we employ, and our attitudes and values impact how we interpret that information.

Consistency demands result in simplistic interpretations. Our propensity to ascribe favourable outcomes to oneself (e.g., taking credit for smart decisions) and to blame negative outcomes to forces beyond our control causes us to recall the results of decisions favourably.

All these pressures weaken our decisions. simultaneously restrict our comprehension of the decision-making issue.

In addition to being oblivious of our human limits in the decision-making process, we are frequently unaware of the means by which we might improve our decision-making effectiveness. Inside or outside of companies, very little training that stresses the actual decision-making process is provided. In most circumstances, experience is our guide, and while it can be instructive, it can also be misleading. In many instances, we may learn the incorrect technique to perform a task or get knowledge that is unrelated to the quality of the judgement.

To improve our decision-making efficacy, we must first comprehend the decision-making process. Planning and decision making are intricately intertwined. Decision making involves the determination of objectives, policies, programmes, and strategies, etc. The most important quality for a

great educator is the capacity to make sound decisions. It is incorrect to assume that a teacher must always make judgments on the spur of the moment. When making numerous decisions, a teacher has ample time for careful act finding, study of alternatives, and selection of the best alternative. Human decision making is a process. When a teacher decides, he or she selects the course he or she believes to be the best.

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### 8.3 DECISION MAKING PROCESS

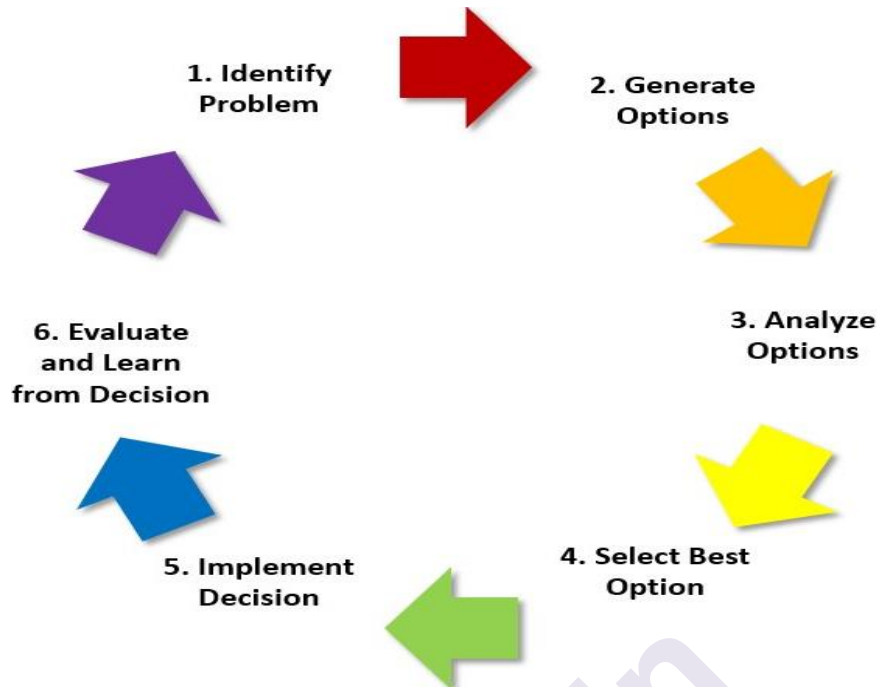
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Following are the fundamental features of decision making:

- It is the process of selecting a course of action among the available alternatives.
- It is a human process that requires the application of intellectual abilities to a significant degree.
- It is the final step that follows thought and reasoning.
- There is always a connection to the environment.
- A choice may be made under one set of conditions and another under a different set of conditions.
- There is a time dimension and a temporal lag involved.
- There is always a purpose. With this in mind, there may be a decision to make no decision.

Before a final decision is reached, it encompasses all activities, such as defining the problem and investigating and analysing the numerous options.

- The decision-making procedure consists of the following elements:
- The person who makes decisions.
- The decision difficulty.
- The context under which the judgement will be made.
- The goals of the decision-maker.
- The possible avenues of action.
- The projected consequence of numerous possibilities.
- The final alternate selection.



### Stages of Decision Making

The first step of the process is establishing objectives and goals. The second stage is problem recognition, which requires the decision maker to be aware of what is occurring and to identify any disparities. In the third stage, the decision-maker must determine whether or not the disagreement is significant. Next, it must be determined how the issue arose, sometimes known as the "information-search phase." This stage is vital yet poorly managed. In the subsequent phase, the number of potential courses of action must be explored. This is the phase known as "alternative generation." Next is the appraisal of possibilities, also known as the "decision phase." Here, the advantages and disadvantages of each alternative must be considered prior to making a decision, which is known as action selection. In the final part of the process, the decision is implemented and evaluated.

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## 8.4 TYPES OF DECISIONS

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There are five primary categories of decisions. These include:

- Organisational and personal decisions
- Routine and calculated choices
- Strategic and operational decisions
- Programmable and unprogrammable choices
- Individual and collective choices

### i) Organizational and personal decisions

These choices are made only to pursue personal objectives. Organisational decisions are those made to meet the organization's

objectives. For example, you want to handle concerns involving your pupils' dietary habits. The decision to advise them to consume healthful meals becomes a personal one. As a teacher, you employ a variety of instructional strategies so that your pupils can better comprehend science and mathematics. These are organisational objectives since strong performance boosts the school's credibility.

**(ii) Routine and strategic decisions**

Routine decisions are repetitive in nature, whereas strategic decisions are more complex. For instance, established norms, processes, and policies must be adhered to. You may have observed that when a teacher is absent, another teacher who is available must engage the class. This is an ordinary choice. Strategic decisions are ones that require extensive consideration. For instance, promoting the attributes of the school before advertising admissions can increase the school's revenue.

**(iii) Policy decisions and operational decisions:**

Policy decisions are those made at a higher level. For example, adjusting teacher salaries. Operating decisions are those that pertain to the procedure of policy implementation. For instance, how to pay a teacher's accrued arrears (e.g., calculations).

**(iv) Programmed and non-programmed decisions:**

Unstructured decisions are non-programmed decisions. For instance, if a student is frequently missing, the class teacher can analyse the causes for his or her absenteeism based on the information provided by the student and then provide advice on how to rectify the situation. In contrast, choices generated by a computer are routine and repetitive in nature. For instance, when should kids eat breakfast, lunch, etc.?

**(v) Individual and group decisions:** A decision made by an individual within an organisation, where an authoritarian style of operating prevails, is referred to as a "individual" choice. For instance, if the principal alone makes a choice without instructor input, this is an example of an individual decision. The term 'group' refers to collective choices made by a committee with sufficient representation. For instance, decisions made cooperatively by parents, teachers, and the principal for the students' wellbeing.

Other types of choices include: Decisions can also be categorised based on their dimensions, i.e., the problem's complexity and the certainty of the decision's outcome. The following describes each:

- **Mechanical choices:** Mechanistic decision-making is routine and repeated, with predetermined consequences. For instance, when a student misbehaves in class, the instructor raises her voice to control the situation.

- **Analytical decisions** require analysis of the situation prior to making a determination. For instance, if kids are not performing well in science, the underlying causes must be investigated. It could be due to the instructor, the style of teaching science, the lab facilities, etc.
- **Adaptive decisions** involve results that are unknown and frequently unpredictable. It changes from circumstance to circumstance. For example, a teacher who makes a judgement without prior knowledge of the outcome.

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## 8.5 MODELS OF DECISION MAKING

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The following are essential decision making models that help us understand decision making better:

- Situational model
- Economic man model
- Administrative guy model
- Social man model

According to Beach and Mitchell (1978), the decision maker employs one of three main choice strategies: aided analytic, unaided analytic, or no analytic. The aided analytic strategy utilises a formal model or formula, as well as a help such as a checklist. An unaided analytic strategy is one in which the decision maker takes a very systematic approach to the problem and possibly follows a model, but accomplishes everything in his or her head. Considering the advantages and disadvantages of each possibility or imagining the results of each action would fall under this category. There is also the issue of having no analytic strategy. In this case, the decision-maker decides based on habit or a basic rule of thumb ("nothing ventured, nothing gained" or "better safe than sorry").

### Choice Making

The chosen strategy depends on the characteristics of the decision maker and the requirements of the task. The underlying premise of this model is that a person will select a decision-making technique that involves the least amount of time and effort.

The more analytical a strategy is, the more time and effort it takes to implement it.

Since aided analytic techniques require the most effort and analysis, their use necessitates two conditions:

- 1) the individual must possess the personal characteristics necessary to employ them (e.g., knowledge, ability, and motivation); and
- 2) the decision problem must necessitate the use of such techniques.

There are two types of problem characteristics: the choice problem itself and the decision environment. The model argues that as the decision problem gets less known and more ambiguous, complex, and unstable, the decision maker would employ more time and analysis (more analytic techniques) to reduce the uncertainty resulting from these aspects.

However, this process only continues to a certain extent. When the ambiguity caused by these elements becomes too large, the decision-maker is likely to revert to a more straightforward norm. The reason for this is that when there is a very high degree of uncertainty in the decision problem, the potential benefits of a more precise analytic conclusion are minimal and are frequently overshadowed by the cost (e.g., time and effort) of reaching that decision.

The decision environment consists of four components. The model predicts that more analytic solutions will be chosen when decisions are irreversible, extremely consequential, and the decision maker is personally accountable. In addition, analytical procedures are more likely to be utilised when neither time nor money is a restriction.

- (ii) economic man model, man is assumed to be perfectly rational when making decisions. It is widely believed that man makes decisions based on the best accessible options.
- (iii) Administrative man model: This model assumes that although individuals desire the optimal solution, they settle for a suboptimal one due to a lack of information necessary to make optimal decisions. Thus, decisions exhibit a form of constrained (or limited) rationality. This model's procedure involves the following three steps.

**Sequential attention** to alternate solutions: In this stage, each possibility is found and analysed individually. If one of the possibilities fails, the next option is evaluated.

**Utilizing heuristics:** A heuristic is a rule that directs the search for alternatives towards locations with a high likelihood of finding suitable solutions. In this stage, if the preceding solution was successful, a similar set of options is employed.

Here, it is determined that the feasible choices are **satisfying**.

### **Identification of Alternatives**

Typically, three steps are employed in order to develop alternatives.

There are three techniques: brainstorming, synectics, and nominal grouping.

**Brainstorming** is a concept created by Alex F. Osborn. It is the most effective method for promoting creative thought. The purpose of this technique is to generate as many ideas as possible. In this system, the word 'criticism' is forbidden. 'Freewheeling' is welcome. The objective is to generate a lot of options. Combination and enhancement are desired. This approach has certain restrictions. They are time-intensive and expensive.



Care should be taken to choose group members who are conversant with the issue under consideration (e.g. Parent - Teacher Association meetings).

In **Synectics**, participants are picked based on their diverse experiences and training. The leader poses the subject in a manner that encourages participants to depart from conventional modes of thought. Role-playing, the use of comparisons, paradoxes, and metaphors, as well as other thought-provoking exercises, are among the various tactics used.

Although it has limits, such as brain storming, this technique is particularly beneficial for difficult and technical problems.

**Nominal grouping** It signifies group just in name. This model is useful when a high level of innovation and idea generation is required. In this case, the search procedure is proactive as opposed to reactive. It is also expensive and time-consuming.

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## 8.6 CREATIVITY AND DECISION MAKING

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Creativity entails the new mixing of concepts that must be of theoretical or social significance or have an emotional impact on others. Numerous elements influence both the creativity and quality of creative judgments. It would rely on the quality of the supplied information and any biases produced by our perceptual processes and cognitive limitations. In addition to external considerations, the traits of the decision maker have a substantial impact on the choice's quality. The major characteristics include the decision maker's perspective on the risks he or she may face, as well as his or her social and cultural factors.

Among the elements and personal attributes that influence the decision maker are the following:

- (i) **Knowledge inputs:** For effective decision making, it is crucial to have appropriate and reliable information about the situation; otherwise, the quality of the decision would degrade. However, it must be acknowledged that a person's mental limitations restrict the quantity of information he or she can effectively process. Less information is equally as risky as too much knowledge, despite the fact that some risk-takers and highly authoritative individuals make decisions with less information than more conservative decision-makers.
- (ii) **Prejudice:** Our perceptual processes introduce prejudice and bias, which can lead to inefficient decision-making. First, perception is highly selective, which means that we only accept what we want to accept and, as a result, only such information reaches our senses. Second, perception is highly subjective, which means that information is distorted to correspond with our pre-established beliefs, attitudes, and values. For instance, a preconceived notion that a specific person or organisation is honest or dishonest, a good or poor source of information, or a late or fast deliverer might have a



significant impact on the decision maker's capacity to make an objective determination and the quality of the decision.

- (iii) **Cognitive constraints:** The human brain, which is the wellspring of thought, creativity, and hence decision making, has a variety of limitations. As an illustration, our short-term memory is limited to a few concepts, words, and symbols, barring exceptional conditions. Second, we can only execute a small number of computations in our heads, which is insufficient to evaluate all available options and make a decision. Psychologically speaking, we are always uneasy with decision-making. Until the decision's repercussions have been felt, we can never be absolutely certain that the option we chose was the best and most appropriate one. This makes us feel quite vulnerable. These limits force us to rely on heuristics, which involves restricting the search for facts and data and making decisions with the limited information available. This results in "satisfactory" rather than "ideal" decisions.
- (iv) **Risk and uncertainty attitudes:** A person develops these views due in part to particular personal features and in part to organisational factors. If the organization's policy is such that it penalises losses more than it rewards gains, then the decision maker will tend to avoid alternatives that have a small possibility of failure despite the high likelihood of huge potential advantages. The following variables influence the risk-taking mindset:
- The decision-intelligence maker's A high IQ results in highly conservative attitudes, and highly conservative decision-makers are low-risk takers. In general, the less intellectual decision-makers are more likely to take calculated risks when the prospective rewards are substantial and there is a probability of success.
  - Assumptions regarding the decision maker Individuals with high aspirations are typically optimistic and prepared to make judgments with limited knowledge. To decide on a plan of action, those with low hopes of success will demand more and more information.
  - Time Constraints and Decision Making As the complexity of the decision maker's personal habits and the decision variables rises, so does the time necessary to make a rational choice. Although there are individuals who operate better under time restrictions and who may outperform others under severe time constraints, the vast majority of people require time to collect all relevant information for evaluation purposes. However, under time constraints, the majority of individuals rely on a heuristic approach, considering few attributes of options and focused on reasons to reject others. This strategy may also be utilised when the cost of acquiring and reviewing all information is prohibitive.

- (v) **Personal habits:** Personal habits of the decision maker must be researched in order to forecast his decision-making style, despite the fact that they are produced through social environmental impact and personal perceptual processes.

Some individuals adhere to their decisions even when they are suboptimal and attempt to place the blame for failure on other circumstances rather than their own errors. For instance, Hitler was constrained by his own decisions. Once he resolved to invade Russia, there was no turning back, even the realisation that the decision was incorrect. Some individuals are incapable of admitting they are mistaken, and they continue to make the same decisions despite evidence indicating a change is necessary. These personal behaviours have a significant impact on the operations and effectiveness of a business.

- (vi) **Social and cultural influences:** social and group norms have a significant impact on the decision maker's manner. According to Ebert and Mitchell, a social norm is "an evaluative scale specifying an acceptable latitude and an objectionable latitude for behaviour, activity, events, beliefs, or any object of concern to social unit members. In other words, the social norm is the conventional and recognised method of evaluating behaviour." Similarly, cultural background and numerous cultural characteristics have a significant impact on an individual's decision-making style. In the Japanese organisational system, for instance, a decision maker reaches consensus with others. Since everyone participates in the decision-making procedure, this method is culturally sensitive and greatly simplifies the execution of the decision. In America, on the other hand, the manner of decision making is very personal, aided by choice models and decision processes.

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## 8.7 SOME COMMON ERRORS IN, DECISION MAKING

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Since the importance of making the right decision cannot be overstated, and because the quality of the decision might mean the difference between success and failure, it is essential that all factors influencing the decision be thoroughly examined and researched. In addition to technical and operational factors that can be quantified and analysed, other factors such as personal values, personality traits, psychological evaluation, perceptions of the environment, institutional and judgmental abilities, and emotional interference must be understood and accounted for.

Some academics have identified specific areas where managerial thinking has to be reevaluated and where frequent errors occur.

These errors, which have a negative impact on the decision-making process and its effectiveness, should be avoided as much as possible. Other errors include:

- (i) **Decision-making** is a tremendously weighty responsibility. Some individuals may be hesitant to make a decision out of concern for its outcome. This hesitancy could result in a lengthy decision-making process, which could lead to the loss of an excellent opportunity. This feature is a personality trait that requires careful consideration.
- (ii) **Delaying the decision till the last minute:** This is a widespread behaviour that leads in decision-making under time constraints, which typically precludes a comprehensive consideration of the situation. since such examination requires considerable effort. Additionally, it makes it nearly impossible to identify and evaluate all feasible solutions. For instance, many students who delay studying until their final examinations typically perform poorly on the exams.
- (iii) **Failure to identify the underlying source of the problem:** It is a typical practise to treat the symptoms rather than the underlying cause. For instance, a headache may be a symptom of a deeply entrenched emotional condition, therefore treating the headache alone would not solve the problem. It is vital to distinguish between symptoms and causes. The success of a judgement depends on the proper characterization of the issue.
- (iv) **Failing to evaluate the credibility of informational sources:** We frequently take it for granted that the other person's opinion is highly dependable and trustworthy, and we do not independently verify the veracity of such information. Frequently, the opinion of the other person is sought so that if the decision fails to produce the expected results, the person who provided the information can be held accountable. However, this reflects poorly on the management's ability and integrity, and the manager must accept responsibility for the decision's outcome. Therefore, it is his moral obligation to analyse the authenticity and dependability of the information presented to him.
- (v) **The approach used to analyse the data may not be reliable:**

Since the majority of judgments, and especially the unprogrammed ones, must be based on a large amount of data and numerous elements and variables, the techniques to identify, isolate, and choose the valuable data must be reliable. Typically, it is not viable from an operational standpoint to objectively analyse more than five or six pieces of information simultaneously. In order to aid the decision-maker, it is necessary to develop a model that combines and manages a large number of variables. Additionally, it is preferable to specify the objectives, criteria, and restrictions as early as feasible in the decision-making process. This would help formalise the procedure, ensuring that no conditions or alternatives are neglected.

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## 8.8 QUESTION:

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1. Discuss decision making process and write down the types of decisions.
2. Explain the Models of decision making
3. State the basic characteristic of decision making
4. Discuss the 'Identification of Alternatives'
5. Explain 'Creativity and Decision Making'.
6. State some common errors in decision making.

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# LEADERSHIP – CHANAKYA TO THE MODERN TIMES

## Unit Structure

- 9.0 Objective
- 9.1 Introduction
- 9.2 Importance of Leadership and its, Definition
- 9.3 The Fundamental Leadership Principles
- 9.4 Trait Approaches to Leadership
- 9.5 Leadership Styles
- 9.6 Continuum of Leadership Behaviour
- 9.7 Managerial Grid Style
- 9.8 Life Style or Situational Approach to Leadership
- 9.9 Concepts Fundamental to Situational Leadership
- 9.10 Four Systems of Management Leadership
- 9.13 Roles and Functions of Leadership
- 9.14 Leadership Skills
- 9.15 Question
- 9.6 References

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## 9.0 OBJECTIVE

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- describe the importance of leadership in the health organisations;
- identify the major leadership styles;
- explain the situational approaches to leadership;
- discuss the main functions of a leader

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## 9.1 INTRODUCTION

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The preceding section on "Motivation" emphasised the need for health administrator managers to have a thorough understanding of the concept and method of job motivation in order to properly comprehend employee behaviour.

This chapter on leadership is connected to the preceding one in the sense that an administrator or manager requires leadership skills to empower and motivate personnel to work efficiently towards the aim of a health organisation. Moreover, inspiring people and cultivating a good attitude towards them is one of the most important qualities a leader must have. This section on leadership will assist you to comprehend the significance of leadership and leadership behaviour.

This unit will focus on discussing and analysing commonly recognised leadership styles. The following section examines the roles and functions of leadership. This course concludes with a discussion of the leadership skills that are increasingly recognised as essential for today's dynamic and demanding health organisations. The contrast between styles, roles and functions, and skills, which are the key components of this unit, is that leadership styles are concerned with how leaders influence followers, whereas roles and functions are concerned with what leaders do and how they might be effective.

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## **9.2 IMPORTANCE OF LEADERSHIP AND ITS, DEFINITION**

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To realise the aim of quality patient care and health for all in the next millennium, health care organisations and hospitals will need a new generation of leaders in the twenty-first century. Effective leadership is necessary for the survival of health organisations and the delivery of quality patient care. This is due to the fact that a significant portion of management involves working with and through people. Additionally, someone must determine, initiate, organise, exert influence, and supervise the work activities of others.

Everyone must have seen that every organisation that performs close to its full potential has a leader who is competent in the art of leadership.

- This ability appears to be a combination of at least four major components:
- the ability to use power effectively and responsibly,
- the ability to understand that human beings have different motivational forces at different times and in different situations,
- the ability to inspire, and
- the ability to act in a way that creates an environment conducive to responding to and reassuring motivations.

Leadership is the practise of inspiring and influencing others to direct their efforts toward the accomplishment of a specific objective. It is the human aspect that helps a group determine its direction and then motivates it to achieve its objectives. Leadership actually transforms promise into

actuality. Leadership is the ultimate act of recognising, cultivating, and utilising the potential of an organisation and its people.

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### 9.3 THE FUNDAMENTAL LEADERSHIP PRINCIPLES

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The more managers understand what motivates their subordinates and how these motivations function, and the more their managerial actions reflect this understanding, the more likely they are to be effective as leaders.

Leadership can be properly defined as "the process of influencing the activities of a person or group in the pursuit of specific goals in a given environment." Another definition of leadership describes it as "interpersonal influence exercised in a situation and directed through the communication process towards the achievement of specific goals." Leadership has also been characterised in terms of group processes, personality, power, goal achievement, interaction, role distinction, etc., in addition to influence.

Since the dawn of time, people have been interested with the nature of leadership.

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### 9.4 TRAIT APPROACHES TO LEADERSHIP

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Prior to 1949, leadership studies focused primarily on identifying the physical, mental, and personality traits of various leaders. Beginning with the "Great man" theory that leaders are born and not made, a belief dating back to the ancient Greeks and Romans, researchers have attempted to identify the physical, mental, and personality traits of various leaders. With the rise of the behaviourist school of psychology, however, this "Great man" theory lost much credibility.

Diverse researchers have identified specific traits associated with leadership ability, including five physical traits (such as energy, appearance, and weight), four intelligence and ability traits, sixteen personality traits (such as adaptability, aggressiveness, enthusiasm, and self-confidence), six task-related characteristics (such as achievement drive, persistence, and initiative), and nine social characteristics (such as cooperativeness, interpersonal skills, and administrative abilities). Recent research has identified the following as essential leadership characteristics: drive (including achievement, motivation, energy, ambition, initiative, and tenacity), leadership motivation (the desire to lead without seeking power), honesty and integrity, self-confidence (including emotional stability), cognitive ability, and an understanding of the task.

In general, and in practise, however, the study of leaders' characteristics has not proven a particularly fruitful method to understanding leadership. Not all leaders possess every characteristic. The trait method does not specify how much of any feature an individual should possess. The majority of these so-called features are actually behavioural tendencies.

Recent emphasis has shifted significantly from attributes to the identification of leadership behaviours. According to this concept, leadership effectiveness is dependent on acceptable behaviours, abilities, and actions, and not on personal characteristics. Behaviours can be learned and altered, whereas traits are relatively immutable, therefore this agreement is both highly significant and practical. Specifically, leadership behaviour is the manner in which leaders carry out their duties.

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## 9.5 LEADERSHIP STYLES

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Leadership styles have an impact. Leadership style is the complete pattern of leader behaviours as viewed by their workforce. It reflects the leader's philosophies, abilities, attitudes, and behaviours towards others. The styles vary based on motivation, authority, and attitude toward people and tasks. Over the years, numerous classifications of leadership styles have been presented.

This part discusses four significant leadership styles that are universally acknowledged to be extremely effective and relevant in today's organisations:

- A continuum of leadership conduct
- Managerial grid style
- Life-cycle or situational methodology
- Four management and leadership systems

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## 9.6 CONTINUUM OF LEADERSHIP BEHAVIOUR

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Robert Tannenbaum and Warren H-Schmidt established a continuum expressing the decision-making power aspect of leadership in 1958. It features two polar endpoints with differing proportions of decision-making authority between leader and subordinate. At one extreme, the leader makes decisions, communicates them to subordinates, and expects them to carry them out. On the opposite end of the spectrum, the leader distributes all decision-making authority with subordinates, allowing each member of the group to have an equal vote - one person, one vote.

There are a multitude of leadership styles between authoritarian and laissez-faire, with the style adopted depending on the leader, the operating group, and the situation. There is a correlation between the level of power exercised and the amount of decision-making freedom available to subordinates. This continuum is viewed as a zero-sum game; while one side benefits, the other side suffers, and vice versa.

- (i) **Autocratic:** At the autocratic end of the continuum of leader power is the manager who makes choices and announces them to the group.



- (ii) **The boss** determines the overall interacting relationship and work environment, and he or she gives subordinates few opportunities to contribute.

Here, the manager sells or makes the choice on the work activity, its goal, how it will be performed, when it will be performed, and who will perform it, and invites subordinates to ask questions.

- iii) **Participative:** This style suggests that the manager defines the purposes, problems, and means for carrying out activities; presents a provisional conclusion that is subject to change; or presents the problem to subordinates, solicits their input, and then makes the decision. This exemplifies the participatory style of leader decision authority, in which the decision-making flexibility of subordinates is far larger and the manager's use of power is significantly less than in the autocratic and consultative styles.

This form of participative leadership is a highly effective motivator since it allows employees to exert some influence and control over work-related activities.

- iv) **Democratic:** In a democratic style of leadership, the manager specifies the limits of the situation and problem to be solved and asks the group to make decisions; subordinates have a great degree of decision flexibility.
- v) **Laissez-Faire:** This type, at the extreme end of the continuum, is known as laissez-faire, in which subordinates are permitted to operate within the boundaries set by their superior.

There is no interference by the manager, who may participate in decision-making but does so with greater influence than other group members.

### **Which interpretation of autocratic to democratic is accurate?**

Behaviour Spectrum The first manager "sells" decisions.

Research and practise have demonstrated that no single decision authority type is always correct. The leader must adapt his or her style to the circumstances. In the hospital and operating room, the physician or surgeon employs an authoritarian style, while in a conference room or problem-solving environment, a democratic approach may be more appropriate.

### **Style-Affecting Factors**

Manager discusses ideas and solicits feedback

The manager's decision-making authority style is highly dependent on variables such as:

- Importance of outcomes
- Manager presents provisional judgments contingent on the Nature of the Work,

- the Characteristics of the Employees, and
- the Manager's Personal Traits.

If a crisis or tragedy occurs and the task must be completed rapidly, the health services management must adopt an autocratic approach along the continuum. If time is available with the management and other individuals are equally innovative and empowered, however, the manager must adopt a participatory or democratic style.

Manager outlines concerns, gets suggestions makes

The training, education, motivation, and experience of subordinates might influence the leadership style employed by the manager. This component is strongly associated with the type of work. If subordinates are skilled professionals as opposed to untrained, the boss is more likely to solicit their input and adopt a consultative or participatory management style. In the case of unskilled or inexperienced staff, however, the manager may be required to make unilateral choices.

The extent to which a manager lets subordinates to work within decision-defined constraints can have an impact on the leadership style employed. Due to their personality, prior experiences, values, and cultural background, some individuals may find it challenging to adapt to new situations. In health care organisations, for instance, when a physician becomes an administrator, he may find it difficult to modify his manner due to his prior training and experience, as the doctor has traditionally been the major decision-maker in the doctor-patient relationship. As a manager, however, a participative style is frequently more appropriate, especially when working with other professionals.

However, it must be remembered that no single style is always appropriate. Situational factors, such as the work environment, the tasks to be performed, the personality of the people, and the organisational atmosphere, determine which style is most appropriate.

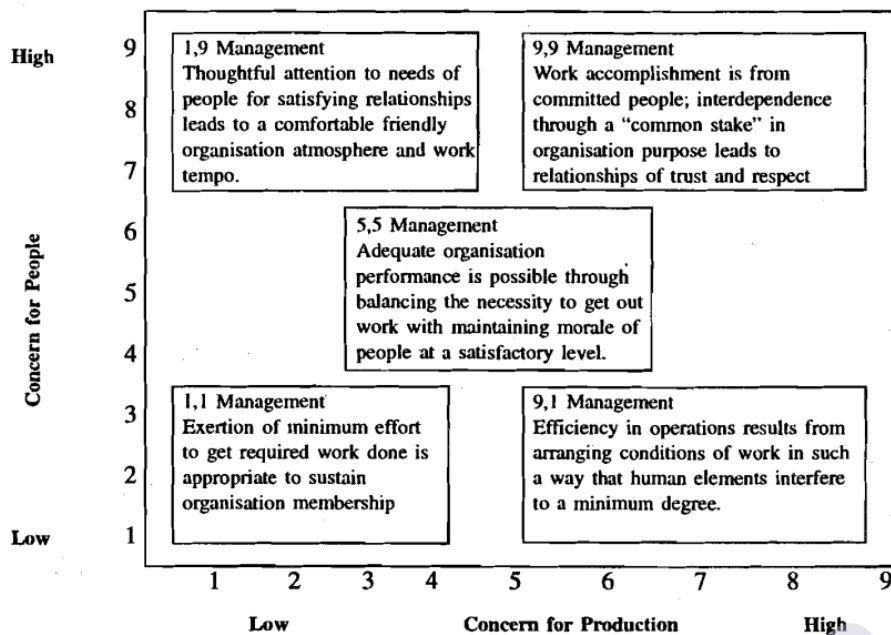
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## 9.7 MANAGERIAL GRID STYLE

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Blake and Mouton's visual representation of a two-dimensional view is a widely used method for distinguishing the leadership styles of practical managers. Two dimensions were proposed for the management grid: concern for productivity and concern for people. The grid represented in Figure includes nine possible gradients or degrees for each dimension on each axis, resulting in 81 possible combinations of care for production on the horizontal axis and concern for people on the vertical axis. A1 indicates low care for the dimension, whereas A9 indicates high concern.

Grid development practitioners tend to prioritise five "Critical Possibilities" rather than all 81 possible combinations. The combinations are typically referred to by number, and those familiar with the grid understand what the numbers represent.



### *The Managerial Grid (image source : Egyankosh)*

- i) The Managerial Style is frequently called Impoverished Management. In this management approach, employees are assigned jobs and then left alone. He or she neither inspects their work (no concern for output) nor interacts with them by praising their efforts and urging them to continue (no regard for people).
- ii) Task Management is a common name for the, Management Style. This manager has a strong focus for productivity and a low regard for people. He or she plans the job and pushes to get it done, comparable to an autocratic approach.
- iii) The number 1,9 Country Club Management is a style of management that places a strong emphasis on people's feelings, comfort, and requirements. The manager primarily seeks the allegiance of subordinates and strives to inspire them.

They were allowed to complete their tasks without being pressured.

- iv) The Commonly, management style is referred to as Middle-of-the-Road Management.

The manager assumes that production and people-related concerns are inherently incompatible. Therefore, he or she attempts to find a middle ground between the two dimensions.

- v) Team Management is the name for the, management style. It is considered by many to be the best and ideal style, the one that managers and the organisation as a whole should utilise. This approach emphasises on the higher-level requirements of the people, involves subordinates in decision-making, and assumes that the goals of the people and the organisation are congruent. Therefore, the

manager believes that maximising attention to both dimensions will result in the highest total efficiency.

## 9.8 LIFE STYLE OR SITUATIONAL APPROACH TO LEADERSHIP

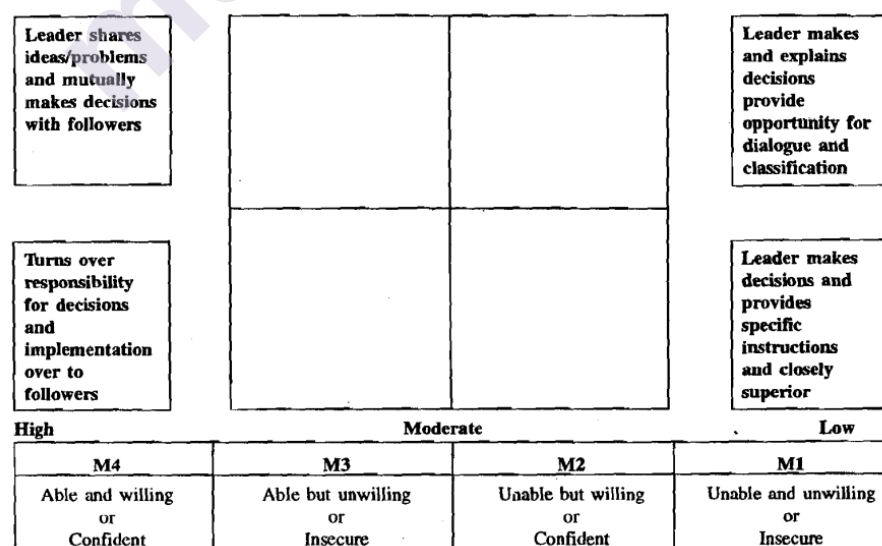
The situational leadership theory of Paul Hersey and Ken Blanchard is one of the most extensively used leadership frameworks. This very popular approach to management style training and development has been utilised as a key training tool by Fortune 500 firms such as Bank of America, IBM, Mobile Oil, and Xerox, as well as by the military as a whole.

Situational leadership, an extension of the managerial grid approach, is a contingency theory based on the interplay between: the amount of guidance and direction (task behaviour) a leader provides, the amount of socio-emotional support (relationship behaviour) a leader provides, and the readiness levels that followers exhibit in performing a particular task, function, or objective. This notion was created to enable anyone aspiring to leadership, regardless of their position, communicate with others more effectively on a daily basis.

It equips leaders with an appreciation of the connection between an effective leadership style and the level of preparedness of their followers.

Hersey and Blanchard say that effective leadership is achieved by selecting the appropriate leadership style, which is dependent on the level of maturity of the followers.

It must be highlighted that situational leadership is not a theory, but rather a paradigm. Its concepts, procedures, actions, and outcomes are based on verified, practical, and straightforward methodologies.



*Situational Leadership Style (image source : egyankosh)*

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## 9.9 CONCEPTS FUNDAMENTAL TO SITUATIONAL LEADERSHIP

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According to this paradigm, there is no optimum technique to influence others; the leadership style a person should employ with individuals or groups relies on the level of preparedness of the individuals the leader is aiming to influence. The situational leadership method is summarised in Figure, which recognises the following styles:

- i) **Task Style:** The leader organises and defines duties for members of the work-group; the leader describes the tasks that members are to perform as well as when, when, and how.
- ii) **Relationship Style:** The leader has intimate, personal relationships with group members, with two-way communication and psychological and emotional support.
- iii) **Level of Maturity:** The maturity level is defined by three criteria:
  - Degree of success motivation
  - Willingness to assume accountability
  - Quantity of education or years of experience

It comprises two components, according to Hersey and Blanchard: job maturity and psychological maturity. The first factor comprises an individual's knowledge and skills, and those that score highly have the knowledge, competence, and experience to accomplish their work tasks independently. Psychological maturity is associated with the willingness or motivation to accomplish a task. Individuals with a high level of psychological maturity require less external motivation because they are already organically motivated.

Situational leadership paradigm employs r NO leadership aspects, i.e., relationship and task, and by evaluating each as either high or low, combines them into four distinct leadership styles: authoritative or telling; consultative or selling; participatory or supportive; and delegating. The following description applies:

- a) **Authoritative or Telling Approach:** This style is helpful when followers have a very immature degree of maturity. The leader defines duties and instructs others on when, how, and where to do certain tasks. It highlights authoritative or directive conduct.
- b) **Consultative or Selling Style:** This is a high-task, high-relationship style that is excellent with less mature followers. The leader's demeanour is both directive and supportive.
- b) **Participative or Supportive Style:** This is a low-task, high-relationship style that is excellent with less mature followers. Here, the leader and follower share decision-making responsibilities, with

the leader's primary responsibilities being facilitative and communicative.

- d) Delegating Style:** This is a low-task, low-relationship style that is beneficial when the maturity level of followers is very high. The leader provides little guidance or assistance.

Hersey and Blanchard's thesis concludes with the definition of four phases of maturity:

**M1,** People are unable and reluctant to assume responsibility for their actions. They are neither competent nor self-assured, therefore they require clear and concise instructions.

**M2,** People are unable but willing to perform the essential job duties. They are motivated yet lack the necessary skills at this time. The high task behaviour compensates for the followers' lack of skill, while the high relationship behaviour attempts to psychologically convince the followers to "buy into" the leader's aspirations.

**M3,** People are capable, yet unwilling, to accomplish what the boss desires. This stage generates motivational issues that are most effectively addressed through a supportive, non-directive, participatory method.

**M4,** People are able and willing to accomplish what is requested of them, thus the leader has little to do at this stage.

The above Figure incorporates the various situational leadership model components.

As followers attain a high level of maturity, the leader not only continues to decrease control over activities, but also relational behaviour.

You may have observed the close relationship between Hersey and Blanchard's four leadership styles and the four "corners" of the managerial grid.

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## 9.10 FOUR SYSTEMS OF MANAGEMENT LEADERSHIP

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Rensis Likert postulated four fundamental systems or styles of organisational leadership that emerged from the extensive research conducted by the Michigan group over several years. Table 2.1 provides a summary of these four Systems of Management Leadership styles.

The system 1 manager is extremely authoritarian and exploitative towards subordinates. In system 2, the manager takes a paternalistic but nevertheless dictatorial stance. The leader maintains rigorous control over the subordinates in an autocratic manner. He or she never assigns authority to members of the work group, but instead "pats them on the head" and "acts in their best interests." In system 3, the manager employs a consultative method; i.e., the leader consults the subordinate and accepts input from work group members, but retains the authority to make final choices. In system 4, the manager employs a democratic approach; he or she gives



certain directives to the members of the work group, but encourages their participation and makes decisions by majority vote.

CHARACTERISTICS	SYSTEM-1 (Exploitative Authoritative)	SYSTEM-2 (Benevolent Authoritative)	SYSTEM-3 (Consultative)	SYSTEM-4 (Participative Group)
Trust in Subordinates	None	Condescending	Substantial	Complete
Motivation Accomplished by	Fear and Threats	Rewards and Punishment	Rewards, Punishment involvement	Group Participation, involvement
Communication	Very Limited	Limited	Fairly Widespread	Widespread
Interpersonal interaction	Very Limited	Limited	Moderate Amount	Extensive
Decision Making	Centralised	Mostly Centralised	Broad participation Allowed	Dispersed
Goal Setting	Centralised	Mostly Centralised	Some Participation Allowed	Participation Allowed
Control	Centralised	Mostly Centralised	Moderate Delegation	Extensive Delegation
Informal Organisation	Always Developed and in Opposition to the Organisation	Usually developed and partially in opposition to the organisation	May be Development and May Support or Oppose the Organisation	Informal Organisation is the same as the formal organisation

### ***Linker's Four Systems of Management Leadership (image source: egyankosh)***

To have actual information to support whether approach is more effective, Likert and his colleagues asked thousands of managers to describe the top and lowest producing departments they had encountered using an enhanced version of the methodology provided in Table 2.1. Consistently, the high-producing units were described by systems 3 and 4, whereas the low-producing units were described by systems 1 and 2.

This prompted Likert to conclude that system 4 is the optimum technique for all organisations to manage their staff.

### **Leadership Styles from a Contemporary Perspective**

Existing approaches to leadership style include Tanenbaum's continuum of leadership behaviour, Blake and Mouton's managerial grid, Hersey and Blanchard's life cycle, and Likert's four systems. They have been implemented and proven for a number of years and are still important in the perspective of what leaders should do, especially in the demanding and emerging organisations of the present day.

Increasing data suggests that a leader's style can make a difference. Recent studies have shown, for instance, that the leadership style is crucial to the formulation and implementation of strategy and also has a significant effect in the creativity of group members. In other words, there is little doubt that the manner (style) in which leaders influence their subordinates can affect both their own and their subordinates' performance.

The significance of leadership responsibilities and functions, as well as the necessary abilities for effective leadership, has increased as a result of the great concern and influence of leadership styles. In the subsequent sections of this Unit, you will get an understanding of the what (Roles and Functions) and how (Skills) of leadership.

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## 9.13 ROLES AND FUNCTIONS OF LEADERSHIP

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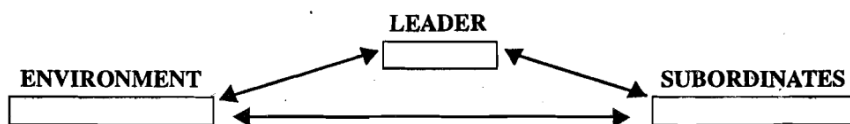
Now we will discuss the tasks and responsibilities of leaders by addressing the question, "What do effective leaders do on a daily basis? - There are numerous responsibilities a leader must fulfil. The many functions given with behavioural descriptions in Table "Leadership Activities and Behavioural Descriptors" can be theoretically reduced to the four managerial functions listed below.

- i) Leaders are effective and successful not only because of what they do, but also because of how their actions are perceived. They must be able to speak, demonstrate, write, and listen in order to express to others what they are doing and what they want done. 60 to 90 percent of an organization's leader's working day is devoted to communication. Also included are the exchange of routine information and the processing of paperwork. Leaders must be flexible in their role-playing in order to deal with people according to their specific expectations. Different roles require distinct communication styles.
- ii) **Traditional Management:** This entails functions such as planning, decision-making, and controlling. Its observed role behaviours include setting goals and objectives, defining tasks required to achieve goals, scheduling employees, assigning tasks, producing routine instructions, defining problems, managing day-to-day operational crises that typically arise in hospital-type organisations, deciding what to do, developing new procedures, inspecting work, walking around inspecting and supervising the work, monitoring performance data, and performing preventive maintenance.
- iii) **Human Resource Management:** This function encompasses the greatest number of behavioural categories, including motivating, reinforcing, disciplining, staffing, training, and development, and most significantly, constructing effective teams for goal achievement. This activity's observed behaviours include allocating formal rewards, requesting input, expressing gratitude, giving credit where credit is due, listening to suggestions, providing positive feedback, developing job descriptions, reviewing applications, orienting employees, arranging training, defining roles, coaching, etc. And the most significant function within this area is fostering teamwork, which demands special consideration and discussion.

*Developing teamwork* is one of the most essential functions of leadership. This is most likely to occur when the leader creates a conducive climate. The leader's supportive measures enable the group to take the initial steps required for teamwork, and these actions become the foundation of trust and



compatibility. Studies indicate that the greater the level of trust and compatibility within a team, the greater their effectiveness; hence, leaders will want to foster an organisational atmosphere that fosters these qualities. As depicted in Fig. 2.4, there are three crucial components in the formation of teamwork: the leader, the subordinates, and the environment. They are interrelated. For instance, if the leader cannot get along with the subordinates, if the group members dislike the leader, or if the setting is not favourable to successful teamwork, the group's overall performance would suffer.



*Team-work Determinants (image source – egyankosh)*

- iv) **Networking:** This activity includes of socialising, political manoeuvring, and interacting with outsiders. Observed behaviours connected with this activity include interactions unrelated to business, informal joking around, and interactions with consumers, clients, and suppliers. Participating in external meetings and community service events.

### What do effective leaders do?

Communication and human resource management functions, as described above, made by far the largest relative contribution to the leader's effectiveness, whereas traditional management activities, particularly networking activities, made by far the smallest relative contribution (Luthans, et al, 1985). Luthans and his colleagues explained that if effectiveness is defined as the perceived quantity and quality of a manager's unit's performance and his or her work group members' satisfaction and commitment, then the human oriented activities communication and human resource management contribute the most to leadership effectiveness.

In order to meet the challenges of global competition and to deliver high-quality health care services, human-centered leadership abilities may be of great use.

1) Planning coordinating	2) Staffing
a) Setting goals and objectives	a) Developing job descriptions for position openings
b) Defining tasks needed to accomplish goals	b) Reviewing applications
c) Scheduling employees. time-table	c) Interviewing applicants
d) Assigning tasks and providing routine	d) Hiring
	e) "Filling in" where needed

<p>e) Coordinating activities of each work group member to keep work running smooth.</p> <p>f) Organising the work</p>	
<p><b>3) Training Developing</b></p> <p>a) Orienting employees, arranging for training seminars, etc.</p> <p>b) Clarifying roles, duties, job descriptions</p> <p>c) Coaching, mentoring, walking work group members through task</p> <p>d) Helping work group members with personal development plans</p>	<p><b>4) Decision Making/ Problem Solving</b></p> <p>a) Defining problems</p> <p>b) Choosing between two or more alternatives or strategies</p> <p>c) Handling day-to-day operational crises as they arise</p> <p>d) Weighing the trade-offs; cost benefit analyses</p> <p>e) Actually, deciding what to do</p> <p>f) Developing new procedures to increase efficiency</p>
<p><b>5) Processing Paper work</b></p> <p>a) Processing mail</p> <p>b) Reading reports, in-box</p> <p>c) Writing reports, memos, letters. Etc</p> <p>d) routine financial reporting and bookkeeping</p> <p>e) General desk work</p>	<p><b>6) Exchanging Routine Information</b></p> <p>a) Defining problems</p> <p>b) Choosing between two or more alternatives or strategies</p> <p>C) Handling day-to-day operational crises as they arise</p> <p>d) Weighing the trade-offs; cost benefit analyses</p> <p>e) Actually, deciding what to do</p> <p>f) Developing new procedures to increase efficiency</p>
<p><b>7) Monitoring/ Controlling Performance</b></p> <p>a) Inspecting work</p> <p>b) Walking around and checking things out, touring</p>	<p><b>8) Motivating/reinforcing</b></p> <p>a) Allocating formal organisational rewards</p> <p>b) Asking for input, participation</p> <p>c) Conveying appreciation, compliments</p> <p>d) Giving credit Were due</p>

<p>c) Monitoring performance data (e.g., computer printouts, production, financial reports)</p> <p>d) Preventive maintenance</p>	<p>e) Listening to suggestions</p> <p>f) Giving positive performance feedback</p> <p>g) Increasing job challenge</p> <p>h) Delegating responsibility and authority</p> <p>i) Letting work group members determine how to do their own work</p> <p>j) Sticking up for the group to managers and others, backing a work group member</p>
<p><b>9) Disciplining/Punishing</b></p> <p>a) Enforcing rules and policies</p> <p>b) Demotion, firing, layoff</p> <p>C) Any formal organisational reprimand or notice</p>	<p><b>10) Interacting with Outsiders</b></p> <p>a) public relations</p> <p>b) Customer</p> <p>c) Contacts with suppliers</p> <p>d) External meetings</p> <p>e) Community-service activities</p>
<p><b>11) Developing Team Work</b></p> <p>a) Create an environment in which team work can happen.</p> <p>b) Creating trust, cooperation and compatibility with the subordinates</p> <p>d) Define tasks and motivate the team members towards goal attainment</p>	<p><b>12) Socialising/Politicking</b></p> <p>a) Nonwork related chitchat (e.g., family or personal matters)</p> <p>b) Informal "joking around"</p> <p>c) Attending external meetings/conference/seminars</p> <p>d) Attending community service events</p>

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## 9.14 LEADERSHIP SKILLS

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As the preceding section illustrates, both leadership theory and practise today acknowledge the significance of skills, i.e., how leaders behave and efficiently execute the various functions. Both styles and role-specific functions are strongly related to skills and can serve as a jumping-off point for a discussion of skills. Various research investigations have yielded the following four areas of successful leadership competencies:

- i) Participative and Human Relations consists of helpful interpersonal communication and team building.
- ii) Competitiveness and Control, including assertiveness and the acquisition of power and influence.
- iii) Originality and Entrepreneurship: incorporates creative problem-solving.
- iv) Maintaining Order and Rationality entails self-management, stress management, conflict resolution, and logical decision making.

These four sets of categorised skills are connected and overlap. Effective leaders do not do a single skill or combination of competencies in isolation. In reality, good leaders possess multiple skills.

### Managerial Skills

It is generally accepted that at least three skill sets are required to perform the various management functions: technical, human, and conceptual.

Despite the fact that they are interconnected in practise, they can be analysed independently.

- a) **Technical Abilities:** The ability to employ the acquired knowledge, methods, procedures, and equipment to complete certain tasks.

Examples include the abilities learned by physicians and pharmacists. This competency is the distinguishing characteristic of job performance at the operational level; however, as people advance in their careers, this competency becomes less important.

When a person is promoted to a position of leadership, their technical skills become proportionally less essential. They rely increasingly on the technical expertise of their subordinates, and in many cases, they do not possess the technical expertise they supervise.

- b) **Human Skills:** The capacity to relate and collaborate effectively with others and to foster teamwork. This competency, which involves a comprehension of motivation and the implementation of successful leadership, is crucial for middle-level managers who must lead people. Without a thorough understanding of interpersonal communication, motivation, counselling, and leadership, middle-level managers would be unable to effectively lead their subordinates.
- c) **Conceptual Skills:** This competency is becoming increasingly crucial in senior management positions. This competence encompasses a wide range of activities, including the formulation of organisational objectives, rules, and procedures, as well as the development of systems for managing office work flow. The optimum combination of these abilities alters as a manager advance from supervisory to executive levels. The degree of managerial expertise required of a leader is determined by their position in the hierarchy.

As leaders demonstrate their competence and begin to ascend, the higher levels of an organisation must acquire and employ more human and conceptual abilities to be effective, but fewer technical skills are often required as one advances from lower to higher levels. It should be emphasised that while the quantity of technical and conceptual skills required at these various levels of management vary, human competence appears to be vital at all levels.

All of the discussed styles, positions, and functions are highly applicable and effective in contemporary health care organisations. The way in which our health care managers and administrators utilise these abilities and strategies can make a difference in the health organisations' issues.

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### 9.15 QUESTION:

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1. Define leadership and state its importance.
2. Write down the type's of leadership.
3. Discuss the Concepts fundamental to situational leadership
4. Explain the roles and function of leadership
5. Write in detail the Four Systems of Management Leadership
6. How do Hersey and Blanchard define maturity? Is this variable included in other models of leadership?
7. How does perspective leadership behaviour differ from, laissez-faire leadership behaviour?
8. What are some of the needed leadership skills for leaders to be effective?
9. What are the three types of managerial skills every leader must have? Explain.
10. What do effective leaders do? State leadership skills.

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# ORGANISATIONAL CULTURE, STRESS AND CONFLICT

## Unit Structure

### 10.0 Objectives

### 10.1 Introduction

### 10.2 What is organisational culture and its components?

#### 10.2.1 What is organisational conflict?

#### 10.2.2 How do you manage the stress and conflict at the workplace?

#### 10.2.3 Best practices to deal with organisational conflicts

### 10.3 Let's sum up

### 10.4 Questions

### 10.4 References

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## 10.0 OBJECTIVES:

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In this chapter, you will understand what organisational culture and its components are

- We will also try to understand what an organisational conflict is and how to manage it
- We will identify situations that trigger organisational stress and address it

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## 10.1 INTRODUCTION:

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Organisational culture can be defined as an appropriate way to behave within an organisation. As we have learned before, an organisation works like a mini-society within the society with shared norms practices, principles and values. This culture is reinforced through various methods. These shape the employee perceptions, behaviour and understanding of the organisational goals. It also sets the context for everything that an employee does and creates predictability within actions. Just like any other concept in organisational behaviour studies, there is no formula or one size fits all ideal culture available. It's subjective, evolving and cocreated.

A successful organisation is often a bright byproduct of a successful organisational culture. Many employees seek a positive and rewarding organisational culture over monetary benefits. Leaders and respective professionals within organisations go beyond their capacity of work to

ensure the work culture is positively inspiring and welcoming. For instance, Google as a brand famously has a very positive culture. While many of their employee benefits are amazing, the biggest reason why most of the employees advocate for them is a positive culture. There is a whole team devoted to ensuring the quality of it. They actively strategise, implement and reformulate to create a positive org culture.

Just like a successful work culture leads to a successful company, an ineffective work culture leads to the exact opposite. The aftermath of bad work culture is demotivated employees, disengaging leaders, lower profits, and extremely high attrition. While in the short-term, you might be able to replace employees with new talent, over time that becomes the organisation's reputation outside and quality talent stop approaching you.

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## 10.2 WHAT IS ORGANISATIONAL CULTURE AND ITS COMPONENTS?

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There are several factors that affect the organisational culture. An organisational culture that was formally extremely successful might become completely ineffective after a major management change. An organisational culture that doesn't add up to the current realities of time might also not be successful. An example of this would be companies that did not adapt or adjust to the pandemic and its consequences. Not providing flexibility for instance wouldn't have been the same before and after the pandemic.

If an organization's culture is going to improve the organization's overall performance, the culture must provide a strategic competitive advantage, and beliefs and values must be widely shared between all employees. One should look at a strong organisational culture as an investment and a long-term one at that, instead of looking at it as tasks or just the responsibility of the human resources team.

There are several upsides to a positive culture. One of them is a strong, united identity among employees. This helps tremendously when the companies are undergoing adversity since they look at the organisation beyond just as their workplace. Stakeholders and leaders of the organisation play a very important role in shaping the organisational culture. If the organisation advocates for certain values and beliefs and if the leadership team is visibly going against them, it wouldn't be accepted as a common value. It is important for the leaders to uphold the same values as the organisation.

### What is organizational culture?

At the core, an organization's culture is based on values derived from basic assumptions about the following:

- **Human nature.** Are people inherently good or bad, mutable or immutable, proactive or reactive?
- **The organization's relationship to its environment.** What do we do and why do we do it?

- **Appropriate emotions.** What are acceptable emotions to be expressed and what shouldn't be encouraged?
- **Efficiency.** How do measure success? What does excellence on an organisational level and an individual level? Is it in tandem with our business strategy?

There are several ways organisational culture appears within organisations - strong leadership skills, excellent transparent communications, and the way an organisation deals with conflicts are also examples of work culture. A challenge that you face with workplace culture however is that it's hard to define and express. So unless explicitly felt and introduced, employees might find it hard to connect or get a sense of the work culture. For instance, if a new joiner doesn't see others transparently expressing their concerns to their manager, they will not inculcate that as a value within.

Q- How will you define organisational culture?

### **Factors that shape an organization's culture**

There are many factors that shape the organisation's culture. These could be subjective, however, these are universally present.

### **Values**

Every organisation has a set of values and every action they take is meant to reflect that. Prioritising and deprioritising values is an important business decision. The following are all examples of values companies often exhibit:

- **Outcome orientation**
- **People orientation**
- **Team orientation**
- **Stability**
- **Innovation**
- **Agility**
- **Inclusive**
- **Compassionate**
- **Empathetic**
- **Challenging**
- **Reflecting**
- **Excellence**
- **Integrity**



While some of these may sound negative at the surface, there might be a reason why that's an organisation's value. For instance, 'challenging' could mean that employees are presented with opportunities to solve issues on a regular basis that routinely challenges their critical thinking abilities. Outcome orientation could mean that they have strong processes in place to measure outputs. Following are some examples of how organizational cultures are influenced by values.

### **Hierarchy**

Hierarchy in its core sense as well as how leaders treat their employees can be a huge factor in shaping the organisational culture. People with open-door policies and options of sharing and expressing will be more content with the hierarchy than people who have to follow a strict model of hierarchy.

### **Urgency**

While a small element, how quickly an organisation makes its decisions and adapts to reality is a big part of organisational culture. For instance, many organisations announced a downtime/break when the pandemic started to take care of employee mental health. While it's at a positive impact on the employee mindset, it also helps them represent themselves as a caring organisation to others.

### **People or task orientation**

Some organisations follow a product over process path. Some organisation believes in the product over people. Some organisations strongly standby people over everything. Their approach to words tasks and its people Will play an important role in shaping the organisational culture

### **Organisational subcultures**

Every organisation, just like any other society will be a cocktail of subcultures in addition to the main culture the organisation puts forward. This might be something as simple as a group of people sitting together during lunch and sharing stories all the way to a small group playing music on Friday evenings. While it might not be directly influenced and shaped by the organisational culture, these are all byproducts of how much freedom, space and acceptance there is within the organisation. This deepens people's understanding of the organisational culture and shows whether what they claim to have is true or not.

Q. How do values determine an organisation's culture?

### **10.2.1 What is organisational conflict?**

#### **Organisational Conflict:**

Now that we are familiar with organisational culture, let's talk about organisational conflict. Just like any other space where humans interact,

there will be conflicts in the workplace. We can describe it as a state of disagreement or misunderstanding resulting from actual or perceived dissent of needs beliefs resources or relationships within a workplace. In the workplace, there are several opportunities for conflict. Simply from the disagreement of opinions to having to share resources, and even in terms of work approach, conflicts can happen. People might also come in with completely different working styles. Some might be all about working eight hours diligently and then going back home, while others might respond better to a more distributed the day work pattern. This may all lead to workplace conflicts. Workplace conflicts are more common than we think and it's absolutely important to understand how to address these conflicts if you want to successfully manage the organisational behaviour.

One needs to look at organisational conflict from a human perspective. In its very simplified form, an organisation is just a place where humans come together, interact share their knowledge, skills, and expertise to achieve a common goal. While this group of employees may devote a certain number of hours in a week to the workplace, it's important for us to note that they are still human beings from very different walks of life. If you look at it from the current perspective, a world where most offices are remote, a world where most employees are inducted and onboarded entirely virtually, a world where the workforce is more diverse than ever, you will realise that the workplace is a more dynamic space than ever today. It is possible that you are working from a country, in your organisation, where is the rest of your teammates after completely different parts of the world. With this context, you should be able to imagine what a cocktail of attitudes, behaviours, dislikes and interests, a workplace must exhibit. So, if you look at workplace conflict as a human first problem, you will realise there is endless potential for conflict in the workplace. Each of these human beings comes with their own perception, values and norms. There might not be another unifying factor apart from the fact that they work in the same organisation between them. But they are then obligated to work together. These conflicts can happen simply because they don't get along. These conflicts can also happen because they have a completely contradicting view of the world. These conflicts can also happen because they have completely different working styles. Sometimes people in the same team often comes from completely different backgrounds. For instance, a marketing team of an organisation may have somebody who is coming from a creative agency, who has a very clear creative process but also someone from the IT sphere, who depends more on technology for their work to be productive. With these different experiences on their back, they might also approach work drastically differently. All of these factors play to workplace conflict.

### **Potential factors of organizational conflict**

1. **Unclear Responsibility** - What is the biggest reason behind the organisational conflict is a lack of clarity when it comes to the division of labour. Imagine you are working with a manager and two peers. You might all be working on a shared project with a shared outcome. When your work is highly collaborative, it's already hard to define

your contribution. You may depend on your manager for that. However, if the responsibility is not divided clearly and also equally it may lead to conflict. Especially if the project outcome is collaborative and if one person is putting in more effort than the other, it also leads to a lot of interpersonal conflicts. If this is not addressed by the manager, it may cause a conflict between the manager and the peers.

2. **Interpersonal Relationship:** Sometimes employees share interpersonal relationships that go beyond just the workplace. This could be both positive and negative. This often factors into workplace interactions. We have discussed this in detail above, in a workplace that brings together people from all kinds of walks of life, it is extremely hard for us to avoid interpersonal relationships. This interpersonal relationship irrespective of whether they are positive or negative can impact work. For instance, if two co-workers are really friendly with each other and really close, they might want to be put together in a team simply based on their interpersonal relationship. In some situations, this might be completely harmless and even a successful pairing, it might also cause someone else to feel left out. This can also lead to accusations emerging that there is a clear bias towards certain individuals. If the relationship between two co-workers is not positive, it may cause them to clash simply because they dislike the other person. This can also trigger verbal altercation, poor judgement of the other person's work and even refusal to work together.
3. **Lack of Resources:** Often workplaces employees are expected to share resources. It might be expected that they both deliver their respective goals while they have limited access to the resource. Since it affects their productivity, this leads to a tug of war. This is an extremely common phenomenon in smaller teams. Very often there will be a shared resource, potentially an intern or someone who does short-term projects. If you are presented with an opportunity to create output on the same occasion as your coworker, you can choose to end that respectively and use that as an opportunity to communicate with your boss about the scarcity of resources. But it can also end in nobody being willing to compromise and adjust. Scarcity of resources can also manifest in different ways within organisations. It often happens that a couple of resources have left the organisation and the organisation is in the process of replacing them. Very often, it takes an organisation a while to replace said source. Within that transition period, someone always steps in and takes some of the responsibilities. Now if the team is working fully smoothly, might be assumed that we might not need the same resource anymore or it might take longer for them to replace the person. However, the employee who is juggling these responsibilities might find it hard, it may even lead to burnout.
4. **Conflict of Interest:** Every individual is different, they all have their own perception. When they work together in an environment, it's

possible that they have differences of opinion and say negatively impact the project.

There are two levels of conflicts - individual and inter-individual facts. Individual related causes entail attitudes, beliefs, personality orientation and human frailties. Inter-individual conflicts arise when a manager breaches the norms of the organization.

- Relationship Conflict: resulting from the personal equation
- Task Conflict: based on the nature of work and tasks at hand
- Process Conflict: Due to working style, processes etc.

Organizational conflict can also occur as a personal conflict, that's between two people that don't like each other or within a group or between multiple groups.

### Causes of Organizational Conflict

- **Managerial Expectations:** Every employee has a set of goals they need to meet. When these aren't met, with no communication and cause, conflict happens. This is a two-way road. The manager may have a clear bar of excellence for you. When you don't meet it, the manager may feel disappointed. Similarly, if the bar of excellence is set too high for you, you may find it hard to live up to them. Which then as a result leads to a conflict between you and your manager.
- **Communication Disruption:** communication breakdown can cause workplace conflicts. Oftentimes emails are not the most effective when it comes to communicating your emotion and context. In a high-pressure organisation, everyone has their clear outputs and goals. So it becomes hard to adjust and compromise based on other people's requirements. Communication disruption can also happen if a certain employee is choosing to withhold information that could actually be useful for the given scenario. A very common example of this happening is when deadlines aren't communicated clearly, and it is expected that the product will be delivered on that timeline. Simply by communicating the deadline beforehand, you will be able to provide a clear picture of when the actual delivery date will be.
- **Misunderstanding:** Mistaking one thing for another or miscommunication can cause conflicts. In a working environment where there are too many external factors determining the fabric, it is possible for you to misunderstand somebody or for you to be misunderstood. Misunderstandings can also stem from body language, choice of words or even responses to certain social situations. A common issue with misunderstandings in the workplace is that if it is not resolved immediately, it can snowball into a much bigger issue.

- **Lack of accountability:** When there's a breakdown in actual outputs and a lack of accountability from the person responsible, there might be conflicts within the organization. This is also more likely to happen in highly collaborative organisations. If there are shared outputs and goals and if there are employees who lack accountability, it is absolutely possible that one person and stop doing the majority of the work. With a lack of accountability also comes a lack of initiative. This hinders the organisational culture as a whole. But lack of accountability is the biggest issue when it comes to taking ownership of mistakes that's been made. In the workplace it's always ideal to take ownership of a mistake that's been done so that it can be resolved quickly and be communicated to the key stakeholders however if nobody is taking accountability for the same, it can be a much larger issue.

Q. What can cause organisational conflict?

### Managing conflicts

1. Handle the conflict positively and work towards positive outcomes. This simply means that when you go into the conflict resolution space, go in with the outlook that you are in there to resolve it. While it does make sense for you to talk to all active participants beforehand, try not to go in with any kind of perceptions or judgements. Everybody who is participating in the conflict resolution conversation should have a common goal which is to positively and effectively resolve said conflict. The idea is to go back to working together as a team. Not to point fingers.
2. Create processes and formalise grievance procedures for all members. An organisation that has a solid procedure to address grievances is also a safe organisation. This formal procedure can include the human resources team as well as the relevant reporting manager. This gives the employees the security that, if there is an issue that needs to be addressed, there is a way for that to be done. This also puts conflicts on record so that in case there is a repeat offender, you will be able to identify them and figure out if there need to be further actions.
3. Identify and work on the causes rather than their impact: It is easy in conflict resolution conversation to be swayed by the impact it has created. While it must be addressed in the beginning, I think the larger purpose of the conversation needs to be looking for its causes identifying the causes through the course of the conversation can help you prevent it from happening the next day. While it might not be possible for you to prevent it completely, you will be able to observe the pattern as to how the issue comes into being. Not dwelling on the impact also releases the tension. This may also evoke empathy amongst all active participants.
4. Provide both parties unbiased opportunities: This simply means that all parties involved should be given an equal opportunity to express themselves and share their side of the story. While the story on the

surface could be anything, it is absolutely important that every party involved in the situation gets a chance to voice their concerns so that all underlying causes and issues come out. This also means the team responsible for grievance redressal to be completely unbiased.

5. Ensure active participation from all parties. It should be the responsibility of the person hosting the space that everybody who is participating is sharing and engaging equally. If one or more parties are choosing to stay silent or do not want to express themselves, you may want to break for a bit and regroup later.

### **10.2.2 How do you manage the stress and conflict at the workplace?**

#### **What is Stress?**

Stress is a word that we use extremely commonly. There are several emotions one goes through at a workplace. Stress is one of them. It's a very subjective experience. The same situation with the same amount of pressure can cause completely different levels of stress in two people.

It is a dynamic condition, and it exists when an individual is confronted with an opportunity, constraint or demand related to what he or she desires, and for which the outcome is perceived to be both uncertain and important.

Stress isn't always a bad thing. While too much of it can cause harm, at controlled levels it can be a great motivator. There are employees who find new challenges exciting, while some find unknown projects stressful.

### **10.2.3 Best practices to deal with organisational conflicts**

#### **Organizational Factors of Stress**

There are several factors that can trigger stress amongst employees:

- **Task or role demands** The magnitude of a task and the number of tasks one has can all be triggers of stress
- **Interpersonal demands:** co-workers and the social experience of being in the workplace can cause stress
- **Organizational structure:** if employees aren't provided with an active opportunity to share how they are feeling or even contribute to their projects, it may cause stress. A deep investment in hierarchy that limits the employee's rights, it may trigger stress
- **Organizational leadership:** leadership practices and interactions can be a big trigger of stress
- **Organizational life stage:** Sometimes organisations can undergo changes too -startups can be in stealth mode. They can go out with an IPO, they may reorganise the organisations - ambiguity and uncertainty around these changes can cause stress among employees

As an individual, you can manage stress by:



1. Seeking help from an expert who has experience in stress management
2. Reaching out to HR especially if it's affecting your work and outputs
3. Cutting down on priorities and focusing on certain areas.

As an organisational behaviour expert, you may

- Encourage your team to participate in stress-management webinars, wellness tips or programs. Don't just ask, do them yourself and walk the talk. Lead by example.
- Encourage work-life balance. Respond positively to someone asking for a leave
- Keep open doors of communication, ensure you are creating a safe space
- Keep creative and project decisions as democratic as you can.

On most occasions, what leads to organisational stress is ambiguity and uncertainty. It makes people vulnerable and exposed. It's an organisation's responsibility to remedy this situation. If you are able to offer clarity to your employees around things that may evoke fear or anxiety, it would help. Similarly, not forgetting the fact we are dealing with different individuals on an everyday basis and ensuring there are processes and policies in place to safeguard them can be a good practice too.

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#### **10.4 LET'S SUM IT UP:**

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An organisation's culture is created by the values of the organisation. When two factors collide within this framework, conflicts happen. Similar factors can also lead to organisational stress. There are several practices an organisation can follow to resolve both.

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#### **10.5 QUESTIONS:**

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1. What's organisational culture and what creates it?
2. What are the factors that contribute to organisational conflict?
3. How can you resolve organisational conflict?
4. How can you manage stress as an organisation?

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## ORGANIZATION CHANGE AND DEVELOPMENT

### Unit Structure

- 11.0 Objective
- 11.1 Introduction
- 11.2 Forces of Change
- 11.3 Lewin's Model
- 11.4 Overcoming Resistance to Change
- 11.5 Targets of Change
- 11.6 Strategies of Change
- 11.7 Building Effective Organisation
- 11.8 Elements of An Effective Organization
- 11.9 Question
- 11.10 References

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### 11.0 OBJECTIVE

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- discuss different forces which initiate change;
- analyse different models of change process;
- examine the process of resistance to change;
- describe the ways of overcoming the resistance to change;
- discuss the concept of the management of change;
- identify the targets of change;
- explain the strategies of change; and
- discuss how to build an effective organisation

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### 11.1 INTRODUCTION

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Change can be described as the replacement of something with something new. Change generates new chances, obstacles, and also difficulties. Change is inevitable in an individual's or organization's lifetime. Organizational change refers to the implementation of new production

processes, the creation of new products, the reorganisation of an organisation, the adoption of information technology, the transition from public to private ownership or vice versa, etc. Organizations that learn and adapt to change will grow, but those that do not will perish.

Modern businesses must be able to compete on a global scale. Additional technical advancements resulted in modifications to the techniques of manufacturing goods and services. All of these changes render organisational life inescapable, ubiquitous, and enduring. In this Unit, you will study the forces and process of change, as well as the resistance to change and how to overcome it. You will learn more about change management, change objectives, and change tactics. You will understand how to construct an effective organisation.

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## 11.2 FORCES OF CHANGE

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Today's organisations work in a highly dynamic and ever-changing environment. Periodically, they must make adjustments in order to remain competitive, improve customer service, keep up with technological advancements, and preserve or increase earnings.

All forces that initiate change can be roughly categorised as either Internal Forces or External Forces. Let us study about them in depth.

### Internal Pressures

- i) **Change in Leadership:** A change in an organization's leadership may affect perceptions, strategies, actions, and outcomes.
- ii) **Change in Employee Profile:** Some changes in an employee's profile are inevitable due to death, retirement, transfer, promotion, or discharge. The employment of women is on the rise.

Further, in the context of contemporary globalisation, employees from many national and cultural backgrounds are hired. Human Resource policies and processes must be reoriented to accommodate the workforce's diversity.

- iii) **Changes in leadership,** rules, and practises may have an impact on the morale and motivation of employees, leading to a decline in productivity, production, and profits.
- iv) **Union Impact:** Despite the implementation of liberalisation policies by many governments, the influence of the union on many organisations with regard to recruiting, service conditions, wage rates, etc. is still noticeable. In response to the union's requests, management will be required to make the necessary adjustments.
- v) **Implementation of New Technology** Technological advancements result in employment, production, and employee profile changes. More computers, automation, and reengineering programmes lead to significant changes in the majority of organisations. The Internet has

a significant impact on the marketplaces of numerous businesses. Biotechnology is another industry in which a huge number of items are anticipated to be developed.

## External Forces

- i) **Competition:** International competition has emerged. The trend of mergers and acquisitions has been on the rise. In response to the demands of the opposition, businesses must make the necessary adjustments. They should gain the capability of rapidly inventing and marketing new items. Faced with these competitive difficulties, short manufacturing runs and short product cycles facilitated by similarly adaptable and responsive systems will be required.
- ii) **Economic Volatility:** The fluctuations in securities markets, interest rates, and exchange rates, among others, have continued to force organisations to adapt.
- iii) **Social Trends:** Increasing college enrolment, delayed marriages among young couples, the economic empowerment of women and disadvantaged populations, etc., suggest changes that organisation must consider.

All of these factors contribute to changes in demand for products utilised by these groups.

- iv) **Global Politics:** The fall of the Soviet Union, the reunification of Germany, the policies of the W.T.O., the U.S. invasion on Afghanistan and Iraq, etc., have an effect on the business of various organisations whose activities are tied to such events.

Forces	Examples
<b>External Forces</b>	
New technological development	<input type="checkbox"/> Development of bio-technology IT revolution
Changes in government policies	<input type="checkbox"/> Liberalisation Privatisation
Competition	<input type="checkbox"/> Global competition Mergers and acquisitions
Economic markets	<input type="checkbox"/> fluctuations Interest rate fluctuations in security Exchange rate fluctuations
Social trends	<input type="checkbox"/> Increase in educated class <input type="checkbox"/> Economic upliftment of women and reserved communities <input type="checkbox"/> Delayed marriage

Global politics	<input type="checkbox"/> World Trade Organisation <input type="checkbox"/> Collapse of Soviet Union <input type="checkbox"/> Reunification of Germany <input type="checkbox"/> US attack on Afghanistan and Iraq
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Internal Forces	
Change in leadership	Democratic leadership
Changes in employee profile	<input type="checkbox"/> Increase in women employment Recruitment from different national and cultural backgrounds
Changes in employee morale and motivation	<input type="checkbox"/> Effect of changes in leadership
Implementation of new technology	<input type="checkbox"/> Computerization of production process <input type="checkbox"/> Business process re-engineering
Union influences	<input type="checkbox"/> Union demands include: recruitment, service conditions, wage rates etc.

The process of change

A good transition process consists of three steps:

- recognising the need for change,
- cultivating a new behaviour or alternative, and
- becoming accustomed to the new environment.

Let us now analyse two prevalent change process models. The first is the three-step model of Lewin. which is elaborated on below.

### 11.3 LEWIN'S MODEL

The change process, according to Kurt Lewin, consists of three steps:

- i) Unfreezing the status quo,
- ii) ii) Moving to a new stage, and

iii) iii) Refreezing the new change to make it permanent.

Unfreezing is the process of convincing individuals of the necessity for change. Environmental factors, diminishing performance, the identification of a problem, or the availability of a superior method of doing things may hasten the process of unfreezing. While the forces of change should be supported, the forces of opposition should be resisted. Changes introduced without experiencing this process of unfreezing are doomed to fail owing to employee ignorance and opposition.

The second stage is transitional or mobile. This requires taking action to modify a situation through modifying the organization's people, tasks, structure, and technology.

The final phase of the change process is refreezing, which entails making the newly implemented tasks, technology, and relationships relatively permanent. Thus, the implemented adjustments are strengthened and stabilised. If this stage of refreezing is skipped, the introduced changes are likely to be abandoned or only partially implemented.

### **Continuous Process Model**

The Lewin model is quite easy and uncomplicated. However, it does not address some crucial difficulties. Consequently, the second model of change process continuous change process model has emerged. This methodology approaches transformation from the standpoint of the executive suite. In this method, top management recognises that some factors or trends need change and refers the matter to the organization's standard problem-solving and decision-making procedure. After a change, the top management determines the objectives to be reached. Alternatives for change are also studied and analysed, and the most suitable one is chosen.

The senior management may seek the support of a change agent, a member of the organisation or an outsider tasked for directing the change effort. While an internal change agent is likely to be very familiar with the organisation, its people, its duties, and its political climate, an outsider is more likely to examine the situation objectively. According to the direction and administration of the change agent, the organisation employs Lewin's model to achieve the change.

Measurement, assessment, and control are the last steps in this model. By assessing numerous organisational productivities or employee morale indicators, the top management determines the efficacy of the transformation process using this procedure.

Even minor changes require time for employees to adapt Employees may take significantly more time and effort to adapt to complex changes. Transition management is the process of planning, organising, and implementing change in a methodical manner. Once the transition begins, the organisation is neither in its previous nor its future state. However, the

businesses must continue to operate. Transition management ensures corporate continuity during a period of change.

To coordinate organisational actions with the change agent, the members of the regular management team adopt the position of transitional managers. Communication of the change is a crucial aspect of change management.

### **Resistance to Change**

Change resistance is an attitude or behaviour indicating disapproval of a certain change.

This resistance must be overcome for change to be successful. Occasionally, opposition to change acts as a signal to reevaluate the suggested modification. Thus, opposition to change can also be utilised to the organization's advantage.

The essence of a constructive approach to resistance is to analyse stated objections, make appropriate modifications, and educate staff about the intended change. Resistance can be explicit, covert, immediate, and varied. When resistance is overt and urgent, management can take immediate corrective measures to address it. Implicit resistance may result in loss of loyalty, loss of motivation, an increase in errors, a rise in absenteeism, and other negative outcomes. Over time, opposition that differs in kind poses a challenge to management, particularly when large resources have already been spent in implementing the change.

Organizations and individuals alike are capable of introducing resistance to change.

We will now investigate the many organisational and individual sources of resistance.

### **Organisational Resistance**

Six significant organisational resistance sources have been identified.

- i) **Structural Inertia:** Every organisation has built-in stability-maintaining procedures or systems. It may include teaching and other socialised approaches, as well as formulation procedures. The individuals are recruited, trained, and moulded to exhibit specific behaviours. When suggested changes are made to any of these processes and procedures, the current employees may reject them.
- ii) **Limited Change Focus** Organizations are composed of interrelated subsystems. We cannot alter one without influencing the other. If management wants to change the technological process without also changing the organisational structure, it is unlikely that the change in technology will be accepted.
- iii) **Group Inertia:** Even when individuals desire to modify their behaviour, group norms may operate as a barrier.



- iv) **Harm to Expertise:** A change in the organisation may pose a threat to the specialised expertise built over time by individuals and organisations. Therefore, they will likely oppose the reform.
- v) **Threat to Established Power Relationships:** Any transfer of decision-making authority might threaten an individual's power connection with others, resulting in animosity.
- vi) **Resource Allocation:** Controlling groups of an organisation frequently contemplate reform

### Individual Resistance

Individual resistance can be linked back to fundamental human qualities such as perceptions, personalities, and needs. The following are the six causes of individual change resistance:

- i) **Habit:** Humans tend to perform their daily tasks in the same manner. When new steps are added to a task, employees perceive that the task has grown more complex. Therefore, they fight this shift.
- ii) **Security:** Individuals with a high desire for work security are inclined to reject a change that threatens their sense of safety. The introduction of new technical developments within an organisation may cause people to fear for their careers.
- iii) **Economic Factors:** Employees may fear that the proposed modifications will result in a reduction in their monthly salary.  
Therefore, they oppose these reforms.
- iv) **Fear of the Unknown:** When the change is proposed, a known scenario is intended to be replaced by one that is unclear and unpredictable, which the employees may dislike. They develop a negative attitude towards the proposed change as a result.
- v) **Lack of Awareness:** People may be unaware of the benefits of the proposed changes; as a result, they may resist them out of ignorance.
- vi) **Social Factors:** An employee may oppose change due to the influence of the organisation or union to which he or she belongs. They may believe that if these modifications are accepted, they will be ridiculed by their co-workers or union leaders.

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## 11.4 OVERCOMING RESISTANCE TO CHANGE

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When there is resistance to change, management must take the necessary measures to overcome it. The following six strategies have been proposed for overcoming opposition to change:

- i) **Education and Communication:** Education and communication is the initial strategy for overcoming opposition. Under this strategy, employees are informed about the change prior to its implementation.

This helps people comprehend the rationale behind the shift and its advantages. When opposition is based on false or partial information, this is the best approach.

- ii) **Participation and Involvement:** By asking affected employees to engage in its decision-making process, resistance to change can be greatly decreased. They view it as their own proposal, and so support its adoption.
- iii) **Facilitation and Support:** This entails offering emotional, educational, and monetary support to employees undergoing the challenges of transition.
- iv) **Negotiation and Incentives:** This strategy allows for negotiation with affected personnel and provides incentives to encourage their acceptance of the change.
- v) **Manipulation and Co-optation:** This technique consists of attempting to influence personnel and, more specifically, opinion leaders by the provision of special perks, more appealing information, or the suppression of unfavourable information.
- vi) **Coercion:** The use of direct threats or physical force against the resisters. The threats could include transfer, loss of promotion, layoff, etc.

### Managing Change

We conclude by analysing the factors that influence the successful management of organisational change. The six criteria listed below must be considered in this context:

- i) **Environmental Influences:** The environment plays a significant role in the introduction of organisational transformation. The environmental requirements must be taken into account prior to implementing the change. Local, regional, national, and international expansion of an organization's operations increases the environmental complications. Acceptance of change varies greatly from location to location and culture to culture. Furthermore, the approaches required for managing change vary from country to country.
- ii) **Comprehensive Picture of the Organization:** When suggesting change, managers must always have a comprehensive view of the organisation. An incomplete perspective can negatively impact the change endeavour.
- iii) **Support of Top Management:** The success of any change initiative is contingent upon the support of top management to a significant degree. Local and regional managers' change recommendations may be contested with the top management. Therefore, problems may occur and the local/regional management may fail to implement the change if the top management is not notified in advance and their support is not guaranteed.

- iv) **Employees or their representatives** may be invited to join in talks regarding the proposed change. If they are involved in designing the change, they are more inclined to work with management during its implementation.
- v) **Open Communication:** Open communication between management and staff is a crucial aspect of change management. Change-related initiatives are likely to fail if employees are not provided with accurate information via an open communication system.
- vi) **Incentives and Rewards:** Employees responsible for the effective implementation of the change should be acknowledged and rewarded accordingly. Sometimes employees who favour a change from the start are given less weight than those who oppose it from the start and throughout. Employees who actively support the change and assist others in adjusting to it merit particular acknowledgment in the form of a news release, special consideration in performance evaluation, a salary raise or promotion, etc. Consider Table 18.3, which outlines the factors and effects of change management.

Managing Change	
Key	Impact
Environmental influences	A major factor influencing the change
Whole view of organisation	Comprehensive effect on the Organisation
Support of top management	Minimises the problems while implementing the change
Employee's participation	Cooperate with the implementation of change
Open communication	Minimises misapprehensions
Incentives and rewards	Encourages employees to cooperate with management

## 11.5 TARGETS OF CHANGE

Typically, the alteration is made to enhance the performance of one or more of the following four elements:

- i) **Human Resources:** Human Resources are an organization's most valuable asset. A company's competencies and overall success are contingent on the number and calibre of its personnel. Therefore, organisations will need to identify the most effective means of stimulating human capital. In this context, the efforts include: •

Additional investment in training and development activities to enable employees to acquire new skills and abilities; • Integration of employees into the organisational culture; • Modification of organisational norms and values to motivate a multicultural and diverse workforce; and • Implementation of promotion reward systems applicable to a diverse workforce.

- ii) **Functional Resources:** Each organisational function must create environmental management methods. As the environment shifts, organisations frequently reallocate resources to the functions where the most value may be created. By altering its structure, culture, and technology, an organisation can increase its value.
- iii) **Technological Capabilities:** Technological capabilities offer a fantastic opportunity to adapt in order to capitalise on market opportunities. This will aid the company in generating new items, enhancing existing products, and enhancing the production process.
- iv) **Organizational Capabilities:** The design of an organization's structure and culture allows it to leverage its people and functional resources to capitalise on technological opportunities. By modifying the interactions between persons and functions, their abilities can be enhanced.

Therefore, the suggested modification should attempt to enhance the performance of human resources, functional resources, technology capabilities, or organisational skills.

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## 11.6 STRATEGIES OF CHANGE

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For the proposed modifications to yield the best outcomes, it is necessary to employ an effective implementation approach. The transformation strategies can be divided into two categories:

- i) **Evolutionary** - slow, incremental, and targeted
- ii) **Revolutionary** – which is abrupt, radical, and enterprise-wide

Managers that opt for an evolutionary strategy make gradual modifications to the organisational strategy and structure. Managers who pick revolutionary strategies, on the other hand, radically alter the organisational strategy and structure. Instead of making adjustments one at a time, they wait until they are absolutely necessary and then make them all at once.

Revolutionary change, often known as top-down change, necessitates intervention from the highest management. This implies significant upheaval and uncertainty. This strategy is recommended because it is the only option for an organisation to overcome the inertia that hinders reorganisation efforts.

In contrast to revolutionary change, evolutionary transformation is contingent upon a bottom-up change method. All employees may

participate in the decision-making process and execution of the change, which is implemented in stages. In addition to directing the actions and ensuring that they are consistent with the corporation's overarching goals, the top management guides the actions. However, this technique demands a lengthier implementation period than bottom-up change.

The evolutionary change promotes organisational learning and enables the organisation to adapt to an ever-changing environment. The revolutionary strategy can be implemented using one of the three basic methods:

- i) **Re-engineering** involves rethinking and redesigning business processes to boost organisational effectiveness. The focus will be on business processes, as opposed to organisational activities.
- ii) **Restructuring** is the second type of revolutionary transformation. There are two fundamental steps to reorganisation:
  - By reducing divisions or departments, a business decreases its amount of differentiation and integration.
  - An organisation reduces its workforce to reduce operating expenses.
  - Relationship changes between divisions or functions are commonplace in restructuring.
- iii) **Innovation**: Innovation is the process by which organisations use their expertise and resources to generate new products and services, as well as new production and operating systems. The goal is to address the needs of clients as effectively as possible. Innovation carries a high degree of risk, as the outcomes of research and development activities are frequently unclear.

The second type of change tactics is based on the methods typically employed to encourage employee acceptance of change. These techniques include:

- i) **Force Coercion Technique**: In this strategy, incentives or punishments are used to convince or coerce personnel to accept the change. As long as the rewards or penalties are effective, this technique will continue to produce results.
- ii) **Reasoned Persuasion Technique**: This strategy attempts to persuade employees to accept the change by employing specialised expertise, empirical evidence, or rational reasoning.

This method is also known as the empirical-rational method. This method results in a longer and more internalised acceptance than the force coercion strategy when it is successful.

- iii) **Shared Power Strategy**: This strategy entails inviting employees to participate in change-related decision-making. This strategy

is also known as the normative re-educative approach, which aims to provide support and direction for change through participation and empowerment. This method is durable and incorporates change.

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## 11.7 BUILDING EFFECTIVE ORGANISATION

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An effective organisation is one that employs its resources in a manner that maximises its capacity to create value. In other words, a company is efficient if it can:

- Solicit rare and valuable skills and resources from external sources. (Extensive resource efficiency).
- Creatively coordinate resources with the talents of personnel in order to innovate products and adapt to shifting client needs. (Internal system performance)
- Effectively transform abilities and assets into final products and services (technical effectiveness).

Let us now examine these three efficacies in depth.

- i) Effectiveness of External Resources:** The organization's command over the external environment. The ability of an organisation to influence the perceptions of its stakeholders and to earn a good appraisal from external stakeholders is crucial to its existence. The effectiveness of an organization's control over the environment is measured using measures such as stock price, profitability, return on investment, etc., by which shareholders can determine how well management is regulating the organization's environment.
- ii) Internal System Effectiveness:** An organization's effectiveness also depends on how well its internal systems perform. It should have a structure and culture that facilitate adaptability and rapid reactions to changing environmental situations. The organisation should be adaptable in order to expedite decision-making and create producing services swiftly. Coordination and motivation of personnel will have a direct effect on an organization's ability to respond to its surroundings.
- iii) Technical Effectiveness:** This refers to an organization's ability to effectively turn its talents and resources into finished goods and services. Productivity and efficiency are utilised to evaluate technical effectiveness. Technical effectiveness is exemplified by an increase in production without an increase in cost or a reduction in unit cost. Productivity evaluates an organization's production processes' performance. The attitude and motivation of employees, as well as their willingness to cooperate, also have a significant impact on production and efficiency.

A company may be effective in one area but ineffective in others. The entire efficiency of an organisation is contingent upon the efficacy of all three components: external resources, internal processes, and technical issues. Managers must develop their effectiveness in all three of these responsibilities. Ineffectiveness of the organisation will result from failure in any of these areas.

## 11.8 ELEMENTS OF AN EFFECTIVE ORGANIZATION

The following aspects should be addressed while constructing an effective organisation:

- i) **Training in sensitivity** is a way for altering behaviour through unstructured group interaction. Employees are brought together in a free and open setting. They discourse amongst themselves, thereby gaining knowledge through service and participation.
- ii) This **strategy** consists of utilising questionnaires to detect disparities in members' opinions, facilitating a conversation among members on their perceptions, and providing solutions.
- iii) **Process Consultation**: In this approach, an external consultant assists the organisation in perceiving, comprehending, and acting upon process events. This enables management to take corrective measures to rectify the situation.
- iv) **Team Building**: Modern organisations rely more and more on teams to complete tasks. Team building is the process of fostering trust and openness among members of a team via the use of group activities characterised by high levels of contact.
- v) The goal is to boost the efforts of team members, which will lead to enhanced team performance.
- vi) **Intergroup Development** is a technique designed to alter the attitudes and perceptions of several groups toward one another. Each group meets alone to compile a list of its own and other groups' perceptions. The groups then share their lists before discussing similarities and differences. Thus, an effort is made to reconcile the discrepancies and achieve integration. Thus, the relationships between the groups are strengthened.
- vii) **Innovation**: Innovation is the application of a novel concept to the creation or improvement of a product, process, or service. The organisation's effectiveness is heavily dependent on its innovativeness. Innovativeness can be fostered in all management functional areas.
- viii) **Developing a Learning Organization**: A learning organisation is one that has created an ongoing capacity for adaptation and change. Just as individuals learn, so do organisations. A company can be continuously learning by:



- Establishing a change, innovation, and continuous improvement plan;
- Redesigning the organization's structure in order to support the continuous learning of all departments and employees; altering the organization's culture to accommodate continuous learning.

Change in an organisation refers to the replacement of an existing system with a new system. It may result in opportunities, difficulties, and problems. Both internal and external forces influence an organization's transition process. A effective transition process consists of three steps: recognising the need for change, cultivating new behaviour, and becoming accustomed to the new circumstance. Lewin's model and the Continuous process model describe the change process.

As an organisation introduces a change, it may encounter resistance from the organization's members.

Individual and organisational resistance to the change is possible. Through education and communication, participation and involvement, facilitation and support, negotiation and incentives, manipulation and cooptation, and coercion, an organisation can overcome opposition to change.

The process of transformation must be managed with care and in a systematic manner. For this goal, it is necessary to consider the factors that affect the successful management of organisational change. Human resource functional resources, technical skills, and organisational capacities are the primary transformation objectives.

A suitable plan for executing the change should take both evolutionary and revolutionary developments into account. Utilizing one's resources to create the greatest value necessitates an efficient organisation. To achieve this, the organisation should prioritise external resource effectiveness, internal system effectiveness, and technical effectiveness. Consider the following factors when constructing an effective organisation: sensitivity training, survey feedback, process consulting, team building, intergroup development, innovation, and the establishment of a learning organisation.

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### 11.9 QUESTION:

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- 1) What are the major forces and resistance to change? How does organisations should manage the change process?
- 2) What is organisational change? Discuss the forces influencing the organisational change?
- 3) Explain in detail the external and internal forces of organisational change. Which one do you think is more prominent?
- 4) How do evolutionary change and revolutionary change differ, under what conditions managers choose one approach or the other?



- 5) What suggestions do you offer for managing organisational change successfully?
- 6) What are the important elements to be targeted for change in an industrial organisation?
- 7) How does Lewin's three-step model explain the process of change?
- 8) What are the steps to be initiated for building an effective organisation? Discuss with examples.
- 9) What is meant by effective organisation? Explain the factors influencing the effectiveness of an organisation?

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## DESIGNING WORK AND JOBS

### Unit Structure

#### 12.0 Objective

#### 12.1 Introduction

#### 12.2 Purpose of Job Analysis

#### 12.3 Outcome of Job Analysis

#### 12.4 Aspects of Job Analysis

#### 12.5 Methods to Obtain Data for Job Analysis

#### 12.6 Limitations of Job Analysis

#### 12.7 Job Specification

#### 12.8 Job Design

#### 12.9 Job Enlargement and Job Enrichment

#### 12.10 Importance of Job Expansion and Improvement

#### 12.11 Architecture of the Formal Organisation

#### 12.12 Question

#### 12.13 References

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### 12.0 OBJECTIVE

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- Understand the meaning and process of job analysis;
- Explicate Job description, specification and design process; and
- Understand methodologies with respect to previously mentioned processes.

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### 12.1 INTRODUCTION

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A job is a collection of activities, duties, and responsibilities that, when taken together, constitute an employee's established assignment. Work analysis is the process of gathering thorough information about a job by observation and study, with the goal of identifying the tasks and abilities, knowledge, and skills required to do it.

Employment analysis is the process of discovering and carefully noting facts pertaining to each job. (Yoder. 1969) Job analysis is also known as

Job Study, which suggests the thoroughness with which activities, processes, responsibilities, and human needs are investigated (Yoder, 1969). Understanding the nature and all needs, both content-related and behavioural, of a work is vital for writing job descriptions and designing jobs. Wendell French (1997) describes job analysis as the methodical research and characterization of job content, including the physical conditions under which a certain job is performed and the qualifications required to fulfil job tasks.

- What activities are performed and the prerequisites for executing them, including the required skills, machines, tools, and equipment;
- Patterns of interaction (formal or informal); physical and social working environment supplied; and
- The training, skills, and abilities required for a job.

Although the vocabulary and specifications used for job analysis differ from job to job, the majority of jobs share comparable categories, allowing the development of job analysis methods. The data is used to determine the requirements for a worker at a certain level. Job analysis is also known as task analysis or skills assessment.

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## 12.2 PURPOSE OF JOB ANALYSIS

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For optimal organisational performance, it is required to have qualified individuals performing a task, which necessitates a comprehensive understanding of the job in order to set work standards and prescriptions. All physical, mental, and behavioural requirements must be specified to reach the targeted level of job performance. Individual and organisational excellence are both promoted by job analysis since individuals are aware of their accomplishment goals in advance and their performance can be judged accordingly. Job analysis is a procedure that specifies the requirements for successful job performance, rather than just the bare minimum. The employee is aware of the desired quantity and quality and makes any necessary modifications.

The process comprises a thorough examination of a job, during which 'work-related' information is processed and documented, and the required method and processes for doing a certain task and related activities are established. It is the process of describing all "performance pieces" (tasks) that comprise a job. Utilizing research instruments such as questionnaires, direct observation of performance, and interviews with incumbents and supervisors, analysis is conducted.

The purpose of a job analysis is to determine what is really done on a work as opposed to what should be done. Therefore, if a worker is found to be performing non-described tasks, they will still be included in his job analysis until they can be eliminated immediately.

In a job analysis programme, information is gathered on a variety of topics, including the following:

1. Positions
2. Title alternatives
3. Activities undertaken
4. Employed material equipment and tools
5. Duration of each activity
6. Rest and recreation time
7. Reporting and documentation duties
8. Relationship to other occupations
9. Educational (general, technical, and work-related) prerequisites
10. Required experience (kind and length)
11. Physical competence requirements
12. Mental effort required
13. Visual attention necessary
14. Responsibility (in terms of typical damage, monetary value, and normal repercussions) for equipment, tools, materials, and records (in terms of typical damage, monetary value, and normal consequences).
15. Difficulties
16. Hazards (in terms of typical injury and preventive measures taken)
17. Received close or general supervision
18. Supervision (close or general) is in effect
19. Other information (e.g., number of persons employed)
20. Accounting
21. Client interactions

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## 12.3 OUTCOME OF JOB ANALYSIS

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A well-designed job analysis programme does not guarantee a problem-free people operation, but it goes a long way toward preventing a number of issues. A high-quality job analysis application is useful for offering essential solutions in the event of challenges.

Dale Yoder (1969) provides the following summary of the purposes of job analysis:

1. Organisation and integration of the entire workforce within the context of organisational planning

2. Selection, recruitment, and placement
  3. Transfer and advancement
  4. Training programmes
  5. Compensation administration
  6. Settlement of disputes
  7. Enhancing working conditions
  8. establishing product specifications
  9. Enhancement of staff productivity through simplicity of work and enhancement of methods maximising the usefulness of staff
- Additionally, it assists in identifying job linkages for efficient operation.

Job analysis assures that employment procedures, such as recruitment, training, performance evaluation, compensation administration, placement, and promotion, are "job-related." Job descriptions and specifications are used in advertisements and interviews to ensure the proper selection of candidates. On the basis of the requirements outlined in the job analysis, written exams are devised to evaluate an applicant's qualifications.

Job analysis is useful for the development of training courses. The development of training content is based on a "needs assessment" conducted through work analysis. The duration of a training programme and the choice of methodology are also determined based on the requirements articulated in a job analysis (whether group or individualised, generalised or specialised); each level, subgroup, or individual (depending on the organisation) is treated as a unique case.

Job analysis is used to "measure" the effectiveness of training programmes by comparing pre- and post-training settings to evaluate measurable outcomes. This is especially important for determining the cost effectiveness (in the sense of a cost-benefit analysis or CBA) of a training programme and the time spent on a module versus the output or benefit procured, as well as determining the equipment to be used to deliver training (in accordance with the requirements specified in the job analysis) and developing an appropriate methodology (formal, on-the-job, lectures, T-group, simulation depending on the specific case).

For a better grasp of the notion, it would be necessary to define key associated terminology.

In contrast to task and skills analysis, which are subdivisions of the entire job, job analysis typically refers to the entirety of a person's job responsibilities.

A job is a collection of tasks, obligations, and responsibilities that, when taken together, constitute an employee's established assignment at a certain position.

Job description is a formal, written explanation of a specific job, typically including the job title, tasks, relationship with other jobs, physical and mental skills required, duties, responsibilities, and working conditions; a part of the job evaluation process in which the nature of the work is evaluated in relation to other jobs, working conditions, the degree of responsibility required, etc.

Most commonly, job evaluation is used to arrive at a rational system of wage differentials between jobs or work classes. A system that creates a hierarchy of employment based on characteristics such as skill level, amount of responsibility, level of experience, time and effort expended, etc.

The job description specifies the required abilities, knowledge of the job, behavioural and mental traits, as well as the necessary skills and knowledge.

Therefore, a job specification is a statement of the required education, experience, and personal and physical attributes for a position.

Job classification is the cataloguing of jobs based on an examination of the requirements of each position. It is accomplished with the use of information obtained through the job analysis procedure. {Yoder, 1969}

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## 12.4 ASPECTS OF JOB ANALYSIS

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The following aspects of job analysis are highlighted:

The 'whole' (task) is broken down into constituent factors, (components, and aspects), down to minute details (according to the desired level of specificity in each situation).

It involves analysing the position, not the employee. It describes work processes in detail, in accordance with scientific management principles, including physical demands at work (kneeling, crawling), physical conditions of work (lighting, ventilation, automation, etc.), as well as human relations and behaviour, addressing the crucial area of social work conditions and human behaviour at work.

As per the standard paradigm of administrative theory, job analysis establishes the structural-functional demarcation of an organisation. It contextualises a position by highlighting broad responsibilities, defining roles, delineating scope, authority, and responsibility at each level, specifying critical tasks involved, identifying result areas, establishing reporting relationships, stating behavioural expectations and formal/informal stipulations of teamwork, communication, coordination, supervision, etc. It is therefore a formal instrument for making organisational processes dynamic.

In accordance with the systems paradigm of organisational theory, job analysis responds to the crucial utilitarian need of maximising organisational efficiency by maximising individual potential. Organisational performance is optimised by matching personnel capabilities to requirements at each level, evaluating performance in

accordance with specific requirements, providing specific training based on a needs assessment, and implementing a recruitment policy based on data collected from the job description and specification (from job analysis).

According to the situational or contingency approach, policy changes are made in reaction to shifting requirements, which can be easily implemented through work design updates. Changes are also accounted for economically, via cost accounting, as well as in terms of procedural reform (Organisation and Methods, O&M).

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## 12.5 METHODS TO OBTAIN DATA FOR JOB ANALYSIS

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There are seven ways to acquire data. The following are:

### I. Consultation and Questionnaire

The term "interview" refers to a two-person conversation initiated by the interviewer for the purpose of acquiring information on the topic, with the conversation's substance determined by the research aims of systematic description, prediction, or explanation. (1961, Moser and Kalton)

There are two sorts of interviews: formal and informal. Formal interviewing consists of asking predetermined questions and recording responses on a prescribed form. In contrast, informal interviews are not recorded. It more closely resembles a casual discussion. Interviews may consist of incumbent or supervisor interviews.

The success of a survey is contingent on the questionnaire. The design of a questionnaire is of paramount importance for any survey-based research programme. In the formulation of questions, topic matter, sequence, structure, etc., care must be made. It is crucial to avoid unclear, confusing, or presumptuous questions. There are either "pre-coded" or "open" questions. In the case of pre-coded questions, the respondent is provided with a restricted number of possible responses from which to choose, and the questions are categorised according to the proper code category. In open-ended inquiries, the respondent is allowed to choose the format, form, duration, etc. of his response.

Structured questionnaires are used to collect work-related information from incumbents that may not typically be included in the toolkits of job analysis professionals employed for the exercise. Responses aid in covering minute task aspects.

Open-ended questionnaires: Such questionnaires allow incumbents to report on the job in whatever manner they see most convenient. Responses aid development of work design

The interviewer may use the questionnaire in person, by mail, or via electronic mail. The design of a mailed questionnaire should be intuitive so that the respondent may complete it without difficulty.

There is no possibility for the interviewer to explain or supplement arguments with observational data in a mailed questionnaire. Therefore, it must be an independent document. Additionally, a questionnaire should be tested prior to usage.

## **II. Observation and Data Collection**

Observation and data collecting are essential to scientific inquiries. According to a widely accepted belief, science begins with observation and returns to it for validation.

The definition of science is "the systematic and purposeful examination of spontaneous happenings as they occur"

In the following ways, observation serves the investigator's objectives:

- a) It allows the observer to obtain insight into the actual phenomenon, which can then be tested with various methods;
- b) Observation can be used to complement data that aids in the interpretation of results produced by other methods;
- c) It can also be employed as the principal method of data gathering in research to acquire accurate first-hand information or to test speculative hypotheses.
- d) Observation is used to notice major interconnected aspects that determine complicated social phenomena, culture, or behaviour; and
- e) It paints an accurate and lucid image of the given circumstance. As opposed to the interview method, one does not have to rely heavily on the cooperation of participants.

## **III. Participation**

In this strategy, the job analyst performs the work himself to gain first-hand experience. Thus, he is able to determine the characteristics of the position under consideration. This method is good for examining simple tasks, however in the case of complex tasks, analyst training may be required, which may not be practical. Additionally, the process might be time-consuming and costly.

## **IV. Technical Meeting**

This strategy collects information on the position from experts, typically supervisors, as opposed to real job holders. Due to the fact that experts do not undertake the task themselves and supervise it in a disinterested manner, there is a significant drawback in that they often demonstrate a lack of expertise. They may provide responses based on previous experience or abstract perception.



## V. Self-Recorded or Dairy

In this system, the incumbent is required to record his daily actions in a logbook or diary each day. The method is excellent for systematically gathering information about a job, notably the amount of time spent on daily activities. It may be time-consuming, and incumbents have been heard to grumble that they spend more time writing diaries than performing their actual duties. This strategy is very beneficial for researching managerial positions at the highest levels.

## VI. The Position Analysis Questionnaire, Section VI (PAQ)

It consists of 194 (as of the most recent count) job components. The human resource manager assigns a score to a position based on 194 'descriptors' by evaluating the degree to which each one is present. These numbers are organised into six groups. The PAQ has undergone extensive research and permits statistical comparisons of job aspects. PAQ is a highly practical form of job analysis that permits comparisons between individual tasks and other jobs within the same occupational group (s).

## VII. Management Position Analysis Questionnaire (MPAQ)

It is a highly organised questionnaire with 208 items (as of the most recent count) used to describe, compare, classify, and evaluate executive white-collar professions. The most recent version of MPAQ is divided into thirteen sections (Chadha, 2000)

In addition to these strategies, several more are employed alone or in various combinations to enhance job analysis exercises. These consist of:

- **Expert panels:** Organizations recruit professionals in job analysis to undertake job analyses. Critical Incidents of good and poor performance and Job Elements are used for analysis. Job Element is defined as a worker quality that influences job success, such as a mix of abilities, skills, and knowledge, or personal traits. (Princeton 1975)
- **Task Inventories** - A task inventory is a comprehensive list of the actions required to complete a job. It gives essential information regarding the skills, knowledge, and abilities necessary to execute a job. This information is useful for creating personnel selection procedures and training programmes, as well as for performance evaluation and compensation decision. The job description informs the hiring committee and candidate of the duties of the position. For training purposes, it specifies the job requirements for the developer. It is also useful for establishing standards for

performance evaluations and assessing jobs to determine the appropriate pay level. This document may have already been generated. Workers are responsible for preparing task inventories. (Job Analysis, Colorado)

- **Checklists:** Checklists are used to sequence and classify jobs, such as logistical assistance, service delivery, and sales. Checklists are utilised to prevent task duplication between levels. If true duplication occurs, the employee may be promoted based on his expertise with the additional duty. A quality check list is the outcome of supervisor and staff collaboration.

Both employees gain a deeper awareness of the job's requirements. It also helps in personnel selection. Candidates can be asked to select the tasks for which they are most suited from the list. (Job Analysis, Colorado)

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## 12.6 LIMITATIONS OF JOB ANALYSIS

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There are limitations associated with employment analysis. Even in organisations with a well-established job analysis programme, it is important to remember that job analysis information simply provides a snapshot of a certain position. Due to influences such as technical breakthroughs, organisational restructuring, expansions, diversifications, mergers in response to changes in client preferences, the need for product differentiation, etc., jobs evolve throughout time.

A well-designed job analysis programme aids organisational change by incorporating a system for frequent job evaluation. This revaluation may be conducted using observations, interviews, a quick questionnaire, or a checklist. Unlike conducting employment analysis from beginning, keeping the programme current is a considerably less costly and time-consuming endeavour (Leap and Crino, 1990)

### Job Description

On the basis of job analysis, job descriptions are created. Employment descriptions, also known as position descriptions, are one- or two-page explanations of the essential duties connected with a given job. They are compiled based on information obtained from a job analysis. A model job description comprises the job's title, tasks, responsibilities, facilities, pay scale, etc. Typically, job descriptions include a label, sometimes known as a "job title," and a section outlining the qualities required to execute the job. These credentials are encoded as job requirements. (French, 1995)

Job descriptions are clearly written assertions of duties that accurately explain the duties of a position. The job description specifies work functions and reporting relationships, allowing employees to better comprehend their duties and approximate the required level of performance.

The focus of duty statements is on the essential duties and obligations of the position, as opposed to extraneous duties. Similar responsibilities are grouped into a single statement.

The job description covers the credentials or performance of the employee, as well as temporary duties.

Each duty statement is a discrete, recognisable part of the work assignment that is carefully worded and outcome-based, allowing for various means of executing the job, changes in technology, employee and supervisor preferences, accommodations of policy changes, etc. Employees are also credited for their innovations.

### **The Objective of Job Description**

According to Wendell French (1995), a job description is useful for the following people management processes: - Recruiting and selection

- Recruitment, examination, and selection.
- Instruction and orientation
- Establishing performance standards and/or objective statements
- Creating performance evaluation forms
- Job evaluation
- Role clarification and renegotiation
- Career advancement ladders

### **Benefits of a Job Description**

There is clarity and specificity regarding roles. Consequently, role ambiguity is eliminated and organisational procedures are streamlined. Therefore, job descriptions as a management tool can substantially ease the human resource management function of an organisation.

Job descriptions clarify work content, allowing employees and employers to better comprehend the nature of the work, implement a performance evaluation and development process, and manipulate job design for job rotation, enrichment (vertical loading), and enlargement (horizontal loading) exercises to improve overall performance and organisational effectiveness.

The emphasis is on job results, making job definition a result-oriented endeavour. It assists in defining the logistical and behavioural (training, supervision) requirements of a work so that they may be acquired with sufficient lead time.

In a job description exercise, cost effectiveness and time management at work are the two most significant factors to consider.

Work analysis and technique analysis are applied based on job descriptions. Core areas for procedural reform can be identified with relative ease, and procedural improvements can be implemented. Examining the impact, if any, of procedural improvements is straightforward. The employee may be compensated for their effective innovations.

Job descriptions help maintain a consistent compensation structure. It leads to job evaluation, which is utilised for pay administration in particular.

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## 12.7 JOB SPECIFICATION

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The job description outlines the required characteristics of prospective job candidates. A work specification is a list of the physical, mental, and emotional characteristics required to execute a job. This exercise helps us catalogue the job's requirements in terms of:

- (a) Qualifications required for the job can be general educational qualifications, technical qualifications, or both;
- (b) If the job requires any specific skill, ability, or aptitude, it must be determined;
- (c) The degree and extent of job experience required can be specified;
- (d) Desired personal and physical attributes; and
- (e) Age and domicile requirements.

A typical job description contains three sections:

- (1) activity (e.g., collecting),
- (2) object (data), and
- (3) goal (medical research) for which the task is performed. Depending on the need, the level of activity definition into constituent elements varies from instance to case.

Two fundamental needs of job descriptions are

- (1) the use of straightforward language, and
- (2) the allowance for flexible operations to accommodate changes in requirements, such as fluctuating client preferences, demand and supply problems, new process or management technology, etc.

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## 12.8 JOB DESIGN

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Job structure includes job design, which is the process of identifying the precise activities and responsibilities that each employee of an organisation will perform. It is the fundamental organisational process that emerges from the complex sequence of events that determines the tasks assigned to each

member of the organisation, as well as the physical conditions under which an employee is expected to carry out these responsibilities.

Temperature, illumination, and safety are examples of physical labour conditions. Consequently, job design refers to a company's approach to the organisation of work.

A business might assign roles and obligations in accordance with custom and practise. Nevertheless, a focus on efficiency, standardisation, and simplification may necessitate the services of an industrial engineer. On the other hand, an industrial psychologist provides a corporation with insight into how an individual would react to jobs on a psychological level and how they should be improved.

The worker also contributes material to the job. Motivation and job satisfaction are influenced by both the nature of a job and the extent to which an individual may influence its nature and performance.

Equally significant are the effects of employment on the economic health of the organisation and the psychological health of the individual. Changes to job design can effectively address these issues. (Leap & Crino, 1990).

There are two primary elements of job design. Job content is the collection of activities to be performed on the job, including duties, tasks, and job responsibilities; the equipment, machines, and tools to be utilised; and the required contacts with others. The other important part of duty produced by job design is the set of organisational obligations associated with a position, i.e., responsibilities relating to the organisation as a whole, such as observing rules and regulations and adhering to work schedules.

Examples include completing time sheets, following safety regulations, and adhering to the daily routine.

On the basis of data gleaned through job analysis, job rotation, enrichment, and expansion are carried out. Job profile refers to the prioritisation of a set of skills or success criteria for a specific job or group of professions. It may involve the application of proficiency ratings to each capacity.

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## **12.9 JOB ENLARGEMENT AND JOB ENRICHMENT**

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Taylor and Gilbrith's scientific management movement elevated the significance of job design. It had a beneficial effect on cost savings but a negative effect on human connections. In the 1950s, work enrichment, job enlargement, and job rotation were developed to increase employee motivation. Today, occupations are developed creatively to attract and keep qualified employees. In addition, work teams, independent work groups, and the concept of quality circles are being implemented in an effort to increase productivity through flexible job design.

Providing employees with interesting, useful, and challenging work is unquestionably the most crucial requirement for obtaining higher levels of employee productivity. To minimise dissatisfaction caused by pointless,

uninteresting, and purposeless duties, a thorough rethinking of both the method and goal of management is necessary.

If extra obligations are introduced horizontally to provide diversity, the word is job expansion; if additional tasks are added vertically, requiring delegation and decentralisation, the term is job enrichment.

It can be claimed that job enrichment has occurred if the work is meaningful, the worker has understanding of the work, and he or she is entrusted with the necessary responsibilities through adequate delegation and job structure. Job expansion involves the inclusion of more responsibilities. It treats a job as a whole rather than as a collection of distinct tasks. Work relationships or integration are emphasised. Job enrichment is the inclusion of motivational variables, such as achievement opportunity, recognition, responsibility, and progress, into a job.

The exercise treats the work as a whole rather than as a collection of subtasks, so increasing productivity and making the employee accountable for the entire project.

Job rotation is the practise of moving people from one position to another in an effort to alleviate the monotony frequently associated with job specialisation. It also maximises employee potential by providing more opportunities for improved work completion.

Job sharing is the performance of one full-time position by two individuals working part-time. It is useful for vast and intricate procedures.

A job rotation strategy aims to maximise an individual's experience by regularly changing him from one position to another. Individuals selected for such programmes are shifted at the conclusion of the specified period, say one year, and the roles they currently occupy are considered training positions. Many organisations also employ a less formalised type of employment rotation. In promotion and transfer choices, an effort is made to move individuals in a manner that promotes their growth. (Sahni, 1988)

Job expansion refers to the increase and improvement of the number of tasks performed by workers in organisations along the flow of work. It is the extension of the time required to finish a single unit of work. Increasing the number of formal duties assigned to him allows him to utilise more of his skills and abilities, hence increasing his sense of pleasure.

Expanding a worker's responsibilities has been found to increase their job satisfaction, according to a study. Katz and Kahn, Hoppock (1935), Super (1939), and Marks (1954) discovered that when the work gets more skilled and sophisticated due to job expansion, employee satisfaction increases.

On the basis of studies involving over 10,000 employees, James C. Worthy (1951) suggests that "...through job enlargement the employees have been able to reduce the 'negative' impact of specialisation by decreasing the concentration of employees on lower job levels that tends to occur with overspecialisation, by increasing the degree of variety and interest in the

work, and by providing the employee with a greater opportunity to participate in larger portions of the production process."

Job Enrichment has been defined as the process of allowing the individual employee to decide his own working location, within limits; allowing the employees to serve as their own supervisors by assigning responsibility for quality control to the employees; allowing the employees to repair their own mistakes; allowing flexibility in the selection of methods; and allowing them to be responsible for setting up their own machines. (Hulin, Blood, 1968)

The number of variables and concepts used to explain the success of various job enrichment initiatives, such as accountability, authority, closure, delegation, efficiency, job challenge, motivation, opportunity for growth, advancement, and self-actualization, participation, presence or absence of anomie, ownership, recognition, and responsibility, etc.

Human Resources Management is personnel management based on the idea that human needs, values, and abilities must be matched with the organization's goals and culture. The manager in this case functions as an Integrator, which refers to the portion of an operational manager's job that entails managing human resources, including motivating, reconciling, coordinating, coaching, evaluating, and authorising personnel.

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## 12.10 IMPORTANCE OF JOB EXPANSION AND IMPROVEMENT

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Throughout the whole developed world during the past decade, modernization of the public sector has been a central subject. Modernizing public HRM is crucial because governments recognise the correlation between the performance of the public sector and the performance of the economy as a whole. There is a trend toward decentralisation, delegation of authority, and HRM in private organisations.

Adopting the new public management ethic is difficult for public organisations driven by public accountability, consistency, and equity considerations. The traditional bureaucratic paradigm is not favourable to decentralised HRM flexibility. This notion of a flexible decentralised HRM is based on the observation that the public sector increasingly requires generalist managers as opposed to the traditionally specialised civil servants (Metcalf & Richards 1993).

Organisational Design encompasses organisational structure and functional differentiation. According to contemporary HRM theory, the linear structure of traditional organisations is not favourable to organisational efficiency.

In the knowledge era, hierarchical task ordering cannot be used to handle tasks effectively, as it did in previous organisations. To make activities more



meaningful and engaging for workers, there is a requirement for both specialisation and variation in job design.

According to Argyris, the fact that bureaucratic/pyramidal values continue to dominate the majority of organisations has caused many of our present organisational difficulties.

According to Argyris (1964), seven personality changes must occur in order for persons to develop into mature individuals throughout time.

- First, individuals develop from a state of passivity as infants to a state of increasing activity as adults.
- Second, individuals develop from a state of dependence on others as infants to a state of relative independence as adults.
- Third, infants are only capable of a limited number of behaviours, whereas adults are capable of a wide range of behaviours.
- Fourth, new-borns have irregular, casual, and superficial interests, whereas adults develop deeper and stronger interests.
- Fifth, children's time view is limited to the present; however, as they age, their time perspective expands to incorporate the past and the future.
- Sixth, children are submissive to everyone, but as adults they attain positions of equality or superiority.
- Seventh, as children, individuals lack self-awareness, but as adults, they are not only self-aware but also capable of self-control.

Argyris hypothesises that these changes exist on a continuum and that "healthy" personality development occurs along the continuum from "immaturity" to "maturity." The figure below (Accel Team, 2005) is illustrative of it.

**IMMATURITY- MATURITY CONTINUUM**

<b>Immaturity</b>	<b>Maturity</b>
Passive	Active
Dependence	Independence
Behave in few ways	Capable of behaving in many ways
Erratic Shallow Interests	Deeper and Stronger Interests
Short Time Perspective	Long Term Perspective
Subordinate Position	Equal or Super ordinate Position
Lack of Awareness of Self	Awareness and Control Over Self

Organisation design and job design have an effect on the self-perception of employees and the organisational behaviour of the workforce as a whole. A



suffocating bureaucratic/pyramidal work atmosphere impedes employee self-development and jeopardises the long-term prosperity of the organisation.

A personality matures in seven successive steps, which indicate stages of development.

## 12.11 ARCHITECTURE OF THE FORMAL ORGANISATION

According to the classical approach, namely scientific management principles, organisational and job design is founded on the four factors below.

- Task specialisation,
- Command chain,
- Directional unity, and
- Controllable area

Accordingly, behaviour is designed in accordance with organisational structure, such that power and authority are concentrated in the hands of a few at the top of the organisation, while those at the bottom of the chain of command conform to regulations/directives from the top.

This suggests a directed, task-oriented style of leadership in which the superior makes all decisions regarding the work and the subordinates only carry out these decisions. This kind of leadership inspires managerial controls like as budgets, some reward systems, time and motion studies, and standard operating procedures, which can inhibit the initiative and creativity of employees.

Steve Margetts (2005) lists the differences in approach between bureaucratic/pyramidal and humanistic/democratic organisational and leadership systems as follows:

Bureaucratic / Pyramidal	Humanistic / Democratic
Important human relationships - the critical ones - are those associated with achieving the organization's goals, i.e., getting the job done.	Important human relationships include not only those associated with fulfilling the organization's goals, but also those associated with maintaining the organization's internal system and adapting to the environment.
Human connection efficacy grows when behaviour gets more rational, logical, and clearly articulated; conversely, relationship	Human interactions become more effective when all important conduct (rational and

effectiveness diminishes as behaviour becomes more emotional.	interpersonal) becomes conscious, debatable, and under control.
Human Relationships are most effectively driven by precisely defined authority and control, as well as appropriate rewards and punishments that emphasise logical behaviour and goal attainment.	In addition to direction, controls, and incentives and punishments, true relationships, internal commitment, psychological achievement, and the process of confirmation are the most powerful means of influencing human interactions.

The systems approach to the design of organisations views them as groups of interdependent elements that require coordination and information to convert a variety of inputs into a variety of outputs. This approach recognises the dynamic nature of business and the inadequacy of static organisational structures for decisionmaking at times. An example of such an approach is the matrix structure, which compromises the idea of command unity and emphasises teamwork above a hierarchically structured superior subordinate relationship.

Job design and work organisation is the specification of the content, method, and relationships of occupations to meet technology and organisational requirements, as well as jobholders' personal demands.

Taylor's organisational architecture included:

- Clear definition of power;
- Responsibility;
- Planning and operational separation;
- Worker incentive programmes; and
- Management by exception.
- Task specialisation

Taylor's notion of work design, work measurement, production control, and other activities had a significant impact on organisational design. Prior to the development of scientific management, departments such as work-study, personnel, maintenance, and quality control did not exist. Furthermore, his tactics proved to be highly effective.

In the 1970s, the negative effects of the traditional approach included:

- The loss of productive effort owing to industrial action and absenteeism

- Increased demands for employee engagement and industrial democracy,
- as well as the imposition of employment legislation, appeared to make it more challenging to govern the workforce. (Accel Team, 2005)
- In the 1980s, significant changes occurred in the workplace. Consequently,
- Recession, accompanied by layoffs;
- Increased competitiveness;
- Recognition of the need to use new technology; and
- Shift in relative costs away from the labour and toward the machine. The problem for managers, both now and in the future, is the optimal design of jobs and work organisation to meet uncertain conditions brought about by changes in human resource development techniques that emphasise job design and work organisation.

The 4Ps, namely purpose, process, people, and place, serve as the foundation for the division of labour in organisations. The application of the concepts must be more adaptable, taking the form of a matrix organisation design (networked organisations) in which, the structuring is altered in response to changing needs. (Accel Team, 2005)

According to Flippo (1984), job autonomy can be ensured if the following conditions are met:

- (1) Setting one's own work schedule and permitting work breaks;
- (2) Varying the work environment;
- (3) Alternating duties with others;
- (4) Making crisis decisions in problem situations instead of relying on the boss; and
- (5) Conducting one's own quality checks, etc.

Koontz and O' Donnell (1972) suggest the following measures to ensure job enrichment:

- (a) Giving workers more latitude in decisions regarding work methods, sequence, and pace, accepting or rejecting materials, etc.;
- (b) Encouraging participation of subordinates in decision making and interaction between workers;
- (c) Giving workers a sense of personal responsibility for their tasks;
- (d) Taking steps to ensure that people can see how their tasks contribute to the organization's overall goals.

## Positive Reinforcement

Positive Reinforcement refers to the use of extrinsic and intrinsic reinforcements to channel the energies of employees in a desired direction. B.F. Skinner, a Harvard psychologist, successfully implemented this strategy. Happiness may or may not be linked to job satisfaction.

However, we know we are doing something right if we are able to improve working circumstances such that employees remain on the job and are productive.

It is founded on the idea that employees are not merely driven by changing external factors, such as compensation, hours, etc. Positive perceptions of work content and the work environment are required for employees to create enduring motivation. This sometimes necessitates reorganising or redesigning the job to make it sufficiently engaging and demanding for the employees involved.

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### 12.12 QUESTION:

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- 1) Explain the purpose of Job.
- 2) Discuss the outcome of Job Analysis.
- 3) State the methods to obtain data for Job Analysis.
- 4) Explain the objectives and benefits of job description.
- 5) Write short notes on: Job Specification and Job Design
- 6) Discuss 'Job Enlargement and Job Enrichment'
- 7) State the importance of Job Expansion and Improvement
- 8) Explain Architecture of the Formal Organisation

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## DEVELOPING AND MANAGING THE HUMAN RESOURCE

### Unit Structure

- 13.0 Objective
- 13.1 Introduction
- 13.2 Concept of Hrm
- 13.3 Organizational Purposes
- 13.4 Human Resource Functions
- 13.5 Human Resource Planning
- 13.6 Human Resource Planning and Man Power Planning
- 13.7 The Labour Market Context
- 13.8 The Process Of Human Resource Planning
- 13.9 Management
- 13.10 Question
- 13.11 References

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### 13.0 OBJECTIVE

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- understand the meaning and concept of human resource management; and
- explain the functions of HR, and responsibilities and new roles of HR practitioners.
- Describe human resource planning;
- Elucidate the incidence and rationale for human resource planning;
- Define management;
- Differentiate between management and administration;
- Elucidate the process of management;
- Delineate the principles of management; and
- Analyse the problems of management.

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### 13.1 INTRODUCTION

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Human resource management (HRM) is a four-principle-based method to managing people. First, an organization's human resources are its most valuable assets, and their proper management is the key to its success.

Second, this success is most likely to be realised if the enterprise's personnel policies and processes are tightly related to the accomplishment of corporate objectives and strategic plans and make a significant contribution to their accomplishment. Thirdly, the company culture and the values, organisational environment, and managerial conduct that arise from this culture will have a substantial impact on the accomplishment of excellence. Therefore, this culture must be controlled, which may necessitate altering or reinforcing the organization's values and requiring ongoing, top-down efforts to get them accepted and implemented. HRM is also concerned with integration, which involves including all organisation members and fostering a feeling of shared purpose.

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## 13.2 CONCEPT OF HRM

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People resource management is a strategic method to acquiring, motivating, developing, and managing an organization's human resources. It is a specialised field that seeks to develop a suitable corporate culture by implementing programmes that reflect and support the enterprise's core principles and guarantee its success.

HRM is proactive rather than reactive, i.e., it anticipates what needs to be done and then executes it, as opposed to waiting to be instructed what to do about recruiting, paying, or training employees, or handling employee relations issues as they emerge.

Many familiar responsibilities of personnel managers, such as manpower planning, selection, performance evaluation, wage administration, training, and management development, will be included in the HRM application strategies. These will be supplemented by programmes aimed to enhance communication systems, participation, commitment, and output.

There are three broad connotations associated with the notion of HRM. In the first place, an organization's employees are seen as a valuable resource, which necessitates investing time and effort in their growth. They are also human resources, which means they have their own unique features and cannot be treated like material resources. The approach emphasises the need to humanise organisational life and infuse the organisation with human values.

Human resources are not just concerned with employees as individuals, but also with other social realities, organisational units, and processes. These include a person's function or job in the organisation, the dyadic unit (composed of the person and his superior), the numerous teams in which individuals participate, inter-team processes, and the organisation as a whole.

HRM is, at its core, the improvement of the quality of human beings, who are regarded as the most precious assets of an organization-the sources, resources, and end-users of all goods. HRM is without a doubt an offshoot of older processes and methods. However, it is far more than its parent disciplines, namely human resource management and behavioural science.

Additionally, HRM is more extensive and anchored than training and development. Its methodology is multidisciplinary from start to finish. It is a scientific process of consistently enabling the employees to enhance their competency and aptitude to play their current and future expected roles, so that the organization's goals are realised more completely and the employees' demands are addressed adequately.

HRM is a personnel management technique based on the production model. The HRM approach is employee-centric, with a focus on the maximisation of individual talents and motivation through dialogue with the workforce in order to generate high levels of commitment to firm strategic objectives. It is a resource that should be utilised to its maximum capability. It is an investment opportunity.

HRM is concerned with both the organisational framework of a company's work and all the employment procedures required to carry out that structure. HRM is more than just HR or "people practises"; it is the management of work and people inside an organisation. People management has both individual and collective aspects. Traditional personnel management is non-strategic, distinct from the business, reactive, short-term, and bound by a narrow conception of its purpose as primarily dealing with unionised and low-level workers.

Traditional personnel function focuses primarily on personnel administration or management, whereas HRM focuses mostly on developing people and their competencies. If personnel management is therapeutic, human resource management is preventative. HRM is distinguished primarily by its expanding strategic function.

HRM emphasises and incorporates those employee expectations that are not being met by traditional personnel management. It meaningfully integrates subsystems such as performance appraisal, potentiality appraisal and development, career planning, training and development, organisational development, research and systems development, rewards, employee welfare and quality of work life, industrial relations, and human resource information. Some fundamental assumptions regarding human resources differ between the traditional and HRM approaches. Important HRM presumptions are as follows:

- 1) An organization's members are reservoirs of untapped resources.
- 2) The potential for development of these resources is limitless.
- 3) Self-growth is more inherent than development imposed from the outside.
- 4) The organisation develops in tandem with the growth of its members and for the organization's overall benefit.
- 5) The organisation develops a culture that places the utmost importance on harmonious superior-subordinate relations, teamwork, collaboration among different groups of individuals, open



communication, and, most importantly, the integration of the organization's goals with the needs of its employees.

- 6) The highest level of management takes the initiative for HRM, formulates the appropriate plans and strategies, and establishes a supportive environment for its implementation.

Human resource management is more of an art than a science. It is a "art" replete with dangers, judgement calls, and learning from prior errors.

Traditional Personnel Function (TPF)	Human Resource Development (HRD)
1. TPF is an independent function	1. HRD is a sub-system of a larger system (organisation)
2. There are several sub-functions under TPF	2. HRD is an organic whole: All the parts are interlinked
3. The main task of TPF is to respond effectively to the demands (coping role)	3. The main task of HRD is to develop enabling capabilities (proactive role)
4. TPF has the main responsibilities for their personnel matters	4. All managers irrespective of functions share the responsibility of human resource functions
5. The main responsibilities of TPF relate to salary and job administration, and management of people and their development	5. The responsibilities of HRS relate to HRS, people, systems, and the process of the total organisation
6. The major attention of TPF is on personnel administration or management	6. The major attention of HRS is on developing people and their competencies
7. Personnel system and procedures should be designed to achieve maximum efficiency	7. HR systems and procedures should be designed on the basis of process values to reduce human wastage
8. People in an organisation are motivated mainly by salary and rewards	8. People are primarily motivated by challenges and opportunities for development and creativity

### ***Some Basic Assumptions Underlying Traditional Personnel Function and Human Resources System***

#### **Objectives of HRM**

HRM's major purpose is to ensure that an organisation has access to a competent and willing staff. Additionally, there are other objectives.

There are four distinct HRM objectives: social, organisational, functional, and personal.

#### **Society's Purposes**

The societal goals are socially and morally responsible for society's demands and challenges. While doing so, they must limit the negative impact on the organisation of such demands. The failure of organisations to use their resources ethically for the benefit of society may result in constraints. For instance, a society may restrict human resource decisions to laws enforcing hiring quotas and regulations addressing discrimination, safety, and other similar societal concerns.

## 13.3 ORGANIZATIONAL PURPOSES

The organisational objectives acknowledge the contribution of human resource management to organisational effectiveness. Human resource management is not an aim in and of itself; rather, it is a tool to help the organisation achieve its fundamental goals.

Simply said, the department of human resources exists to serve the rest of the organisation.

### Functional Targets

Functional objectives attempt to keep the department's contribution at a level commensurate with the needs of the organisation. Adjusting human resources to meet the needs of the organisation. The service level of the department must be suited to the organisation it serves.

### Individual Objectives

Own objectives aid employees in reaching their personal goals, at least to the extent that these objectives increase the individual's contribution to the organisation. Personal objectives must be satisfied in order to maintain, retain, and encourage personnel. Otherwise, staff performance and satisfaction may deteriorate, leading to employee attrition.

### HRM Objectives and Functions

HRM Objectives	Supporting Functions
1. Societal Objectives	1. Legal compliance 2. Benefits 3. Union-management relations
2. Organisational Objectives	1. Human resource planning 2. Employee relations 3. Selection 4. Training and development 5. Appraisal 6. Placement 7. Assessment
3. Functional Objectives	1. Appraisal 2. Placement 3. Assessment
4. Personal Objectives	1. Training and development 2. Appraisal 3. Placement 4. Compensation 5. Assessment

*Source: William B. Werther, Jr., and Keith Davis, Human Resources and Personnel Management, p. 15.*

## 13.4 HUMAN RESOURCE FUNCTIONS

Human resource management is concerned with the planning, development, and administration of policies and programmes aimed to make efficient use of an organization's human resources. Human resource management is the aspect of management concerned with employees and their relationships within an organisation. Its goals are:

- (1) the effective utilisation of human resources;
- (2) desirable working relationships among all organisation members; and
- (3) maximum individual development.

Human resource management's primary functional areas are

- (1) planning,
- (2) staffing,
- (3) employee development, and
- (4) employee upkeep.

The objective of these four sectors and their linked functions is to have a sufficient number of competent personnel with the necessary skills, talents, knowledge, and experience to promote the organization's objectives. Despite the fact that any human resource function can be assigned to one of the four people responsibility areas, certain functions serve several objectives. For instance, performance evaluation measures serve to encourage and direct staff development in addition to wage administration. The remuneration role aids the retention of current employees and serves to attract future candidates. The following is a basic outline of typical human resource functions:

- **Human Resource Planning:** The human resource planning function determines the amount and kind of personnel required to achieve an organization's objectives.

Research is an integral aspect of this job since forecasting human resources supplies and predicting future human resources needs requires the gathering and analysis of information. Staffing and employee development are the fundamental human resource planning strategies.

- **Job Analysis** is the process of characterising the nature of a job and identifying the abilities and expertise required to do it. The last deliverable of the job analysis procedure is the job description. A job description details the roles and responsibilities of employees. Because job content has a significant impact on personnel programmes and practises, job descriptions are a crucial source of information for employees, supervisors, and personnel.

- **Staffing:** Staffing emphasises the recruitment and selection of an organization's human resources. Planning and recruitment for human resources precede the actual selection of individuals for positions inside an organisation. Recruiting is the human department responsible for attracting qualified candidates to fill job openings.

In the selection function, the most qualified applicants who were drawn to the organisation by the recruitment function are chosen for employment. On the subject of selection, human resource bureaucrats are tasked with establishing and implementing procedures that enable managers to choose which applicants to hire and which to reject for the available positions.

- **Orientation** is the initial stage in assisting a new employee to acclimate to his new position and employer. It is a means for introducing new employees to certain aspects of their new job, such as salary and benefit programmes, working hours, and business policies and expectations.
- **Training and Development:** The training and development function equips personnel with the skills and information necessary to effectively perform their tasks. In addition to offering training for new or inexperienced employees, organisations frequently give training for seasoned workers whose positions are undergoing transformation. Large organisations frequently have development programmes that prepare staff for higher-level responsibility. Training and development courses are an effective technique of ensuring that staff can do their tasks at an appropriate level.
- **Performance Evaluation:** This function ensures that employee performance is at an appropriate level. Human resource specialists are often responsible for establishing and executing performance appraisal systems, whereas supervisors and managers are responsible for evaluating employee performance.

In addition to providing a basis for salary, promotion, and disciplinary action, performance assessment information is crucial for employee growth, as awareness of results (feedback) is required to inspire and direct performance improvements.

- **Career Planning:** Career planning has evolved in part due to the desire of numerous people to improve in their employment and careers. Included in career planning activities is the evaluation of an employee's potential for growth and progress within the organisation.
- **Compensation:** Human resource people give a sensible technique for evaluating how much employees should be compensated for doing particular tasks. Obviously, compensation is linked to the upkeep of human resources. As compensation is a significant expense for many organisations, it is a vital factor in human resource planning.

In general, individuals are drawn to organisations that offer more income in exchange for the labour accomplished. It is related to employee development in that it provides an essential incentive for inspiring employees to achieve higher levels of job performance and to advance to higher-paying positions within the organisation.

- **Benefits** are a form of compensation that employees receive in addition to direct pay for job accomplished. Consequently, the human resource function of administering employee benefits shares many similarities with the function of remuneration. Included in benefits are both legally mandated things and those supplied at the employer's discretion. The cost of benefits has increased to such an extent that they are now a prominent factor in human resource planning. However, perks are primarily associated with the maintenance department because they satisfy a variety of basic employee demands.
- **Labour Relations:** "labour relations" refers to interactions with unionised personnel. Unions are organisations of employees who band together to have a greater say in matters pertaining to salaries, benefits, working conditions, and other areas of employment. Over labour relations, the personnel responsibility generally entails negotiating with unions regarding pay, working conditions, and settling disputes and complaints.
- **Employee recordkeeping** is the oldest and most fundamental personnel function. This function comprises the recording, maintenance, and retrieval of employee-related data for various purposes. Application forms, health and medical records, employment history (positions held, promotions, transfers, layoffs), seniority lists, earnings and hours worked, absenteeism, turnover, tardiness, and another employee information must be maintained. Complete and current employee records are required for the majority of personnel functions. Employees are now more interested than ever in their personnel files. They want to know what they contain, why particular statements were made, and why records may or may not have been updated.

Personnel files contain the following information:

- i) A database containing accurate and up-to-date information about the company's employees.
- ii) A guide for determining the appropriate action to take with respect to an employee, particularly by comparing him to other employees.
- iii) A guide for recruiting new employees, such as by displaying the wage rates of comparable personnel.
- iv) A record of previous disciplinary actions conducted against employees.

- v) The raw material for data used to evaluate and direct personnel policies.
- vi) The means to satisfy specific legal criteria.

All personnel professionals conduct research in some capacity.

The objective of a good research strategy is to collect facts and information regarding personnel specifics in order to build and sustain an effective programme. It is impossible to execute a personnel programme without prior planning and retrospective analysis. In a way, any survey might be considered research. In the fields of recruitment, employee turnover, terminations, training, etc., there is ample room for research. Through a well-designed attitude survey, employee opinions regarding wages, promotions, welfare services, working conditions, job security, leadership, and industrial relations, among other topics, can be acquired. Despite its significance, research is the most neglected department in most businesses since workers are too busy putting out fires.

The purpose of research is not to put out fires, but to avoid them.

Research is not the exclusive responsibility of a single group or division within an organisation. The primary responsibility is with the department of human resources, which should be assisted by supervisors and executives at all levels of management. The support that trade unions and other organisations can provide should not be disregarded, but rather utilised effectively.

The HR job also includes the management of change, technology, innovation, and diversity. It is no longer limited to the culture or ethos of a particular organisation; cross-fertilization of ideas from various organisations is its defining characteristic.

Periodic social audits of human resource operations are deemed vital.

Human resource experts have a comprehensive function. They must have a comprehensive understanding of the organization's nuances and complexities. Every HR professional's ultimate objective should be to establish a connection between the employee and the organisation, as the employee's dedication to the organisation is vital. The most important responsibility of a human resources (HR) professional is to educate employees on the changes and issues affecting the country and their organisation. The staff should be aware of their balance statement, sales progress, diversification strategies, reorganisation plans, sharp price fluctuations, sales volume, and any other pertinent information. Small pamphlets, video clips, and lectures should be used by human resource specialists to educate all employees.

Principal responsibilities of a human resource management include:

- Acquiring a comprehensive understanding of the firm culture, plans, and policies.

- To serve as an internal change agent and consultant.
- To actively participate in the formulation of the company's strategy.
- Maintain open channels of communication between the HRD function and internal and external individuals and groups.
- Identify and evolve HRD strategies in accordance with the enterprise's overall strategy.
- Facilitate the growth of various organisational teams and their collaboration with other teams and individuals.
- To attempt to connect people and work so that the organization's goals can be accomplished effectively and efficiently.
- To identify issues and provide acceptable solutions, specifically in the fields of human resources.
- To provide coordination and support services for HRD programme and service delivery.
- To analyse the effectiveness of a human resource development (HRD) intervention or to conduct research to determine, create, or test how HRD has enhanced individual or organisational performance.

Pat McLegan suggests the following nine new positions for human resource practitioners:

- 1) Bring to the notice of strategic decision-makers the concerns and trends concerning an organization's external and internal people, and offer long-term strategies to sustain organisational excellence and longevity.
- 2) Design and prepare HR systems and activities for deployment so that they have the greatest possible influence on the performance and growth of the organisation.
- 3) Pursuing ideals and aspirations, promote the formulation and implementation of plans for the transformation of one's own organisation.
- 4) To provide the smoothest flow of products and services to consumers; to assure the best and most flexible use of resources and skills; and to foster dedication among the people who assist us satisfy the demands of customers, regardless of whether they are directly employed by the organisation.
- 5) Identify learning requirements and then create and build organised learning programmes and resources to assist individuals and groups in accelerating their learning.



- 6) Assisting individuals and groups in adapting to changing events and altering their perspectives so that those in positions of authority adopt participative methods of leadership.
- 7) To assist individuals in evaluating their competences, values, and objectives in order to define, plan, and implement development initiatives.
- 8) To support individuals in adding value to the workplace and to concentrate on the interventions and interpersonal skills for assisting individuals in undergoing and maintaining transformation.
- 9) Evaluate the effectiveness of HRD practises and programmes and disseminate the results so that the organisation and its people can accelerate their change and development.

Dave Ulrich asserts that human resources (HR) play four roles. First, the strategic partner role, which entails turning strategy into results by building organisations that create value; second, the change agent role, which entails making change happen and, in particular, helping it happen quickly; third, the employee champion role, which entails managing a company's talent or intellectual capital; and fourth, the administrative role, which entails attempting to make things happen better, faster, and cheaper.

In recent years, human resource management has gotten a great deal of attention. Its function in organisations has also experienced significant transformation, with many organisations gradually shifting from traditional personnel management to human resource management, despite the fact that many view this as "old wine in a new bottle." The fundamental HRM approach is to view the organisation as a whole.

Not only does it emphasise work and productivity, but also the quality of life.

It attempts to achieve the greatest potential growth of human resources and socioeconomic development.

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## 13.5 HUMAN RESOURCE PLANNING

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When an organization's strategic objectives must be attained, human resource planning helps determine the number of human resources required. Bulla & Scott (1994) describe Human Resource as the process of ensuring that an organization's human resource needs are identified and plans are established to meet those needs. Organizations think that "people" is their most strategic resource, and human resource planning operations are concerned with aligning these resources with long-term business goals. In addition, it covers both quantitative and qualitative human resource needs.

In addition, it examines broader concerns pertaining to the employment and development of individuals in an effort to enhance organisational success. Consequently, it is crucial to strategic human resource management



## Human Resource Planning and Business Planning

In general, human resource planning is an inherent aspect of business planning, i.e., the Strategic planning process should specify anticipated changes in the scope and nature of the organization's activities. The organization's fundamental talents and skills should also be defined.

However, it is quite challenging to create such precise predictions for a long-term strategy, which may limit the viability of such a plan.

In addition, it is possible to forecast, to some extent, the number of people required to execute strategic business plans, but it is difficult to interpret how people could be developed and deployed more efficiently to facilitate the fulfilment of business objectives. In addition, it is difficult to concentrate on any issues that may need to be resolved in order to ensure that the appropriate personnel will be present and capable of contributing to the fulfilment of the goals. According to Quinn Mills (1983), human resource planning is a "decision-making process that combines three essential activities:

- identifying and organising the right number of people with the appropriate skills;
- motivating them to achieve high performance; and
- creating interactive links between business objectives and people planning activities.

Thus, in the absence of a clear business strategy, human resource planning must rely more on broad assumptions about the future need for people, or the planning process may concentrate on specific areas of activity within the organisation where it is possible to predict likely future people requirements.

**Hard Human Resource Planning** is based on quantitative analysis, i.e., ensuring the proper quantity and type of employees are accessible whenever they are required. Soft human resource planning entails ensuring that employees with the appropriate attitudes and motivation, who are devoted to the organisation, interested in their work, and behave properly, are available when the organisation needs them. This planning is based on assessments of the needs for these traits and measurements of their extent. Staff surveys, the examination of performance outcomes, management assessments, and focus group comments will aid in the collection of these data.

This information is useful for planning the improvement of the work environment, the development of skills and careers, and the adoption of a total incentive system that emphasises non-financial, 'relational,' as well as financial, 'transactional,' benefits.

In addition, they lead to the development of a high commitment management strategy that includes approaches such as creating functional flexibility, designing jobs to provide intrinsic motivation with an emphasis

on teamwork, eliminating hierarchies and status differences, increasing employment security, rewarding people based on organisational performance, and enforcing organisational-specific values and a culture that give the organisation a sense of purpose. Soft human resource planning builds and shapes a culture in which business goals and employee values, attitudes, and behaviours are clearly integrated.

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## 13.6 HUMAN RESOURCE PLANNING AND MANPOWER PLANNING

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Unlike traditional quantitative approaches to manpower planning, human resource planning focuses on a larger range of employment-related issues. Such approaches emerge from a rational, top-down planning perspective in which well-tested quantitative tools are used to long-term supply and demand analyses. Today, there has been a transition from matching the amount of available personnel with secure, predictable occupations to a larger emphasis on skills, their development, and deployment.

### Limitations of Human Resource Planning

Human Resource Planning includes three phases:

- Predicting future human resource requirements;
- Predicting future human resource availability.
- Developing plans to balance supply and demand.

Casson (1978) suggests that human resource planning should initially be viewed as a regular monitoring activity through which human resource stocks and flows and their relationship to business needs can be understood, assessed, and controlled, problems can be identified, and a foundation can be established to respond to unforeseen circumstances.

Second, it should be viewed as an investigative activity through which the human resource implications of specific problems and changing circumstances can be evaluated, as well as the impacts of various policies and actions.

According to him, there is no need to develop estimates for the staff because the difficulties in projecting the impact of external events greatly limits the ability to produce such estimates.

In addition, Heller (1972) asserts that there is a risk associated with the estimation of staff since intelligent anticipation is transformed into erroneous numbers, and their validity is contingent on big, sloppy assumptions.

Thus, Human Resource Planning should focus more on what skills will be required in the future and provide a broad indication of the numbers required in the longer term, and sometimes it is also beneficial to make short-term forecasts while maintaining a reasonable degree of accuracy

regarding activity level and skill requirements. In most cases, these forecasts will be based on broad scenarios rather than particular supply and demand forecasts.

### **The Incidence and Rationale for Human Resource Planning**

Rothwell (1997) notes that, with a few exceptions, there is no scientific data indicating the success of human resource planning. She asserts that there is a disconnect between theory and practise for the following reasons:

- The shifting of policy priorities and tactics inside organisations makes it difficult to anticipate the future; the necessity for planning may be inversely proportional to its viability.
- The managers' lack of confidence; they favour pragmatic adaptation over conceptualization.
- The absence of evidence demonstrating that human resource planning is effective.

Regardless of differences, it is impossible to avoid forecasting human resource needs as a basis for planning and taking action. Major changes in an organization's operations may typically be anticipated, allowing for the formulation of reasonable predictions. Consequently, Human Resource Planning is partially beneficial, as it enables the organisation to address resourcing issues in a timely manner by keeping track of organisational trends.

Based on research undertaken by the Institute for Employment Studies, Reilly (1999) provides several reasons why organisations should engage in Human Resource Planning. They are divided into three categories.

- i) Planning for Substantive Reasons:** Resources acquired before they are required can always be optimised by making them more flexible, by cultivating abilities that need time to develop, by identifying possible difficulties, and by minimising the possibility of making a poor decision.
- ii) Planning because of the process benefits':** This entails understanding the present in order to tackle the future, testing assumptions and liberating thought, making specific decisions that may be later contested, and ensuring that short-term attention does not supplant long-term thinking.
- iii) Planning for Organizational Purposes:** This involves tying Human Resource Plans to business plans in order to influence the organisation, obtain control over operating units, and coordinate and integrate organisational decision making and activities.

### **The Organisational Context of Human Resource Planning**

The degree to which Human Resource Planning is utilised and the methodologies adopted will rely on the degree to which management

recognises that success depends on anticipating future human resource needs and implementing plans to meet those needs. This will also be affected by the degree to which reliable projections can be made. Consequently, organisations that operate in unstable environments may rely on ad hoc and short-term strategies to recruit and retain personnel; nevertheless, the organisation will only gain if its Human Resource Planning policies focus on recruiting and retaining essential personnel.

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## 13.7 THE LABOUR MARKET CONTEXT

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The actual internal labour market – the stocks and flows of individuals within the organisation who can be promoted, retrained, or redeployed to meet future needs – and external labour markets are the markets in which organisations operate. The external-local, regional, national, and international marketplaces from which various types of candidates can be sourced. There are typically a variety of markets, and labour supply can vary greatly between them. It will be necessary to identify potential shortages so that efforts can be made to address them.

In such circumstances, organisations must establish "make or purchase" policy judgments.

- An organisation with a 'make' policy prefers to recruit individuals at a lower level and teach them to take promotions and satisfy future demands.
- A "Buy" policy indicates that the organisation recruits from the outside, i.e., it brings in new blood.

However, organisations prefer to combine the two options to varied degrees, depending on the nature of the business and the individuals involved. A very entrepreneurial business working under tumultuous conditions, or a new business, will rely only on external recruitment. When dealing with knowledge workers, gaining them will be difficult due to their great mobility; hence, they are typically recruited only from external sources. For example, Management consultants. Companies that can precisely estimate their human resource needs typically rely on developing their own employees once they have been hired.

### **Aims of Human Resource Planning**

Any organization's objectives will depend much on its surroundings. However, there will also be some common goals for each organisation, such as the ones listed below:

- Attract and retain the requisite number of individuals with the necessary skills, expertise, and competencies.
- Anticipate challenges associated with probable surpluses or shortages of people.

- Develop a staff that is well-trained and adaptable, which contributes to the organization's adaptability to unpredictable and changing situations.
- Reduces reliance on external recruitment, particularly when vital skills are in short supply, by establishing strategies for employee retention and development. Improve human resource use by implementing more flexible work methods.)

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## 13.8 THE PROCESS OF HUMAN RESOURCE PLANNING

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The Human Resource Planning Process need not be linear, i.e. beginning with a company strategy and proceeding logically to resourcing flexibility and retention goals. It may be circular; in which case the procedure may begin anywhere within the circle. For instance, scenario planning may have an effect on resource strategy, which in turn may have an effect on company strategy. Alternatively, demand and supply projections would serve as the foundation for the resourcing plan. The examination of employee turnover may influence the supply projection, but it may also directly influence the creation of retention programmes. In addition, it cannot always be assumed that the Human Resource Plans would be based on a well-articulated business plan.

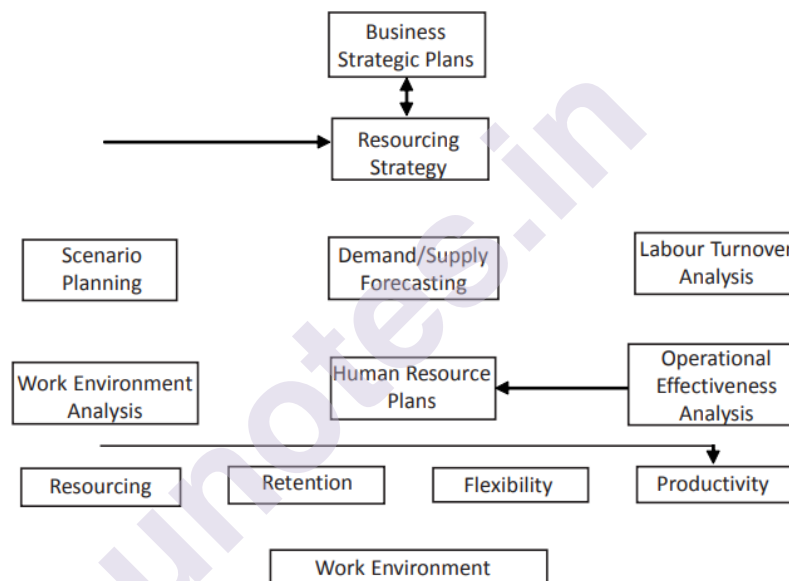
The business plan may be more evolutionary than deliberate; it may be fragmented, intuitive, and gradual at times. Therefore, resourcing decisions may be based only on assumptions that may not be accurate or cannot be tested. In addition, there will be certain misgivings over the degree to which the process can be formalised. However, with the aid of these assumptions, broad declarations of aim that may be sufficient to guide resourcing practise could emerge, which would be preferable to nothing.

The extent to which human resource planning can be conducted systematically will depend on the nature of the organisation, i.e., if the future is predictable, formal planning will be useful, whereas if the future is unpredictable, the organisation must rely on broad scenarios rather than precise forecasts.

These processes are summarised in the next section:

- i) Strategic business** plans refer to establishing future activity levels and initiatives requiring new talents.
- ii) Resourcing strategy:** This refers to planning to achieve competitive advantage through the development of intellectual capital - employing more capable people than competitors, ensuring that they develop organisation-specific knowledge and skills, and taking measures to become an "employer of choice."

- iii) **Scenario planning** entails examining in broad strokes where the organisation is headed in its environment and the resulting human resource needs.
- iv) **Demand/supply forecasting:** This involves anticipating the future demand for people (numbers and skills) and estimating the number of individuals who will be available from within and outside the organisation.
- v) **Labour turnover** analysis refers to the analysis of real labour turnover data and trends as a component of supply projections.
- vi) **Work environment analysis:** analysing the workplace in terms of the opportunities it affords workers to use and improve their abilities and attain job satisfaction.



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## 13.9 MANAGEMENT

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Management is the force that unifies all organised operations. When two or more people collaborate to achieve a common goal, their activities must be coordinated. In addition, they must organise and utilise their resources to maximise the outcomes.

Thus, management is a generic term open to a variety of definitions.

Nonetheless, we are primarily concerned with management as the entity accountable for the achievement of objectives inside a structured organisation and with predetermined duties. Consequently, this requires individuals to go beyond themselves and exercise formal authority over the activities and performance of others.

### Management and Administration

There is frequently confusion regarding the various meanings of the phrases "management" and "administration." One of the primary causes of this

misconception is the translation of Fayol's work, which was originally published in French.

In the original book, administration was translated directly into English, but in subsequent editions, administration has substituted the phrase management.

According to Urwick, Fayol's definition of the term 'administration' denotes a specific function that permeates all duties requiring the supervision of the work of others. It disregards the status of persons who carry out this role.

The dictionary definition also tends to equate the two terms. Administration is frequently referred to as "management of public affairs" and management as "administration as commercial issues." There is a clear overlap between the two names, and different authors use them for their own convenience.

Administration refers to the highest level of management and the functions of creating the general goals and formulating policy for the entire organisation, especially in the public sector. However, administration is viewed as part of the management process for our purposes.

### **The Process of Management**

Management is not an independent role. It is conducted at all organisational levels and pertains to all organisational activities. It is a process that is shared by all other organisational functions, i.e., it is essentially an activity of integration. The overarching task of management is to achieve the organization's objectives within the framework of those objectives; policy offers rules for the organization's operations and activities.

Policy governs how the organization's operations are to be conducted, and it is the responsibility of the Board of directors to set the objectives and formulate the policy. It is their obligation to determine the organization's overall direction and to ensure its survival, growth, and profitability.

Clarification of objectives and policy is a prerequisite for an effective management process. Now we want to discover what the management process actually entails and what activities it includes.

Management is a complex and debatable subject, and it is difficult to agree on a concise yet exhaustive definition of management. Additionally, it is not homogenous. It occurs in diverse ways and at different organisational levels. Classical authors favoured the technique of analysing the nature of management and searching for activities relevant to managers in all organisations.

### **Common Activities of Management**

Fayol classified the activities of industrial enterprises into six groups: "technical" (production, manufacture, and adaptation); "commercial" (buying, selling, exchange, and market information); "financial" (obtaining capital and maximising the use of available funds); "security" (protecting property and people); "accounting" (information on the economic position,



stock taking, balance sheets, and costs); and "managerial" (management as in administration)

The managerial action is separated into five aspects, which are forecasting and planning, organising, commanding, coordinating, and controlling. Fayol describes them as follows:

- 1) **Planning:** To anticipate, i.e., to examine the future, determine what must be accomplished, and prepare a plan of action.
- 2) **Organising:** Providing the material and human resources and constructing the framework necessary to carry out the organization's activities.
- 3) **Command:** Maintaining staff activities and maximising the output of all employees for the benefit of the entire organisation.
- 4) **Coordination:** the process of unifying and harmonising all operations and efforts of an organisation in order to facilitate its functioning and success.
- 5) **Control:** Ensuring that everything transpires in conformity with plans, instructions, established principles, and an explicit command.

### Principles of Management

Therefore, according to Fayol, a set of well-established principles would assist in focusing popular discourse on management. In addition, he stresses that these concepts must be flexible and responsive to changing conditions. Fayol has proposed fourteen management principles; however, he believes there is no limit to management concepts. The following are:

- 1) **Division of Work :** Fayol believes that work should be divided in order to create more and better work with the same amount of effort, as well as to enjoy the benefits of specialisation. While we have gained sufficient experience and a sense of proportion, we will understand that there are some limits that should not be exceeded when dividing tasks.
- 2) **Authority and Responsibility:** Authority is always followed by responsibility.

Sanctions are required for good management in order to incentivize beneficial behaviour and discourage undesirable behaviour. The best protection against authority abuse is the manager's own honesty.

- 3) **Discipline** is necessary for the organization's efficient operation.

Essentially, it is the external manifestation of respect for agreements between the organisation and its members. In cases of violations of discipline, the management must determine the most appropriate type of punishment.



- 4) **Unity of Command:** An employee should only get commands from a single superior for any given action; otherwise, authority is compromised and discipline, order, and stability are challenged. When there are two commanders, there would be constant strife.
- 5) **Unity of Direction:** Any collection of activities with the same purpose should always have one leader and one strategy; only then can the organisation provide unity of action, coordination, and effort concentration.
- 6) **Subordination of Individual interest to General Interest** The organization's interest should take precedence over individual or group interests.
- 7) **Remuneration of Personnel:** The remuneration should please both employee and employer to the greatest extent possible, as payment methods might affect organisational performance. In addition to being equitable, the system should inspire zeal by rewarding well-directed work without leading to overpayment.
- 8) **Centralization** is prevalent to some degree in every organisation.  
  
The degree of centralisation is proportional and will differ amongst organisations.
- 9) **Scalar Chain:** The ascending hierarchy from the highest authority to the lowest ranks. Respect for line authority must be balanced with the need to give initiative at all levels of authority and with tasks requiring immediate action.
- 10) **Order:** This covers both the material and social order. The objective of material order is loss avoidance, i.e., there should be a designated place for each item and each item in its designated location, whereas the objective of social order is a designated place for each employee and each employee in his/her designated place.  
  
Social order involves effective planning and selection.
- 11) **Equity:** The ambition for equity and equality of treatment should be considered while dealing with employees at all levels of the business chain.
- 12) **Stability of tenure of personnel:** In general, prosperous organisations have steady managing staff. But personnel changes are unavoidable, and tenure stability is a matter of proportion.
- 13) **Initiative:** This is a source of organisational strength and should be promoted and fostered. To foster initiative and maintain respect for authority and discipline, tact and honesty are necessary.
- 14) **Esprit-de-Corps:** This should be encouraged because harmony and togetherness among the organization's members is a source of enormous strength for the organisation. The idea of command unity

must be observed. It is essential to avoid the risks of division and rule within one's own team, as well as the misuse of textual communication. When possible, verbal interactions should be utilised.

Several of these principles are directly affected by the organisational structure within which the management process occurs.

### **The Importance of 'Management'**

There are distinctions between private and public sector management.

These differences are a result of distinct characteristics of public sector organisations, such as:

- The goals are concerned with providing a service for the community and its well-being, as opposed to being purely commercial;

- The scale, variety, and complexity of their operations;
- The political environment in which they operate, and in the case of local government, the relationship between elected officials and permanent staff.
- The union's high level of participation.
- Difficulties in monitoring performance standards of delivered services relative to profitability.
- The trend toward increasingly rigid personnel practises;
- The desire for uniformity of treatment and public accountability for their operations.

Several of these characteristics combine to increase bureaucracy in public sector organisations.

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### **13.10 QUESTION:**

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1. What is "Human Resource Management"?
2. What functions does a human resource department normally perform?
3. Explain the new roles of HR managers.
4. Delineate the objectives of human resource planning.
5. Discuss Human resource planning.
6. Differentiate between human resource planning and business planning.
7. What is meant by hard and soft human resource planning?
8. What are the limitations of Human Resource Planning?

9. What is the rationale for human resource planning?
10. What is the organisational context of human resource planning?
11. Discuss labour market context of Human Resource Planning.
12. What are the aims of Human Resource Planning?
13. Discuss the relationship between management and administration.
14. Describe the process of management.
15. Elucidate the common activities of management.
16. What are the principles of management?

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# ORGANISATIONAL BEHAVIOUR AND STRATEGIC MANAGEMENT

## Unit Structure

### 14.0 Objectives

### 14.1 Introduction

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#### 14.2.1 Scope of organisational behaviour

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## 14.0 OBJECTIVES:

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This chapter would help you understand what organisational behaviour is it would also help you figure out how to strategically manage organisational behaviour.

It would help you understand how businesses are affected by organisational behaviour and how target management of the same can help improve the situation

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## 14.1 INTRODUCTION:

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The study of organisational behaviour is not new. It's been around for quite a few decades. As a culmination of multiple sciences, it's related to the expected behaviour of an individual within an organisational structure. When humans all tend to behave in different ways and situations, an organisation is a space that has common dynamic norms and values. The organisation often acts as a mini-community/society within itself. So this study becomes more challenging as there are several other variables and play.

Although the organisational structure provides a common framework for people to interact and engage with each other, two individuals are still not going to respond the same way to a workplace situation. However, given the give-and-take nature of the space, there is certain predictability that comes from the behaviours and the attributes are provided. For instance, a

manager would respond in a certain way if the deadline is not met. If an employee is performing well, you will be incentivised in some capacity.

Organisational behaviour is important because it helps with the productivity of the organisation. It brings some order to the situation, especially since employees come and go. It also helps create processes and protocols that will help ensure the smooth running of the institution. Strategic management of organisational behaviour takes it up a notch and further improves productivity, and adaptability and even prevents workplace conflicts.

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## 14.2 WHAT IS ORGANISATIONAL BEHAVIOUR?

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### Definition of Organisational Behaviour:

In the words of K Aswathappa, “OB is the study of human behaviour in an organisational setting, of the interface between human behaviour and organisation and of the organisation itself.”

In the words of Stephen P. Robbins, “OB is a field of study that investigates the impact that individuals, groups and structures have on behaviour within organisations for the purpose of applying such knowledge towards improving an organisation’s effectiveness.”

There are several other variations available of the definition. However, in a nutshell, it studies the effect on humans individually and as a group and use those insights to improve an organisation’s collective performance.

### 14.2.1 Scope of organisational behaviour

The scope of organisational behaviour is multilayered. On its very surface, it may seem like it’s a study that talks about individuals’ collective behaviour within an organisational structure, but It has several other purposes. It studies several elements of human behaviours, organisational dynamics, and group dynamics which is otherwise hard to predict given the diverse nature of workplaces.

**Motivation:** organisational behaviour studies in-depth about motivation. Motivation is mean different things to different people. For some people, a new and challenging project is a great motivator. On the other hand, some people find it extremely stressful to take on unfamiliar and strange projects. For some, comfort is a huge motivator in an organisation they are choosing to work with. While others find comfort as an indication of lack of growth. Motivation is an even more interesting subject to the current scenario. The world will have the youngest workforce it has ever had in a couple of years. This is majorly from the Gen Z cohort and they have very different perceptions about what a work motivation means to offer them. While slightly older generations considered the workplace as a mutually beneficial transaction that involves money and skills, the current generation looks at work as beyond that. They are looking at it as a purpose and even a journey to self-discovery. In other words, Gen X looked at money as the most common and most important motivator, while the newer generation is

looking for purpose, growth and exposure. We know this because OB experts have been observing these trend for decades. Organisational behaviour will help identify these patterns of what contributes to motivation.

**Leadership cultivation:** Organisational behaviour helps you study and close leadership practices. A huge reflection of your organisation's culture is its leaders. And leaders are often not born, they are made, especially in the workplace. The leaders need to reflect the same values as the organisation does. Leadership could also mean different things in different workplaces. Some organisations prefer an empathetic, deeply rooted in love leadership style. While some prefer a more outcome-oriented, built on processes leadership style. Either way, organisational behaviour gives you an opportunity to understand what leadership style is resonating best with its employees and is accelerating the organisational culture. This will further help the organisation understand when they put people on the leadership development journey what skills and values they need to inculcate.

**Creating effective teams and groups:** A big scope of organisational behaviour is being able to create effective teams and groups. With a really diverse workforce, it's often hard to create an effective and productive team. Organisational behaviour helps you design practices and policies that will bring teams together and collaborate effectively. They usually look at several prototypes and case studies to come up with these.

**Study of different organizational structures:** A big part of organisational behaviour talks about organisational structures. While most organisations start out with a certain organisational structure, it often evolves. Organisational behaviour will help you with understanding various organisational structures, what is the more effective model to adapt to the current timeline, and also what modifications and tweaks are required based on feedback that is being provided by staff.

**Individual behaviour, attitude and learning:** Organisational behaviour looks at individuals' behaviour from a collective perspective, it also talks about individuals' behaviours as themselves, their attitudes and what they are taking away from the workplace. It's not possible for us to address organisational behaviour without actually understanding what individual contributions look like. Defining the individual behaviour and attitude would then help you identify their motivators. It will also help you understand what kind of learning they are taking away. This will help the organisation design a better employee journey.

**Designing jobs and futuristic thinking:** A big responsibility for organisational behaviour experts is to define jobs of the future. While an organisation may start off with a couple of employees, over time the roles will evolve. We will be learning over time what the perfect cocktail of responsibilities would be for a role. A fine example of a job that didn't exist a decade ago, would be the CXO role - a chief strategic officer, a C-level executive strategy role is a new, shiny one. Their responsibility is to design

and implement an effective organisational strategy. The responsibilities of this role were earlier executed by CEO or COO.

Organisational behaviour experts can design jobs bringing together all the right skills and leadership values and abilities one needs to exhibit. Another important role organisational behaviour would have to play is to think about jobs from a futuristic perspective. With automation and technology taking over many of the functions of human responsibility, it's absolutely possible that the workforce of the future needs a completely different set of skills. An organisational behaviour expert should be able to reimagine what those roles would look like.

**Change management:** There are several changes that an organisation undergo in the course of its existence. For instance, an organisation may go public, it might restructure or even acquire or merge with other organisations, and that will drastically shift everything in the organisation does. A merger could also mean a different set of leadership or a completely new way of approaching work. Organisational behaviour study equips you to manage changes just like this. Another form of change could be changing your leadership. It's completely possible that right within your organisation's journey you have decided to take a leadership shift. While the individual changes, the leadership style might also change. Acknowledging this and empowering the employees to take on the responsibility of adapting themselves to the new leadership style can be a key part of what the organisational behaviourist does.

**Conflict management:** another key role organisational behaviour plays in an organisation is by managing conflicts effectively. Since they observe individual behaviours, as well as collective behaviours, it is easier for them to predict understand and identify the root cause of the problem. Since they also understand organisational values and norms better, when they manage a conflict the output can actually be more aligned to the organisational strategy as a whole.

**Defining cultures:** An organisational culture while hard to define in a concrete sense, is an essential part of an organisation's structure. Organisational behaviour will help you define the culture, will tell you about the practices and policies you could adapt to ensure the organisational culture is conducive to productivity, and also simply point out practices and policies that need to be avoided to protect the organisation's culture.

**Q.** What's the scope of organisational behaviour in the current workplace?

### 14.2.2 Strategic management of organisational behaviour

#### Why strategically manage Organisational Behaviour

Now that we have a basic understanding of what organisational behaviour is, let's talk about why there is a need for strategic management of organisational behaviour. In a simple sense, organisations are created to fulfil the needs of people. These needs could be different. It may vary from salary to create fulfilment or even learning opportunities. However, in an



age where businesses are becoming more cutting-edge and competitive than ever, organisations also need to be growth-oriented. The organisational behaviour directly impacts the productivity of the organisation. If the organisation highly encourages independence, creativity and problem-solving, there is a better chance that employees take high ownership and accountability. If an organisation micromanages and only delegates, there might be far less experimentation and trial and error happening in the organisation.

By strategically managing organisational behaviour, you will be directly boosting the productivity of the organisation, improving the culture, identifying any gaps that need to be addressed, and preparing yourself for the future workforce as well.

For instance, an employee who is constantly absent and makes errors is not only contributing individually in their capacity But might also bring down the team's collective productivity.

The primary objective of the strategic management of organisational behaviour should be to identify gaps, address them tactically, and monitor the situation to see any further changes you could make. As you look at your workplace as a people-oriented place, looking at it from a strategic lens would also help you understand the kind of intervention needed to ensure your organisation's workforce is productive and is actively contributing to the company strategy. Strategic management of organisational behaviour should help one come up with simple, actionable practices to address the prominent organisational challenges. Strategic doesn't have to mean large-scale. They could be straightforward pointers or responses to given scenarios.

Another thing you need to keep in mind as you take on the responsibility of strategically managing the organisational behaviour is that there is no one-for-all formula there. Almost every strategic management decision you take in this space will be a response to a certain situation. So it will be subjective and also designed in a way to address the issue at hand in the most effective manner possible. You can be as prepared as you want but if the organisational behaviour changes in a certain way or if you see an organisational conflict arising, you might not be able to use a trick in the book to handle it. In a situation like that, whoever is responsible for managing that situation needs to keep in mind a couple of things. They need to be fully aware of the organisational behaviour change that has happened. They need to be aware what are the root causes behind that. They need to understand if there are any peripheral or external factors that are contributing to it. You also need to understand if there are any key stakeholders that are playing an important role in it. You should also be sure to see if there are any interpersonal relationships or group dynamics playing into it that are causing this. For instance, if you are observing within your organisation that there are several conflicts that are taking place within a certain team and most of those are around resources and how they are shared, you should be able to take note of the fact that it's a recurring conflict. It's happening within the same team. It's happening over the same

course which is the scarcity of resources. You also need to take into consideration the fact that this happens multiple times and the scarcity of the resources as an issue hasn't been addressed by the organisation. You can also of course look into the employee's records and see if they have an interpersonal relationship that you need to be mindful and compassionate about. You need to see if the current realities are suiting the narrative that they are pushing for. For instance, if there is a pandemic that is ongoing and if the organisation has undergone massive layoffs, then the issue is also inspired by other external factors that might not be the employee's locus of control. Keeping all this in mind and the values of the organisation, you should be able to come up with a short-term idea to ideally manage that situation and lead it to the best outcome. It's also important that the strategic management processes be documented so that it can become a formalised process for future situations that are similar and can become a case study for a scenario. It might be easier to replicate existing solutions for similar issues.

To strategically and effectively manage organisational behaviour, we need to understand on what levels organisational behaviour functions.

### **Organisational Behaviour happens across 3 Levels: Individual, Group and Organisational Level**

Based on the impact and individuals of the attributes involved, organisational behaviour is divided into three levels:

1. Individual Level – Directly connected on an individual level. Examples of individual-level concepts are perception, personality, learning, motivation, and attitude.
2. Group Level – Linked to the concepts on a group level. Examples of group-level concepts are team, conflict, leadership, power, and politics. Group level concepts are helpful in organisational behaviour to understand how to effectively assemble efficient teams, comprehend politics and hierarchy within teams
3. Organizational Level – This demonstrates organisational behaviour on an organisational level. Examples of organizational-level concepts are change management and organizational culture. Things like change management or leadership change will fall under this category.

Q. How many levels exist with organisational behaviour and what are those?

### **Strategic Management of OB**

**From the perspective of organisational behaviour, there are several theories on its strategic management of it. Behavioural Role theory,** introduced by Katz and Khan (1978) and Jackson and Schuler (1995) is one of them. They considered employee behaviour as a key to successful strategy implementation. This theory indicates that when designing

strategies, it's ideal for an organisation to ensure there is synchronisation between its practices and policies and its strategy. This helps define the expectations of the employees clearly and fulfil them.

Another theory by Barney (1991) and Prahalad and Hamel (1990) explains that only the employees of an organization can provide a sustainable competitive advantage, as characteristically, people are rare, inimitable (features that we cannot find in any other resource of an organization), and non-substitutable resources for achieving competitive advantage.

The human capital theory of Becker (1964) demonstrates the linkage between the strategic importance of people to other economic assets, building on the fact that the knowledge, skills, and abilities of the people also have economic values.

While these are all valuable theories to be aware of, it's essential to note that there all constructed on a constituency-based interest and do not necessarily guarantee improved employee performance or even efficiency.

The institutional theory explains the need for acceptance of strategy by stakeholders, while the dependency theory reckons this will unduly enhance the level of influence over the organizations (from employees) and will thereby beat the objectives. Prima facie, environmental, organizational, institutional, and technological factors are all factors that will influence and impact strategy.

### **14.2.3 Implications of organisational behaviour management**

#### **Strategic Management Implications of Organisational Behaviour**

It's not possible to cover all the aspects of strategic clear management the organisational behaviour in one chapter. However, we will attempt to discuss some example practices one could adapt into their management style as they are managing the organisational behaviour. The study in the space is constantly evolving since the workforce and organisations are also evolving. A couple of years ago a four-day workweek was a joke that existed among employees. Today there are several countries that have accepted that as a common practice. It's important to stay on top of these trends to keep yourself aware about what are the employee welfare schemes that are going on around the world. You can use it for information and inspiration. It's necessary to note that the strategic management of organisational behaviour will always not look the same. Factors like globalisation and the emergence of a global village have played a key role in transforming what the strategic management of organisational behaviour looks like. There is no need for your manager to be from the same office region or country anymore. Remote working places are a common occurrence. And diversity and inclusion and growth opportunities are becoming more important than ever in workplaces. Here we discuss some practices you could adopt to efficiently manage organisational behaviour.

**Managing and improving diversity** - Workplace diversity is no more an optional element. Most workplaces are leaning towards a more diverse

workforce these days. A very positive change that must be welcomed is the diversity and inclusion policies most organisations are adopting. While we need to encourage this, managing a workplace that is diverse is also more challenging than managing a workplace that is fully uniform. It's crucial that we are aware of the cultural contexts, nuances and perspectives before we start working with a really diverse workforce. It's important that you listen and give them an avenue to speak up and authentically represent themselves. It's only when there are diverse perspectives that the work you produce will also be more enriched. To strategically manage a diverse workforce we need to create a safe and empathetic workplace culture that includes and offers a voice to everyone. To equip your organisation to adapt to this kind of shift, it's critical that you introduce your managers to training and sessions that empower them to deal with a workforce like this.

**Increasing productivity and quality while encouraging work-life balance-** It's necessary that we acknowledge that the world has become a global village and that has increased competition across industries. Today every manager is facing the problem of the need to improve productivity and quality of services while also ensuring the employee workforce and burnt out or overworked. The art of balance and prioritising becomes a key skill amongst managers. As a part of the organisation's culture, it's crucial that you encourage employees to take time off while also holding high bars of excellence.

**What counts as an incentive-** It's important to note that the younger generation is entering the workforce. There have been several reports that have established the fact that this particular generation is not just looking for monetary transactions from their job. They are also hoping for an opportunity to fulfil or find their purposes along the way. A good organisational culture should identify what these incentives are for the workforce. While paying your employees fairly is a basic expectation, incentives now go beyond just money. Many people especially early career professionals, look at jobs as a learning opportunity and often prefer challenging careers with a steep learning curve. If that's a priority for the majority of the workforce, as a part of managing them it's important that you inculcate these opportunities into the organisational structure.

**Innovation and challenges-** As employees are looking at work from a different perspective, it's also important for employers to note that highly sought-after candidates have the option of choosing their workplace. As a part of cultivating a rich organisational culture, it's important for you to make yourself stand out. Providing innovative opportunities and offering spaces to learn from trial and error could be one of the methods. Brands like Apple are built on innovation and the concept of newness and that is something they continue to cultivate even within their organisational culture which makes it a hotspot for excellent techie candidates. Providing people with an opportunity to be innovative and take on new challenges proves to be an excellent retainment strategy. People get complacent and bored with their responsibilities if there is no room for growth. This is an interesting place for them to explore.

**Change management-** it's absolutely possible that organisations undergo massive changes. Changes can happen on several levels. The company strategy could change, the products they offer could change, and even the leadership could change. Each of these can have an impact on everybody in the organisation as an effective strategic manager of the organisational behaviour, it's important that you note that these changes have a trickle-down impact. Although it may seem like at the surface it's not directly impacting its employees, in the end, these changes can have a positive or negative shift for months in the employees' minds. As we undergo major changes it's important that you loop everybody in and everyone feels included. Transparency and clear communication within the organisation is an excellent tools to create a positive organisational culture.

**Feedback-** Every organisation that intends to strategically manage its organisational behaviour need to provide an avenue to get feedback from its employees. While there might be informal ways of gathering feedback, there needs to be a formal way of getting feedback about the organisational behaviour and culture at least on a yearly basis so that the organisation can improve over time.

**Positive workplace-** In the current world scenarios, every day we are presented with a new challenge. There has been crisis after crisis for the last decade. While the outside world is so full of pressure and challenges, creating something similar even within the workplace is not actually going to be an effective technique for you to create a productive or efficient employee culture. It's important that you cultivate a positive workplace that is a safe space, that's empathetic, that listens to people, provides high ownership and accountability, but also provides honest and constructive feedback on work. If a workplace fabric is intimidation, that will have a deep impact on the organisational behaviour and people's motivation levels.

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### 14.3 LET'S SUM IT UP:

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Organisational behaviour determines the productivity and efficiency of an organisation. It's made of several elements. However, in today's age and time, strategically managing organisational behaviour is key to not only ensure that it's in alignment with the organisation's strategy but also to ensure you are cultivating a positive workplace.

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### 14.4 QUESTIONS:

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1. What's organisational behaviour?
2. Why should there be a focus on organisational behaviour?
3. How can one strategically manage organisational behaviour?
4. What's the scope of organisational behaviour?

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