Keith and Gubellini, "Management is the force that integrates men and physical plant into an effective operating unit."

Newman, Summer and Warren, "The job of Management is to make co-operative endeavour to function properly. A manager is one who gets things done by working with people and other resources in order to reach an objective."

G.E. Milward, "Management is the process and the agency through which the execution of policy is planned and supervised."

Ordway Tead, "Management is the process and agency which directs and guides the operations of an organization in the realizing of established aims."

Mary Parker Follett defines management as the "art of getting things done through people". This definition calls attention to the fundamental difference between a manager and other personnel of an organization. A manager is one who contributes to the organization's goals indirectly by directing the efforts of others – not by performing the task himself. On the other hand, a person who is not a manager makes his contribution to the organization's goals directly by performing the task himself.

Sometimes, however, a person in an organization may play both these roles simultaneously. For example, a sales manager is performing a managerial role when he is directing his sales force to meet the organization's goals, but when he himself is contacting a large customer and negotiating a deal, he is performing a non-managerial role. In the former role, he is directing the efforts of others and is contributing to the organization's goals indirectly; in the latter role, he is directly utilizing his skills as a salesman to meet the organization's objectives.

5. **System of Authority :** Management as a team of managers represents a system of authority, a hierarchy of command and control. Managers at different levels possess varying degree of authority. Generally, as we move down in the managerial hierarchy, the degree of authority gets gradually reduced. Authority enables the managers to perform their functions effectively.

6. **Multi-disciplinary Subject :** Management has grown as a field of study (i.e. discipline) taking the help of so many other disciplines such as engineering, anthropology, sociology and psychology. Much of the management literature is the result of the association of these disciplines. For instance, productivity orientation drew its inspiration from industrial engineering and human relations orientation from psychology. Similarly, sociology and operations research have also contributed to the development of management science.

7. **Universal Application :** Management is universal in character. The principles and techniques of management are equally applicable in the fields of business, education, military, government and hospital. Henri Fayol suggested that principles of management would apply more or less in every situation. The principles are working guidelines which are flexible and capable of adaptation to every organization where the efforts of human beings are to be coordinated.

1.4 MANAGEMENT FUNCTIONS /PROCESS OF MANAGEMENT

There is enough disagreement among management writers on the classification of managerial functions. Newman and Summer recognize only four functions, namely, organizing, planning, leading and controlling.

6. **Controlling :** Controlling is the function of ensuring that the divisional, departmental, sectional and individual performances are consistent with the predetermined objectives and goals. Deviations from objectives and plans have to be identified and investigated, and correction action taken. Deviations from plans and objectives provide feedback to managers, and all other management processes including planning, organizing, staffing, directing and coordinating are continuously reviewed and modified, where necessary.

Controlling implies that objectives, goals and standards of performance exist and are known to employees and their superiors. It also implies a flexible and dynamic organization which will permit changes in objectives, plans, programmes, strategies, policies, organizational design, staffing policies and practices, leadership style, communication system, etc., for it is not uncommon that employees failure to achieve predetermined standards is due to defects or shortcomings in any one or more of the above dimensions of management.

Thus, controlling involves the following process :

(a) Measurement of performance against predetermined goals.

(b) Identification of deviations from these goals.

(c) Corrective action to rectify deviations.

It may be pointed out that although management functions have been discussed in a particular sequence-planning, organizing, staffing, directing, coordinating and controlling – they are not performed in a sequential order. Management is an integral process and it is difficult to put its functions neatly in separate boxes. Management functions tend to coalesce, and it sometimes becomes difficult to separate one from the other. For example, when a production manager is discussing work problems with one of his subordinates, it is difficult to say whether he is guiding, developing or communicating, or doing all these things simultaneously. Moreover, managers often perform more than one function simultaneously.

1.5 NATURE OF MANAGEMENT

Management has been conceptualized earlier in this lesson, as the social process by which managers of an enterprise integrate and coordinate its resources for the achievement of common, explicit goals. It has developed into a body of knowledge and a separate identifiable discipline during the past six decades. Practice of management as an art is, of course, as old as the organized human effort for the achievement of common goals. Management has also acquired several characteristics of profession during recent times. Large and medium-sized enterprise in India and elsewhere are managed by professional managers – managers who have little or no share in the ownership of the enterprise and look upon management as a career. The nature of management as a science, as art and as a profession is discussed below :

Management as a Science : Development of management as a science is of recent origin, even though its practice is ages old. Fredrick W. Taylor was the first manager-theorist who made significant contributions to the development of management as a science. He used the scientific methods of analysis, observation and experimentation in the management of production function. A perceptive manager, as he was, he distilled certain fundamental principles and propounded the theory and principles of scientific management. His work was followed by many others including Gantt, Emerson, Fayol, Barnard, etc. During the last few decades, great strides have been made in the development of management as a systematized body determination, plans and policy formulation and organizing than those who are at the bottom of the ladder.

1.7 LEVELS OF MANAGEMENT

An enterprise may have different levels of management. Levels of management refer to a line of demarcation between various managerial positions in an enterprise. The levels of management depend upon its size, technical facilities, and the range of production. We generally come across two broad levels of management, viz. (i) administrative management (i.e., the upper level of management) and (ii) operating management (i.e., the lower level of management). Administrative management is concerned with "thinking" functions such as laying down policy, planning and setting up of standards. Operative management is concerned with the "doing" function such as implementation of policies, and directing the operations to attain the objectives of the enterprise.

But in actual practice, it is difficult to draw any clear cut demarcation between thinking function and doing function. Because the basic/fundamental managerial functions are performed by all managers irrespective of their levels or, ranks. For instance, wage and salary director of a company may assist in fixing wages and salary structure as a member of the Board of Directors, but as head of wages and salary department, his job is to see that the decisions are implemented.

The real significance of levels is that they explain authority relationships in an organization. Considering the hierarchy of authority and responsibility, one can identify three levels of management namely:

(i) **Top management** of a company consists of owners/shareholders, Board of Directors, its Chairman, Managing Director, or the Chief Executive, or the General Manager or Executive Committee having key officers.

resources in the organization. Every manager has to direct his subordinates to put the organizational plans into practice.

The greater part of every manager's time is spent in communicating and dealing with people. His efforts are directed towards obtaining information and evaluating progress towards objectives set by him and then taking corrective action. Thus, a manager's job primarily consists of management of people. Though it is his duty to handle all the productive resources, but human factor is more important. A manager cannot convert the raw materials into finished products himself; he has to take the help of others to do this. The greatest problem before any manager is how to manage the personnel to get the best possible results. The manager in the present age has to deal efficiently with the people who are to contribute for the achievement of organizational goals.

Peter F. Drucker has advocated that the managerial approach to handle workers and work should be pragmatic and dynamic. Every job should be designed as an integrated set of operations. The workers should be given a sufficient measure of freedom to organize and control their work environment. It is the duty of every manager to educate, train and develop people below him so that they may use their potentialities and abilities to perform the work allotted to them. He has also to help them in satisfying their needs and working under him, he must provide them with proper environment. A manager must create a climate which brings in and maintains satisfaction and discipline among the people. This will increase organizational effectiveness.

Recently, it has been questioned whether planning, organizing, directing and controlling provides an adequate description of the management process. After an intensive observation of what five top executive actually

Spokesman : In this role, the manager informs and satisfies various groups and people who influence his organization. Thus, he advises shareholders about financial performance, assures consumer groups that the organization is fulfilling its social responsibilities and satisfies government that the origination is abiding by the law.

3. Decisional Roles

Entrepreneur : In this role, the manager constantly looks out for new ideas and seeks to improve his unit by adapting it to changing conditions in the environment.

Disturbance Handler : In this role, the manager has to work like a fire fighter. He must seek solutions of various unanticipated problems – a strike may loom large a major customer may go bankrupt; a supplier may renege on his contract, and so on.

Resource Allocator : In this role the manager must divide work and delegate authority among his subordinates. He must decide who will get what.

Negotiator : The manager has to spend considerable time in negotiations. Thus, the chairman of a company may negotiate with the union leaders a new strike issue, the foreman may negotiate with the workers a grievance problem, and so on.

In addition, managers in any organization work with each other to establish the organization's long-range goals and to plan how to achieve them. They also work together to provide one another with the accurate information needed to perform tasks. Thus, managers act as channels of communication with the organization.

Characteristics of Professional Managers

10. **Order :** Order, in the conception of Fayol, means right person on the right job and everything in its proper place. This kind of order, depends on precise knowledge of human requirements and resources of the concern and a constant balance between these requirements and resources.

11. **Equity :** It means that subordinates should be treated with justice and kindliness. This is essential for eliciting their devotion and loyalty to the enterprise. It is, therefore the duty of the chief executive to instill a sense of equity throughout all levels of scalar chain.

12. **Stability of Tenure of Personnel :** The managerial policies should provide a sense of reasonable job security. The hiring and firing of personnel should depend not on the whims of the superiors but on the well-conceived personnel policies. He points out that it takes time for an employee to learn his job; if they quit or are discharged within a short time the learning time has been wasted. At the same time those found unsuitable should be removed and those who are found to be competent should be promoted. However, "a mediorce manager who stays is infinitely preferable to outstanding managers who come and go".

13. **Initiative :** It focuses on the ability, attitude and resourcefulness to act without prompting from others. Managers must create an environment which encourages their subordinates to take initiative and responsibility. Since it provides a sense of great satisfaction to intelligent employees, managers should sacrifice their personal vanity in order to encourage their subordinates to show initiative. It should, however, be limited, according to Fayol, by respect for authority and discipline.

10. **Sound organization structure :** Management establishes proper organization structure and avoids conflict between the superiors and subordinates. This helps in the development of spirit of cooperation and mutual understanding, and a congenial environment is provided in the organization.

1.12 SUMMARY

Management is the force that unifies various resources and is the process of bringing them together and coordinating them to help accomplish organization goal. Management is both, a science as well as art. It is an inexact science. However, its principles as distinguished from practice are of universal application. Management does not yet completely fulfill all the criteria of a profession. There are three levels of management - top, middle and lower. Managers at different levels of the organization require and use different types of skills. Lower level managers require and use a greater degree of technical skill than high level managers, while higher level managers require and use a greater degree of conceptual skill. Human skills are important at all managerial levels.

1.13 SELF ASSESSMENT QUESTIONS

1. "There is no important area of human activity than management since its task is that of getting things done through people". Discuss.

2. "Management is both a science and an art". Discuss this statement, giving suitable examples.

3. Define Management. How does it differ from Administration?

2.1 INTRODUCTION

Organized endeavors, directed by people, responsible for planning, organizing, leading and controlling activities have been in existence for thousands of years. Management has been practiced in some form or the other since the dawn of civilization. Ever since human beings started living together in groups, techniques of organization and management were evolved. The Egyptian pyramids, the Chinese Civil Service, The Roman Catholic Church, the military organizations and the Great Wall of China, for instance, are tangible evidence that projects of tremendous scope, employing tens of thousands of people, were undertaken well before the modern times.

The pyramids are particularly interesting examples. The construction of a single pyramid occupied more than 1,00,000 workers for 20 years. Who told each worker that what did one do? Who ensured that there would be enough stones at the site to keep the workers busy? The answer is Managers, regardless of what managers were called at that time. He had to plan what was to be done, organize people and material to do it, lead and direct the workers, and impose some controls to ensure that everything was done as planned. This example from the past demonstrates that organizations have been around for thousands of years and that management has been practices for an equivalent period. However, two pre-twentieth-century events played significant roles in promoting the study of management. First is Adam Smith's contribution in the field of management and second is influence of Industrial Revolution in management practice.

1) ***Adam Smith's*** name is typically cited in field of economics for his contribution to classical economic doctrine, but his contribution in Wealth of Nations (1776) outlined the economic advantage that organization and society can gain from the *division of labor*. He used the pin-manufacturing industry for his example. Smith noted that 10 individuals, each doing a specialized task, could produce about 4800 pins a day. However, if each worked separately and had to perform each task, it

Among the people who were in search of management principles, techniques and processes, a few emerged as outstanding pioneers. These are- Urwick and Brech, Boulton and Watt, Robert Owen, Charles Babbage, Oliver Sheldon, Lyndall Urwick, Herbert A. Simon, Frederick Winslow Taylor, H.S. Person, Henry L. Gantt, Frank Gilbreth, Harrington Emerson, H.P. Kendall, C.B. Barth, F.A. Halsey, Henri Dennison, Mooney and Reiley, Chester I. Barnard, Elton Mayo, F.J. Roethlisberger and T.N.Whitehead, Mary Parker Follett and Henry Fayol etc.

2.4 CONTRIBUTION OF LEADING THINKERS

1. Classical School: The classical development of management thoughts can be divided into- the scientific management, the organizational management, the behavioural management and the quantitative management. The first two (scientific management school and organizational) emerged in late 1800s and early 1900s were based on the management belief that people were rational, economic creatures choose a course of action that provide the greatest economic gain. These schools of management thoughts are explained as below:

(A) Scientific Management School: Scientific management means application of the scientific methods to the problem of management. It conducts a business or affairs by standards established by facts or truth gained through systematic observation, experiments, or reasoning. The followings individuals contribute in development of scientific management school of management thoughts. They dedicated to the increase in efficiency of labour by the management of the workers in the organization's technical core. They are:

I. **Charles Babbage (1792-1871):** He was professor of mathematics at Cambridge University from 1828 to 1839. He concentrated on developing the efficiencies of labour production. He, like Adam Smith, was a proponent of the specialization of labour, and he applied mathematics to the efficient use of both production

According to McGregor, Theory X attitudes, that man was lazy and work was bad were both pessimistic and counter productive. Theory X assumes that people have little ambition, dislike work, want to avoid responsibility, and need to be closely supervised to work effectively.

Theory Y, view that man wanted to work and work was good should become the standard for humanizing the workplace. Theory Y offers a positive view, assuming that people can exercise self-direction, accept responsibility and consider work to be as natural as rest of play. McGregor believed that Theory Y assumptions best captured the true nature of workers and should guide management practice. *Table-2.4* depicts the assumptions of both these theories:

Table-2.4: Theory X and Y Theory

Traditional Theory 'X'	Modern Theory 'Y'
1) Man by nature is sluggish and shirker.	Man wants to work provided the conditions are favourable.
2) Mostly people are not ambitious and are afraid to take responsibility.	This theory takes people as enthusiastic, responsible and full of effort.
3) Under this people want to be directed, meaning thereby that they want somebody to tell them to work and only they will work.	It is thought that the employee has the quality of self-direction and they do not feel the necessity of being directed by somebody else.
4) Motivation is limited to only physical and security needs.	According to this, physical and security needs motivate for a short time while it is continuous in case of self-actualization and esteem and status needs.
5) Strict control, threat and punishment are used in order to get work.	If proper environment is provided a person himself performs his work laboriously.

VII. **Chris Argyris:** He was an eminent social scientist and a professor of industrial administration at Yale University. He conducts research into personality and organizational life factors and developed the theory that both traditional management practices and organizational structure are inconsistent with the growth and development of the matured personality. Further he argued that the continuing incongruence between one's work environment and one's personality will result in conflict, frustration and failure.

(D) **Quantitative School:** With the revolutionary change in the application of information technology came the quantitative school of thoughts, which finds its foundation in decision theory, the application of statistics in decision making and the evolution of mathematical/econometric models that are nurtured by computer technology. This approach is based upon the assumption that mathematical techniques can help the manager in solution of problems. The features of quantitative management school were:

- Primary Focus on Decision Making: The end result of problem analysis will include direct implications for managerial action.
- Based on Economic Decision Theory: Final actions are chosen criteria as costs, revenue and rates of return on investment.
- Use of Formal Mathematical Models: Possible solutions to problems are specified as mathematical equations and then analyzed according to mathematical rules and formulas.
- Frequent Use of Computers: Heavy reliance is placed on computers and their advanced processing capabilities.

The quantitative approach has found favor through the following applications:

I. Management Science: Explained later in this chapter.

II. Operations Management: It entails the application of quantitative methods to the organizational tasks of production and operations control. The operational management techniques utilizes following basic quantitative techniques:

- *Forecasting* is the process by which future predictions are formulated through mathematical computations
- *Inventory control* entails the control of costly inventories through mathematical formulas that determine the proper level of

- Employee oriented democratic participative style of management is more effective than mechanistic task oriented management style.
- The informal group should be recognized and officially supported.

The human relations approach is concerned with recognition of the importance of human element in organizations. It revealed the importance f social and psychological factors in determining worker's productivity and satisfaction. It is instrumental in creating a new image of man and the work place. However, this approach also did not go without criticism. It was criticized that the approach laid heavy emphasis on the human side as against the organizational needs. However, the contribution of this approach lies in the fact that it advises managers to attach importance to the human side of an organization.

E. Social System Approach to Management

It is developed during social science era; it is closely related to Human Relation Approach. It includes those researchers who look upon management as a social system. Chester I. Barnard is called as the spiritual father of this approach. According to this approach, an organization is essentially a cultural system composed of people who work in cooperation. The major features of this approach are as follows:

- Organization is a social system, a system of cultural relationships.
- Relationships exist among the external as well as internal environment of the organization.
- Cooperation among group members is necessary for the achievement of organizational objectives.
- For effective management, efforts should be made for establishing harmony between the goals of the organization and the various groups therein.

- Most people can exercise a great deal of self-direction and self-control than are required in their current job. Therefore, there remains untapped potential among them.
- The manager's basic job is to use the untapped human potential in the service organization.
- The managers should create a healthy environment wherein all the subordinates contribute to the best of their capacity. Te environment should provide healthy, safe, comfortable and convenient place to work.
- The manager should provide for self direction by subordinates and they must be encouraged to participate fully in all important matters.
- Operating efficiency can be improved by expanding subordinate influence, direction and self control.
- Work satisfaction may improve as a by product of subordinates making use of their potential.

Merits of Behavioural Approach

It generated an awareness of the overwhelming role of the human element in organizations. It recognizes the quality of leadership as a critical factor in management success. It recognizes the role of individual psychology and group behaviour in organizational effectiveness.

Shortcomings of Behavioural Approach

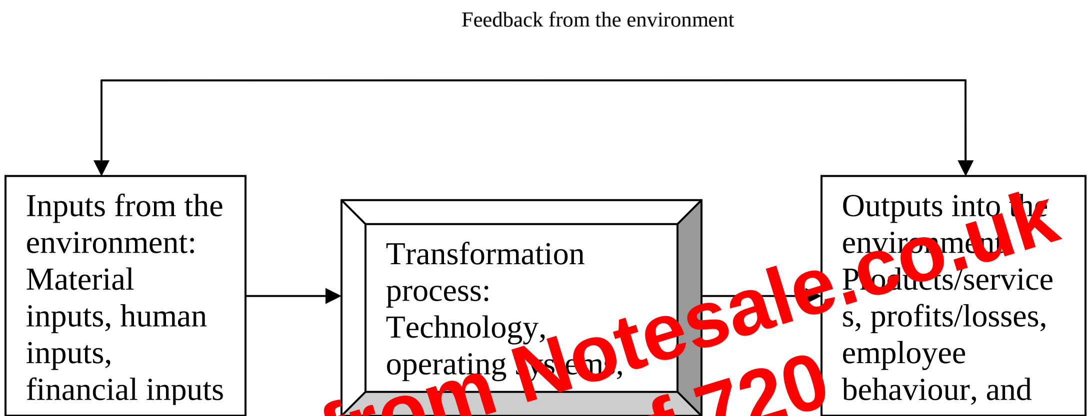
Conclusions of behavioural approach discounts theory and stress radical empiricism. This approach neglects the economic dimension of work satisfaction. It is group oriented and anti-individualistic.

system concentrates completely on internal relationships, i.e. interaction between sub-systems only. An *open system* approach recognizes the dynamic interaction of the system with its environment in *Figure-2.8*:

The open system consisting of four basic elements

- Inputs: These are ingredients required to initiate the transformation process. They include human, financial, material and information resources.

Figure-2.9 ELEMENTS OF OPEN SYSTEM



- Transformation Process: The inputs are put through a transformation process that applies technology, operating methodologies, administrative practices and control techniques in order to produce the output.
- Outputs: The output may be products and/or services, the sale of which creates profits or losses. This process also has by-product outputs such as worker behaviour, information, environmental pollution, community services and so on.
- Feedback: A feedback loop is used to return the resultant environmental feedback to the system as inputs.

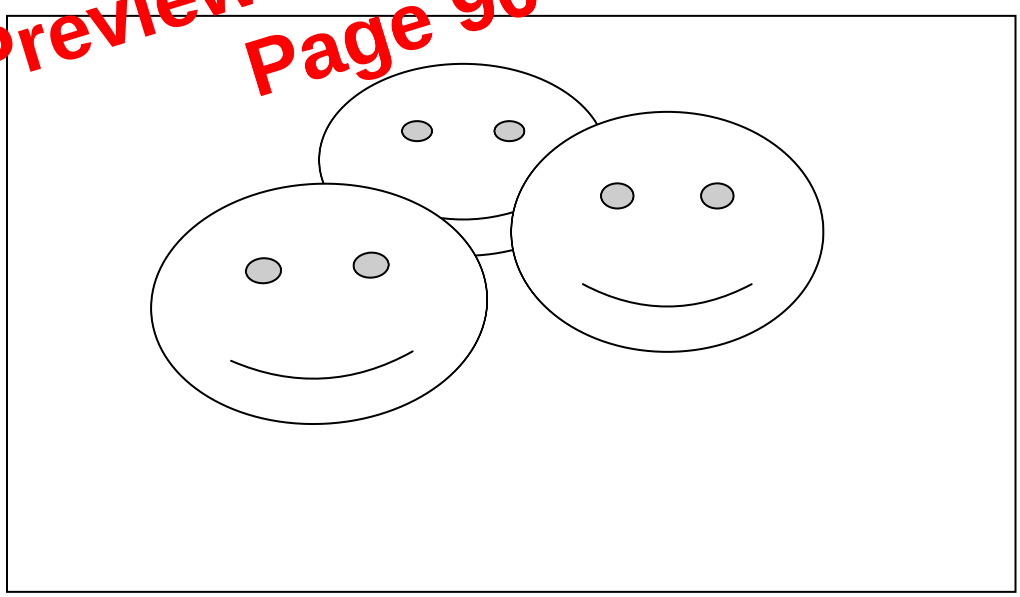
If the environment is satisfied with the output, business operations continue. If it is not, changes are initiated within the business systems so that requirements of the customers are fully met. This is how an open system responds to the forces of change in the environment.

- Organizational action should be based on the behaviour of action outside the system so that organization should be integrated with the environment.
- Management should understand that there is no one hard way to manage. They must not consider management principles and techniques universal.

A general framework for contingent management has been shown in the *Figure-2.10*. However, it is an abstract depiction of the contingency model. In order to operationalise the contingency approach, managers need to know the alternatives for different situations. It may be operationalized as a 'if then' approach to management. The environment (If) is an independent variable where as management (when) is a dependent variable. In this model, a manager has to take four sequential steps:

- Analyze and understand the situation,
- Examine the applicability or validity of different principles and techniques to the situation at hand,
- Make the right choice by matching the techniques to the situations,
- Implement the choice.

FIGURE-2.10 A CONCEPTUAL MODEL OF CONTINGENCY APPROACH



	- Supra System - System interface mechanism	- R.A. Johnson - K.Boulding, D. Katz, R.L. Khan	- Pollution Problem
Contingency Approach	- Dynamic Environment - Organic mechanistic technology - Matrix designs and Social Responsibilities - Organizational Change - Information Systems	- Burns and Stalker - John Woodward - Thompson - P.R. Lawrence - J.A. Lorseh	- Space race. Expanding economy - High Technology - Global Trade - Social discontent - Rise of skilled professions

2.7 SELF ASSESSMENT EXERCISE

1. What are the some early evidences of management practice? Explain why division of labour and the industrial revolution are important to the study of management?
2. "F.W.Taylor is said to be the father of scientific management and Henri Fayol, the father of principles of management". Critically examine the statement.
3. Why is it important for every manager to understand the many different management theories that have been develop? Describe various School of Thoughts prevalent from time to time. Which school of management thoughts makes the most sense to you? Why?
4. Write a note on the evolution of management thought. What are the recent trends in management thoughts?
5. Write short note on the following:
    a) "Human Behavioural School of thought is a modified version of Human Relations School of thought". Comment.
    b) What is the System Approach to management? Explain the salient features of this approach.
6. Assess the role of following in development of management thoughts:

3.4 SUMMARY

In every field of study, first there are basic principles which are practiced later in the forms of certain functions but management is a field where principles are exclusively based on practical experiences. The above named functions of management which have been discussed in this lesson are the backbone of management philosophy. These functions are interrelated as well and we need to perform them in sequenced order for getting the organizational objectives accomplished. But today's environment of business is a perfect blend of all these typical functions. Thus, every function is exercisable according to the situations and perception of managers.

Successful leaders and managers are very energetic. They exert a great deal of effort in order to communicate effectively, solve problems, make decisions, set goals, plan, execute plans, and supervise/ evaluate. These are a leader's directional (or thinking) and implementing skills. As a leader, you cannot expect positive results from your subordinates unless you work equally hard at solving problems, making plans, and putting plans and decisions into action. Successful leaders also work hard at accomplishing their missions and objectives while maintaining only the highest possible standards of performance. Therefore, you being student of management should strive to exercise the same degree of effort and excellence.

Subject: Management Concepts and Organizational Behaviour	
Subject Code: MC-101	**Author: Dr. Karam Pal**
Lesson No: 04	**Vetter: Dr. B. S. Bodla**

PLANNING

Objectives : The objectives of this lesson are to understand and the nature and process of planning; to appreciate, why it is necessary to do planning; to understand the merits and demerits of planning; to grasp the principles of planning and to understand the various kinds and level of plans.

Lesson Structure:

4.1 The Concept of Planning
4.2 Myths about Planning
4.3 Nature and Scope of Planning
4.4 Importance of Planning
4.5 Advantages and Limits of Planning
4.6 Measures to Overcome Limitations of Planning
4.7 Basic Principles of Planning
4.8 Categories and Levels of Planning
4.9 Essential Steps in Planning
4.10 Summary
4.11 Self Assessment Questions
4.12 Suggested Readings

with specific objective and action statements has numerous advantages for the organization which are as follows :

1. **Focuses Attention on Objectives :** Since all planning is directed towards achieving enterprise objectives, the very act of planning focuses attention on these objectives. Laying down the objectives is the first step in planning. If the objectives are clearly laid down, the execution of plans will also be directed towards these objectives.

2 **Ensures Economical Operation :** Planning involves a lot of mental exercise which is directed towards achieving efficient operation in the enterprise. It substitutes joint directed effort for uncoordinated piecemeal activity, even flow of work for uneven flow, and deliberate decisions for snap judgement costs. This helps in better utilization of resources and thus minimizing costs.

3. **Reduces Uncertainty :** Planning helps in reducing uncertainties of future because it involves anticipation of future events. Effective planning is the result of deliberate thinking based on facts and figures. It involves forecasting also. Planning gives an opportunity to a business manager to foresee various uncertainties which may be caused by changes in technology, taste and fashion of the people, etc. Sufficient provision is made in the plans to offset these uncertainties.

4. **Facilitates Control :** Planning helps the managers in performing their function of control. Planning and control are inseparable in the sense that unplanned action cannot be controlled because control involves keeping activities on the predetermined course by rectifying deviations from plans. Planning helps control by furnishing standards of control. It lays down objectives and standards of

1. **Principle of contribution to objective :** The purpose of plans and their components is to develop and facilitate the realization of organizational aims and objectives. Long-range plans should be interwoven with medium-range plans which, in turn, should be meshed with short-range ones in order to accomplish organizational objectives more effectively and economically.

2. **Principle of limiting factors :** Planning must take the limiting factors (manpower, money, machines, materials, and management) into account by concentrating on them when developing alternative plans, strategies, policies, procedures and standards.

3. **Principle of pervasiveness of planning :** Planning is found at all levels of management. Strategic planning or long-range planning is related to top management, while intermediate and short-range planning is the concern of middle and operative management respectively.

4. **Principle of navigational change :** This principle requires that managers should periodically check on events and redraw plans to maintain a course towards a desired goal. It is the duty of the navigator to check constantly, whether his ship is following the right direction in the vast ocean to reach the distinction as scheduled. In the same way, a manager should check his plans to ensure that these are processing as required. He should change the direction of his plans if he faces unexpected events. It is useful if plans contain an element of flexibility. It is the responsibility of the manager, to adapt and change the direction of plans, to meet the challenge of constantly changing environment that could not be foreseen.

5. **Principle of flexibility :** Flexibility should be built into organizational plans. Possibility of error in forecasting and decision-making and future uncertainties is the two common factors which call for flexibility in managerial planning. The principal of flexibility states the management should be able to change an existing plan because of changes in environment, without due cost or delay, so that activities keep moving towards established goals. Thus, an unexpected slump in demand for a product will require change in sales plan as well ass production plan. Change in these plans can be introduced, only when these possess the characteristics of flexibility. Adapting plans to suit future uncertainties or changing environment is easier if flexibility is an important consideration while planning.

4.8 CATEGORIES AND LEVELS OF PLANNING

Planning can be classified on different bases which are discussed below :

1. Strategic and Functional Planning : In strategic or corporate planning, the top management determines the general objectives of the enterprise and the steps necessary to accomplish them in the light of resources currently available and likely to be available in the future. Functional planning, on the other hand, is planning that covers functional areas like production, marketing, finance and purchasing.

2. Long-range and short-range planning : Long-range planning sets long-term goals of the enterprise and then proceeds to formulate specific plans for attaining these goals. It involves an attempt to anticipate, analyze and make decisions about basic problems and issues which have significance reaching well beyond the present they supply economic conditions, production costs and prices, probable competitive behaviour, capital and material availability, governmental control and so on.

3. **Deciding the planning period :** Once upper-level managers have selected the basic long-term goals and the planning premises, the next task is to decide the period of the plan. Business varies considerably in their planning periods. In some instances plans are made for a year only while in others they span decades. In each case, however, there is always some logic in selecting a particular time range for planning. Companies generally base their period on a future that can reasonably be anticipated. Other factors which influence the choice of a period are as follows: : (a) lead time in development and commercialization of a new product; (b) time required to recover capital investments or the pay back period; and (c) length of commitments already made.

4. **Findings Alternative Courses of Action :** The fourth step is planning is to search for and examining alternative courses of action. For instance, technical know-how may be secured by engaging a foreign technician or by training staff abroad. Similarly, products may be sold directly to the consumer by the company's salesmen or through exclusive agencies. There is seldom a plan for which reasonable alternatives do not exit, and quite often an alternative that is not obvious proves to be the best.

5. **Evaluating and Selecting a Course of Action :** Having sought alternative courses, the fifth step is to evaluate them in the light of the premises and goals and to select the best course or courses of action. This is done with the help of quantitative techniques and operations research.

2. "Without planning an enterprise would soon disintegrate, its actions would be as random as leaves scampering before an autumn wind, and its employee as confused as ants in an upturned ant hill". Comment

3. What do you understand by planning? Define its objectives and assess its importance. What should be done to overcome its limitations?

4. "Planning involves a choice between alternative courses of action". Comment briefly.

5. Describe in detail the steps involved in the planning process.

2.12 SUGGESTED READINGS

1. Kootnz & O'Donnell, Principles of Management.

2 J.S. Chandan, Management Concepts and Strategies.

6. Arun Kumar and R. Sharma, Principles of Business Management.

7. Sherlerkar and Sherlerkar, Principles of Management

8. B.P. Singh, Business Management and Organizations

of conflicts or a commitment to act in certain manner in the given set of circumstances. It is really a mental exercise which decides what to do.

Leaders must be able to reason under the most critical conditions and decide quickly what action to take. If they delay or avoid making a decision, this indecisiveness may create hesitancy, loss of confidence, and confusion within the unit, and may cause the task to fail. Since leaders are frequently faced with unexpected circumstances, it is important to be flexible - leaders must be able to react promptly to each situation. Then, when circumstances dictate a change in plans, prompt reaction builds confidence in them.

5.2 CHARACTERISTICS OF DECISION MAKING

The essential characteristics of decision making are given below:

1. It is a process of choosing a course of action from among the alternative courses of action.
2. It is a human process involving to a great extent the application of intellectual abilities.
3. It is the end process preceded by deliberation and reasoning.
4. It is always related to the environment. A manager may take one decision in a particular set of circumstances and another in a different set of circumstances.
5. It involves a time dimension and a time lag.
6. It always has a purpose. Keeping this in view, there may just be a decision not to decide.

more complex. Whatever a manager does, he does through making decisions. Some of the decisions are of routine and repetitive in nature and it might be that the manager does not realize that he is taking decisions whereas, other decisions which are of strategic nature may require a lot of systematic and scientific analysis. The fact remains that management is always a decision making process.

The most outstanding quality of successful manager is his/her ability to make sound and effective decisions. A manager has to make up his/her mind quickly on certain matters. It is not correct to say that he has to make spur of the moment decisions all the time. For taking many decisions, he gets enough time for careful fact finding, analysis of alternatives and choice of the best alternative. Decision making is a human process. When one decides, he chooses a course alternative which he thinks is the best.

Decision making is a proper blend of thinking, deciding and action. An important executive decision is only one event in the process which requires a succession of activities and routine decisions all along the way. Decisions also have a time dimension and a time lag. A manager takes time to collect facts and to weigh various alternatives. Moreover, after decides, it takes still more time to carry out a decision and, often, it takes longer before he can judge whether the decision was good or bad. It is also very difficult to isolate the effects of any single decision.

5.4 DECISION MAKING PROCESS

The following procedure should be followed in arriving at a correct decision:

1. **Setting objectives :** Rational decision-making involves concrete objectives. So the first step in decision-making is to know one's objectives. An objective is an expected outcome of future actions. So

never ending process. Discovery of the limiting factor lies at the basis of selection from the alternatives and hence of planning and decision making. There are three bases which should be followed for selection of alternatives and these are experience, experimentation and research and analysis which are discussed below :

In making a choice, a manager is influenced to a great extent by his past experience. He can give more reliance to past experience in case of routine decisions; but in case of strategic decisions, he should not rely fully on his past experience to reach at a rational decision.

Under experimentation, the manager tests the solution under actual or simulated conditions. This approach has proved to be of considerable help in many cases in test marketing of a new product. But it is not always possible to put this technique into practice, because it is very expensive.

Research and Analysis is considered to be the most effective technique of selecting among alternatives, where a major decision is involved. It involves a search for relationships among the more critical variables, constraints and premises that bear upon the goal sought.

6. **Implementing the Decision :** The choice of an alternative will not serve any purpose if it is not put into practice. The manager is not only concerned with taking a decision, but also with its implementation. He should try to ensure that systematic steps are taken to implement the decision. The main problem which the manager may face at the implementation stage is the resistance by

With the information in Table 5.1 the Store Manager can use subjective estimates of risks assumed above and multiply the conditional values by their probability of occurrence. This calculation will result in expected values. Table 5.2 shows the expected value pay off, using the assumed payoff in Table 5.1 and the above feelings about the probability of success for Brands A and B.

Table 5.2 Payoff Table

	State of Nature (Demand)	
Strategy	**Success**	**Failure**
Stock Brand A	Rs. 200/-	Rs. 500/-
Stock Brand B	Rs. 400/-	Rs. 300/-

From the expected value payoff table 5.3 the store manager can determine the total expected value for each strategy by obtaining the sum of the expected values for each state of nature. If Brand A is stocked, the total expected value is Rs. 60/- (Rs. 160-100); if Brand B is stocked, the total expected value is Rs. 50/- (Rs. 200-150); therefore, under the assumptions in this case, the store manager would decide to stock Brand A, because its total expected value is Rs. 10/- more than if Brand B were stocked. Obviously, if the total expected value for stocking each brand had been negative, the manager would decide not to stock either, because there would probably be a loss under either strategy.

Table 5.3 : Expected Value Payoff Table

	State of Nature	
Strategy	**Success**	**Failure**

3. Explain the various steps in the process of decision-making. Which one is most important and why?

4. What are the principles of decision-making? Design the role of employees' participation in decision-making.

5. Explain the various types of decisions.

6. "Decision-making is the essence of management". Comment.

7. Explain the quantitative techniques of decision-making.

5.9 SUGGESTED READINGS

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1. **Clear definition of objectives :** The first step in developing an organizational structure is to lay down its objectives in very clear terms. This will help in determining the type, stability and basic characteristics of the organization. In fact, organization activities are detailed in terms of objective to be achieved.

2. **Determining activities :** In order to achieve the objectives of the enterprise, certain activities are necessary. The activities will depend upon the nature and size of the enterprise. For example, a manufacturing concern will have production, marketing and other activities. There is no production activity in retail establishment. Each major activity is divided into smaller parts. For instance, production activity may be further divided into purchasing of materials, plant layout, quality control, repairs and maintenance, production research etc.

3. **Assigning duties :** The individual groups of activities are then allotted to different individuals according to their ability and aptitude. The responsibility of every individual should be defined clearly to avoid duplication and overlapping of efforts. Each person is given a specific job suited to him and he is made responsible for its execution. Right man is put in the right job.

4. **Delegating authority :** Every individual is given the authority necessary to perform the assigned activity effectively. By authority we mean power to take decisions, issue instructions, guiding the subordinates, supervise and control them. Authority delegated to a person should commensurate with his responsibility. An individual cannot perform his job without the necessary authority or power. Authority flows from top to bottom and responsibility from bottom to top.

6.5 OBJECTIVES OF ORGANISING

Every economic activity which is deliberately done has some purpose. When a group of people assemble without any per-planed aim or purpose, it is not an organization but just a mob. But when, for instance they are invited to participate in a conference, an element of purpose has been introduced. A purpose refers to commitment to desired future. Objectives and purposes, generally, are interchangeable terms.

Why should business enterprise organize itself ? The answer to this question brings out its objectives. Objectives of a business organization are distinguished from the objectives of other social organizations. To put it more precisely, the nature of an organization (i.e. political, social, religious or economic) can only be known by studying its objectives.

The following may be, generally speaking, the objectives (or purpose) of organizing business :

1. **Effective management of the enterprise :** Effective management largely depends upon effective organization. It is the effective organization which ensures proper balance between authority and responsibility. It achieves a clear line of communication, and defines the areas of work. It is the organization which allows the top management to concentrate on overall planning and supervision, leaving the routine work for the lower levels of administration. It saves the entire enterprise from adhocism, over-lappings and inefficiency.

2. **Maximum production at minimum cost :** The activities are allotted according to the principle of division of labour. The efficient system of organization encourages every employee to make his best

contribution in raising output. The increase in output and control of wasteful expenditure helps to decrease the cost of production. The profitability of the concern will also go up.

3. **Sustained growth and diversification :** A business enterprise should be a growing organism. With the passage of time, an enterprise must expand its activities. It should also aim at diversification of products and markets.

   A static business soon grows stale and get out of run. It should grow from a small scale concern to a medium scale one and from a medium scale concern to large scale one. Organization plays an important role in this respect. Execution of policies in organized manner builds the necessary capacity and confidence in undertaking bigger activities.

4. **Cooperation of employees :** The organizational structure will succeed only if employees cooperate in the work. The employees learn working in closer cooperation of others. The management introduces various incentive schemes and gives monetary and other benefits to the employees, so that they work in a team spirit.

5. **Discharging social responsibility :** Maximizing of profits, no doubt, is the motive of every business. Without profit, no business can exist. But business is a part and parcel of society at large. It cannot survive long by exploiting consumers and society. It has to serve the society by providing it with goods of good quality at reasonable prices. It has to ensure smooth supply of goods as per the needs to consumers. The service motto cannot be realized without a well-knit organization structure. So, to discharge social obligation is an important objective of building up sound organization.

There are three different schools of thought about the sources of authority which are discussed below :

1 Formal Authority Theory

According to this theory, all authority originates in the formal structure of an organization. The ultimate authority in a joint stock company lies with the shareholders. Shareholders entrust the management of the company to the Board of Directors and delegate to it most of their authority. The Board of Directors delegates authority to the chief executive and chief executive in turn to the departmental managers and so on. Every manager or executive possesses authority because of his organizational position and this authority is known as formal authority. Authority conferred by law is also regarded as formal authority. Subordinates accept the formal authority of a manager because of his position in the organization. The subordinates are aware of the fact that if they disregard the formal authority they will be punished according to the rules and regulations of the company. The formal authority theory further states that the superiors have the right to delegate their authority. Thus, formal authority always flows from top to bottom.

2 Acceptance Theory

This theory states that authority is the power that is accepted by others. Formal authority is reduced to nominal authority if it is not accepted by the subordinates. The subordinates accept the authority if the advantages to be derived by its acceptance exceed the disadvantages resulting from its refusal. The subordinates give obedience to the managers because they visualize the following advantages :

(ii) **The Specific Delegation :** Specific Delegation relates to a particular function or an assigned task. The authority delegated to the production manager for carrying out this function will be a specific delegation. Various departmental managers get specific authority to undertake their department duties.

2. **Formal or Informal Delegation :**

(i) **Formal Delegation :** Formal delegation has been considered as a part of organizational structure. Whenever a task is assigned to a person, the required authority is also given to him. This delegation is a part of the normal functioning of the organization. Every person is automatically given authority as per his duties. When production manager gets powers to increase production then it is formal delegation of authority.

(ii) **Informal Delegation :** This delegation does not arise due to position but it arises according to the circumstances of the case. A person may undertake a particular task not because he has been assigned it but because it is necessary to do his normal work.

3. Written or Unwritten Delegation :

(i) **Written Delegation :** Written delegation is normally given through letters, instructions, circulars etc. Whatever has been delegated it must be in writing.

(ii) **Unwritten Delegation :** Unwritten delegation is given to the person concerned not in any particular way but through conventions, customs and usages the other party has to do work accordingly.

5. Establish an adequate control so as to supervise and provide necessary guidance.

7.9 MERITS OF DELEGATION

(i) *It avoids wastage of time :* Present-day management is a complicated process. A manager has to perform various functions as a matter of routine work. It is not possible for him to give proper attention to all matters coming to him. Delegation helps him in transferring the less important subject to his juniors and attends to more important works.

(ii) *It helps in training the new incumbents :* The lower units that use the delegated power, get a spontaneous feel of their future responsibility. They become aware of the works at the higher level to which they may be promoted. Delegation also helps in developing the managerial personnel within the organization.

(iii) *It avoids over-work* : Delegation shifts some portions of the responsibility and work from the shoulders of the manager. To quote Beach : "The over worked manager who learns the art of delegation, is at one and the same time able to relieve himself of some of his burden, increase the competence of his men, and raise the level of accomplishment of his unit.

(iv) *It develops increased sense of responsibility* : Delegation generates an increased sense of responsibility in the subordinate personnel. It also increases their working capacity and helps in enhancing their unspotted caliber which could be helpful for management.

Delegation also helps in avoiding any kind of act at a higher level which may, otherwise undermine the powers vested in the lower level units.

no manager can shift responsibility to his subordinates. For example, the managing director of a company employed by the board of directors cannot avoid total responsibility for the conduct of the enterprise. Therefore, responsibility cannot be delegated in this sense. A manager cannot relieve himself of his responsibility although he can delegate authority and assign duties to his subordinates.

7.13 DIFFICULTIES IN DELEGATION

There is a fear aspect in delegation which plays a dominant role in a decision as to "what to delegate" and "to whom to delegate". Executive knows for certain that once authority is delegated they will loose the grip over their subordinates and also control over the operations. It is natural that the executives may not like to lose either the grip or control over the operation. But the important psychology is that by their nature executives have no confidence in their subordinates. They feel that the subordinates are not capable of shouldering the responsibility, therefore, the question of delegation of authority does not arise.

Sometimes, executives suffer from inferiority psychosis. They know for certain that though they occupy a position of strength but their knowledge and skill are not up to the mark. Their subordinates are well equipped and thus they may do the assigned job well. No executive would like to delegate when he feels that his subordinate may surpass him.

From the above discussion we may come to a conclusion that there are three types of fears which discourage delegation and thus create difficulties in delegation. They are :

1. Fear of loosing the grip and control over the operations;

production, marketing, and personnel decisions are monitored is less decentralized;

(ii) The greater the discretion permitted by the company's policies, procedures and rules, the greater the decentralization;

(iii) The greater the breadth of decision in terms of the number of functions they cover, the more the decentralization. Thus, the company in which division managers are authorized to take production, marketing and personnel decisions is more decentralized than one in which the managers can take only production and personnel decisions;

(iv) The less a subordinate has to check with his superior before taking decisions, the greater is the degree of decentralization – Thus, a company in which a manager does not have to check at all with his superior is more decentralized than one in which the manager must get most of his decisions approved beforehand;

(v) The closer the level to which the decision is made in the relation to the point where the problem arise, the greater the decentralization – Suppose a customer in Maharashtra has a problem, and the western division manager is authorized to make the necessary decisions, then to that extent the company is more decentralized than if the boss in the New Delhi had to make the decisions; and

(vi) The more important are the decisions that can be made at the lower levels, the greater the decentralization – For example, a company in which divisional managers can make equipment purchase decisions of up to Rs. 500,000 is more decentralized than one in which they are authorized to make these decisions up to a limit of Rs. 1,00,000.

7.14.3 Advantages of Decentralization

Decentralization could be differentiated from delegation in the following way :

(i) Delegation creates authority-responsibility relationship between a superior and his subordinates, whereas decentralization refers to the creation of semi-autonomous decision-making units or even profit centres functionally related to the top management. In other words, decentralization is diffusion of decision making authority throughout the multiple layers of the organization;

(ii) Decentralization is simply not an extension of delegation. The purpose of delegation may be confined to relieve the excessive burden of key managerial personnel, but decentralization has a deeper meaning bordering on a new philosophy of organization and management;

(iii) Delegation is a process whereby the superior assigns certain tasks and responsibilities within his control to his subordinates, immediately vests part of his decision-making authority in them and precisely it is an obligation from them for proper discharge of authority conferred upon them and for effective performance in the area of delegated activity. But, on the other hand, decentralization refers to structural dispersal of authority for decision making in various facts of organizational operations throughout the organization in the form of semi autonomous units, subject to overall control by the top management.

(iv) Delegation takes place between a superior and a subordinate and is a complete process. It may consist of certain tasks alone. But decentralization involves spreading out the total decision-making power throughout the organization.

(v) Sheer pressure of managerial workload forces managers to delegate a part of their burden to their subordinates, as a matter of necessary with few alternatives. Decentralization, on the other hand, could be only one of the options open to an enterprise out of several alternative ways of organizing expanding operations. This means that delegation of authority could take place without decentralization, whereas there can be no decentralization without delegation of authority.

(vi) In case of delegation of authority, the diligent has directive responsibility in relation to his subordinates. But in a decentralized setting, direction is to a large extent substituted by control by the top management. The control mechanism is also elaborate so as to ensure that the dispersal of authority strengthens the entire organization and that the semi autonomous units have a central focus on viability and vitality of the organization, and

(vii) Delegation could be a routine administrative activity involving only managers and their subordinates while decentralization is a conscious and deliberate organizational action with strategy overtones, to manage growth and expansion under conditions of environmental pressures, challenges and opportunities.

7.16 CENTRALISATION OF AUTHORITY

According to Allen, centralization is the systematic and consistent reservation of authority at central points in an organization, while decentralization refers to consistent and systematic dispersal to the lowest levels all authority except that which can only be exercised at central points. Centralization denotes that a majority of the decisions having to do

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other hand, selection means employment of workers or establishing a contractual relationship between the employer and the worker.

2. Recruitment is a positive process of searching for prospective employees, whereas selection is a negative process because it involves rejection of unsuitable candidates.

3. The purpose of recruitment is to create a large pool of applicants for the jobs in the organization. But selection aims at eliminating unsuitable candidates and ensuring most competent people for the jobs.

4. Recruitment is a relatively simple process as the candidates are required to fill in the prescribed forms and deposit with the employer. But selection is a complex and lengthy process under which the candidates have to pass through a number of stages before getting the offer for a job.

Significance of Selection

Selection has become a critical process these days because it requires a heavy investment of money to get right types of people. Induction and training costs are also high. If the right types of persons are not chosen, it will lead to a huge loss of the employer in terms of time, effort and money. Therefore, it is essential to devise a suitable selection procedure. Each step in the selection procedure should help in getting more and more information about the applicant to facilitate decision-making in the area of selection.

Absenteeism and employee turnover are the important problems which are being faced by most of the organizations. The intensity of these problems can be reduced if, in the future, all selections are made carefully so that there are 'round pegs in the round holes'. Whenever unsuitable employees are appointed, the efficiency of the organization goes down. Such employees will shirk work and absent themselves from the work quite often. They may also be compelled to leave their jobs. If this happens, all the expenses incurred on the selection and training of such employees will go waste.

Proper selection and placement of personnel goes a long way towards building up a stable work-force. It keeps the rates of absenteeism and labour turnover low and increase the morale of the employees. If the employees are quite suitable according to the requirements of the jobs, they show higher efficiency and productivity. This enables the organization to achieve its objectives effectively.

8.4 STAGES IN SELECTION PROCEDURE

There can not be a rigid procedure of selection suitable for all types of organizations as shown in Fig. 1. The number of steps in the selection procedure and the sequence of steps vary from organization to organization. For instance, some organizations do not hold preliminary interview, test or screening, whereas in other organizations such as commercial banks, preliminary tests are given to eliminate a large number of unsuitable applicants. Similarly, in some cases, medical examination is given before final selection and in others, medical check up follows final selection. Thus, every organization designs a selection procedure which suits its requirements. However, the main steps which could be incorporated in the selection procedure are discussed below :

Receiving Applications

Screening of Application

(d) It reduces labour cost and production cost as labour turnover is very low.

(e) The loyalty of the employees is increased.

Limitations

(a) The training period is very long and the trainee requires regular supervision which may not be given.

(b) Rigid standards make this method unsatisfactory.

(c) If a worker fails to learn after long period of training he may not be absorbed. This may create labour problem in the firm.

(d) It is an expensive method.

3. Vestibule Training (Training Centre Training)

Vestibule means a passage or room between the outer door and the interior of a building. In order to reach the inner of a house, one must pass from vestibule. Under vestibule training, workers are trained on special machines in a separate location i.e. classrooms. The vestibule school is run by the personnel department. Training is given in artificial conditions which are just like the real life situations.

The supervisor is relieved of training the new employees. He can concentrate on his other important assignments such as quality and quantity of output. This method is followed when the number of persons to be trained is very large.

Advantages

(a) The trainer is a specialist and possesses specialization in teaching.

(b) Since the training is given off the job, trainees can concentrate on learning.

the talented employees and maintain an inventory of executive skills to meet the future demands.

Obsolescence of managerial skills is another factor which calls for continuous executive development. Executive development is not a 'one-shot' affair; it must continue throughout an executive's career. Otherwise, an executive of yesterday will not be acceptable today and an executive of today will not be good enough for the future. Therefore, in order to be dynamic and to change himself according to the needs, a manager must continuously update himself to successfully meet new challenges as they occur.

The performance of a company depends upon the quality of its managers. Companies with similar raw materials, equipments and technical know-how show different results because of the quality of their executives. Quality of management explains the difference in price policy, inventory policy, production policy, marketing policy and labour policy of the organization. Thus, better the management, better are the results of the organization. Executive development, therefore, is of paramount importance to have effective and desired managerial talents to meet the organization's demands.

Objectives of Management Development

The objectives of management development are as follows :

(i) To prevent managerial obsolescence by exposing the managers to new concepts and techniques in their respective fields of specialization.

(ii) To ensure adequate managerial talent for the long-term survival and growth of the company.

of training). Hence the terms 'training' and 'development' are applicable to both managers, executives and non-managerial personnel.

The points of distinction between the two are given below :

1. Training is the act of learning basic skills and knowledge necessary for a particular job or a group of jobs. Development, on the other hand, means growth of the individual in all respects. An organization works for the development of its executives in order to enable them to gain advanced knowledge and competence.

2. The term 'training' is used in the context of imparting skills to operative workers. But the term development is used in the context of management development.

3. Training programmes are directed towards maintaining and improving current job performance, while development programmes seek to develop skills and competence for future jobs.

9.9 SUMMARY

Training is the act of increasing the knowledge and skill of an employee for doing a particular job. Development implies an employee's growth and maturisation. A systematic training programme help in improving the quality and quantity of a worker's out put, makes the worker committed and loyal to the organization, facilitates promotion and replacement and reduces spoiled work and accident rate.

9.10 SELF ASSESSMENT QUESTIONS

1. Define training. Explain the advantages of training to the employees and the organization.

2. Discuss the various methods of training which are used for training the employees.

exactly a man is going to do. The individual joins an organization to satisfy his objectives. But the organization also has its own goals, which need not to be in conformity with the individual goals. If the goals of the individual and organization are extremely contradictory, a conflict will arise which either result into suppression of human personality or a complete will set back to his work. It is not desirable that individual's personality be suppressed but at the same time organization goals should also be achieved. For monitoring this process of achieving organizational goals, the performance of an individual needs to be assessed after a regular interval so that the desired behaviour could be maintained. This will also help the organization to satisfy the needs and the aspiration of the individual by providing him more facilities, improved working condition and carrier advancement.

According to *Heyel*, "the performance appraisal is the process of evaluating the performance and competencies of an employee in term of the requirements of the job for which he is employed, for the purpose of administration including placement, selection for promotions, providing financial rewards and other actions which require differential treatment among the members of a group as distinguished from action affecting all members equally".

Performance appraisal may also be defined as a process that involves: -

(i) Setting work standard;

(ii) Assessing the employees actual performance relative to these standards; and

(iii) Providing feedback to employee with the aim of motivating that person to eliminate performance deficiencies or to continue to perform above par.

Counseling: Counseling follows performance appraisal. It covers two aspects i.e. 'tell and sell' where the boss tells his subordinates where they stand. He adopts the method of criticism and persuasion. These two are the fundamental tools for counseling. In counseling, the boss discusses the future development by encouraging his subordinates to appraise themselves. Here, the give and take problem-solving approach may be used throughout the counseling meeting. The aim of the counseling is not just to tell the subordinates what they have done wrong. Instead, the boss reveals the root cause of the problem and secures constructive solution. The boss generally avoids criticizing his subordinates and he tries to emphasize the organizational development.

In fact, the performance appraisal process if understood in its comprehension includes the counseling and coaching. Counseling and appraisal differ slightly because the counseling is done on day-to-day basis whereas the appraisal is done after a regular interval. Therefore, it can be said that the performance appraisal would yield dividend only when the proper counseling takes place in an organization.

10.2 Significance of Performance Appraisal

(i) **Performance improvement:** Performance feedback allows the employee, the manager and personnel specialists to intervene with appropriate actions to improve performance.

(ii) **Compensation adjustments:** Performance evaluations help the decision makers to determine who should receive pay raises. Many firms grant part or all of their pay increases and bonuses on the basis of merit, which is determined mostly through performance appraisal.

Once performance standards are established, it is necessary to communicate these expectations. It should not be the part of the employees' job to guess that what is expected of them. Unfortunately, too many jobs have vague standards. The problem is compounded when these standards are not communicated to the employees. It is important to note that communication is a two-way street. Mere transference of information from manager to the subordinate regarding expectations is not communication. Communication only takes place when the transference of information has taken place and has been received and understood by the subordinate. Therefore, feedback is necessary from the subordinate to the manager. Satisfactory feedback ensures that the information communicated by manager has been received and understood in the way it was desired.

The third step in the appraisal process is the measurement of performance. To determine what actual performance is, it is necessary to acquire information about it. We should be concerned with how we measure and what we measure. To measure actual performance frequently, managers use four common source of information: personal observations, statistical reports, oral reports and written reports. Each has its own strength and weaknesses. However, a combination of them increases both the number of input sources and possibility of receiving reliable information.

The fourth step in the appraisal process is the comparison of actual performance with standards. The attempt in this step is to note deviations between standard performance and actual performance so that we can proceed to the next phase of the appraisal process—the discussion of the appraisal with the employee.

One of the most challenging tasks facing managers is to present an accurate appraisal to the subordinate and then have the subordinate accept the checks to ensure he/she heard others correctly, brief replacements quickly and accurately—giving only relevant information. On the other hand, a very poor performance on this scale may contain the following statements: not answers when called, refuses to brief replacements, gives a person relieving him/her inaccurate information deliberately. The appraiser is required to indicate on each scale the level of performance he/she visualizes is revealed by the appraisee's typical job behaviour. While doing so, he/she makes use of the behavioural anchors and dimensions— clarification statements as guidelines and cues to recall the appraisee's job behaviour. Explicitly, it is not possible for the appraisers to place behavioural statements embracing all dimensions of job performance on the scales. Therefore, they merely indicate specific behavioural examples, which can be recalled for each appraisee at appropriate levels on the scale. In this way, these added anchors represent their own examples and rationale for an appraisal at a particular level.

BARS are useful for varied reasons. Their major characteristic relates to behavioural orientation. They are based on job behaviour—what individuals really do on their jobs, which is within their control. Attachment of behavioural anchors to different scales enables the appraisees to understand what they must do to organizing the dimension of a managerial job may include the following: assigns/delegates tasks, identifies alternative approaches to resource applications, coordinates human, financial and material resource applications and divides unit objective into identifiable tasks and sets due dates. This feature of specificity of these scales also enables the appraisers to provide relevant feedback to appraisees why they received a particular level of appraisal, and what they can do to improve their performance. This quality of the scale minimizes subjectivity in appraisal as well as also enables the appraisees to overcome their anxiety related to such appraisals.

BARS also provide participation to both appraisee and appraiser in their development. They become familiar with different aspects of the job as a result of discussions of job dimensions and anchors in small group meetings. This understanding provides guidelines to the appraiser while observing performance and enables the appraisee to judge the expectations of his/her superior. Any conflict between the appraiser and appraisee over the desired performance can be clarified in subsequent discussions. The participation of their ultimate users in the design of BARS also ensures their commitment to this method of appraisal.

As BARS are based on quantity measures, an attempt may be made to relate appraisal scores to current wage and salary structure with a view to ascertaining varying extents of rewards to different behaviors. Thus, the management may link different levels of merit raises to different ranges of scores on BARS. In addition, certain job dimensions can be singled out for bonus administration and allied purposes. Last but not the least, the scales can also be used to identify behavioural criteria to facilitate selection decisions, construct selection tests and specify behavioural training objectives. Explicitly, the job dimensions in BARS can help in formulating training courses, and the behaviour anchors can indicate the specific behaviors to be learned in different content areas. The poor performance areas can be pinpointed to improve performance. Notwithstanding these advantages, BARS form a time-consuming method. Although it is promising, much more research is required to demonstrate its ability to eliminate certain types of rater errors.

8. Management by objectives (MBO) Method:

Objective : The objective of this lesson is to make the students learn about the concept and methods of performance appraisal.

Structure

18.1 Introduction

18.2 Uses of Performance Appraisal

18.3 The Appraisal Process

18.4 Methods of Performance Appraisal

18.5 Limitations of Performance Appraisal

18.6 Suggestions for Improvement

18.7 Summary

18.8 Self Assessment Exercise

18.9 Suggested Readings

18.1 Introduction

Performance evaluation is one of the important functions of Human Resource Management (HRM). Human behaviour is a complex phenomenon because no one can anticipate accurately what the man is going to do exact. The individual joins an organization to satisfy his objectives. But the organization also has its own goals which need not to be in conformity with the individual goals. If the goals of the individual and organization are extremely contradictory, a conflict will arise which either result into suppression of human personality or a complete will set back to his work. It is not desirable that individual's personality be suppressed but at the same time organization goals should also be achieved. For monitoring this process of achieving organizational goals, the performance of an individual needs to be assessed after a regular interval so that the desired behaviour could be maintained. Thus will also help the organization to satisfy the needs and identified in a particular job. There will be five scales in the appraisal format, each having several anchors illustrating varied amounts of performance along the scales. These scales may also embody statements to facilitate the clarity of the job dimension being evaluated. To cite an example of BARS for the position of an equipment operator-one job dimension in this position is verbal communication. The excellent performance on this scale may contain the following statements : checks verbal instructions against written procedures, checks to ensure he/she heard others correctly, brief replacements quickly and accurately—giving only relevant information. On the other hand, a very poor performance on this scale may contain the following statements : not answers when called, refuses to brief replacements, gives a person relieving him/her inaccurate information deliberately. The appraiser is required to indicate on each scale the level of performance he/she visualizes is revealed by the appraisee's typical job behaviour. While doing so, he/she makes use of the behavioural anchors and dimensions—clarification statements as guidelines and cues to recall the appraisee's job behaviour. Explicitly, it is not possible for the appraisers to place behavioural statements embracing all dimensions of job performance on the scales. Therefore, they merely indicate specific behavioural examples which can be recalled for each appraisee at appropriate levels on the scale. In this way, these added anchors represent their own examples and rationale for an appraisal at a particular level.

BARS are useful for varied reasons. Their major characteristic relates to behavioural orientation. They are based on job behaviour—what individuals really do on their jobs, which is within their control. Attachment of behavioural anchors to different scales enables the appraisees to understand what they must do to organizing the dimension

Notwithstanding the above merits, the result oriented procedure has several limitations. The procedure is impracticable in situations where the superior is decisive and seldom bothers to involve the subordinates in goal-setting goals. Moreover, the procedure stresses tangible goals (i.e. production) and ignores intangible goals (i.e. morale). This may also cause concealment of poor performance, distortion of data and the fixation of low goals.

MBO is a time-consuming. Taking the time to set objectives, to measure progress and to provide feedback can take several hours per employee per year, over and above the time you spent doing each person’s appraisal.

Setting objectives with the subordinate sometimes turns into a tug of war with you pushing for higher quotas and the subordinate pushing for lower ones.

18.5 Limitations of Performance Appraisal

The ideal approach to performance evaluation is that in which evaluator is free from personal biases, prejudices and idiosyncracies. This is because when evaluation is objective, it minimizes the potential capricious and dysfunctional behaviour of the evaluator which may be detrimental to the achievement of the organizational goals. However a single fool proof evaluation method is not available. Inequities in evaluation often destroy the usefulness of the performance system—resulting in inaccurate, invalid appraisals, which are unfair too. There are many significant factors which deter or impede objective evaluation. These factors are :

(i) Halo Error

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Subject Code: MC-101	**Author: Dr. Karam Pal**
Lesson No: 11	**Vetter: Dr. B. S. Bodla**

LEADERSHIP

Objective: **The objective of this lesson is to make the students learn about the concept of leadership, leadership styles and theories.**

Lesson Structure

11.1 Background

There is a profound difference between manager and leader, and both are essential in a sound management system. To 'manage' means "to bring about, to accomplish, to have charge of or responsibility for, to conduct". On the other hand the 'Leading' is "influencing, guiding in direction, course, action, opinion". The distinction is critical. Managers are people

3. **Coercive-** That the followers know that if the leader's orders are not complied with, he has the power to hire, fire, perspire and discharge the followers.

4. **Expert-** That the followers know that the leader possesses specialist's knowledge in the field they lack it.

5. **Referent-** That the followers feel attracted towards him because of his amiable manners, pleasing personality or they feel that he is well connected with high-ups.

It is apparent then that the first three power bases indicate positional power, which one derives from one's position. The other two indicate personal power, which is based on the individual's own characteristics. In any case, the leader exercises his influence because of one or more of these types of power and obtains compliance from the followers. How far he succeeds in his attempts will depend upon several other factors that we will discuss during the course of this lesson.

Leadership is, therefore, regarded as the process of influencing the activities of an individual or a group in efforts towards goal achievement in a given situation. This process, as *Heresy and Blanchard* suggest, can be explained in the form of the following equation:

L = f (L, F, S,)

That is, the leadership is a function of the leader(L), the follower(F) and other situational variables(S). One who exercises this influence is a leader whether he is a manager in a formal organization, an informal leader in an informal group or the head of a family. It is undoubtedly true that a manager may be a weak leader or a leader may a weak manager, but it is also equally probable that a manager may be a true leader or a leader may be true manager. *A manager who is a true leader as well is always desirable*. Situational variables include the whole environment like the task, the group, organizational policies, etc.

One way to identify the traits is to ask the leader himself how he considers himself different from his followers or what distinguishing characteristics he possesses. Another way is to analyze the past and the present of the leader in terms of his family background, education, career events, etc. and build up a list of traits or attributes that the leader possesses. In both cases, a leader's life becomes highly interesting only when he has emerged as a leader. This compilation of a list of traits or attributes does not give any predictive power and therefore, investigators have tended to relate leadership even with handwriting [graphology], skull shape [phrenology] and occult influence of stars [astrology].

A number of studies have been conducted to identify traits or characteristics that can be used to distinguish successful from un-successful leaders or followers. As *Ivancevich et al* have suggested, the most researched traits include the following. -

1.	Physical characteristics	—	Age, appearance and height
2.	Social background	—	Education, social status and mobility
3.	Intelligence	—	Judgement, knowledge, decisiveness and fluency of speech
4.	Personality	—	Alertness, dominance, extroversion, independence, creativity and self-confidence
5.	Task-related Characteristics.	—	Achievement drive, initiative, persistence, enterprise and task orientation.
6.	Social characteristics	—	Attractiveness, popularity, sociability and interpersonal skills.

Different studies have identified different numbers of traits. With each study, the list of traits studied has become longer and longer. Some traits are, however, common to all the studies. In general, number of individual research efforts were undertaken to determine the effect of the initiating structure and consideration on group performance and morale. In the beginning, it was widely believed that the most effective leadership style was high on both the initiating structure and consideration. But later the results amply demonstrated that no single style emerged as being the best. In some situations, high initiating structure and high consideration style would prove effective, but in some others, even low initiating structure and low consideration style could prove effective.

Studies show that low consideration and high initiating structure go with grievances and turnover; and so improved consideration and reduced structure would lead to decline in grievances and turnover. However, as *Fleishman and Harris* suggest, there must be certain critical levels beyond which increased consideration or decreased structure have no effect on grievance or turnover rates. But leader behaviour characterized by low consideration is more critical than behaviour characterized by high structure. Apparently, a manager can compensate for high structure by increased consideration, but a low consideration manager cannot compensate by decreasing his structuring behaviour.

Criticism

The Ohio State studies and Michigan studies were being carried out at the same time, but the Ohio State studies marked a break from the rest in the sense that instead of a single continuum, they used two separate dimensions. This was a significant step forward in itself. However these studies suffered from more or less the same weaknesses as the Michigan studies. A few of such weaknesses are listed here:

1. These studies again did not consider the situational factors and the influence of these factors on leader effectiveness. Very little is known about how these styles affect work group performance. An individual's

Impoverished (1-1)	Extension of minimum effort to get required work done.
Country Club (1-9)	Thoughtful attention to needs of people for satisfying relationship
Middle of the Road (5-5)	Balancing the necessity to get out work while maintaining the morale of people at a satisfactory level.
Task (9-1)	Interference from human elements permitted to a minimum degree.

Committed people having common stake in Organizational purpose.

Behavioural Theories: A final Look

As distinct from the trait approach, behavioural theories endeavoured to explain the leadership phenomenon in terms of the behaviour of the leader. What the leader does was regarded as more important than the leader's personal characteristics. Therefore, the investigators examined the practices or styles that leaders adopted and gave the impression that a leader had a dominant philosophy. A leader was either, say, authoritarian or democratic. For the first time, the Ohio State studies considered two independent leadership dimensions and revealed that leadership style could be any mix of the two dimensions. (They isolated two dimensions of a leader's style, perhaps, only for statistical convenience. In a later work, four to twelve dimensions have been studied.) This research, no doubt, advanced our knowledge, but its stress on effective leader behaviour being characterized by high initiating structure and high consideration or ineffective leader behaviour being marked by low scores on both dimensions, however, seems misplaced.

(i) The first problem is, what is LPC? It is a measure of the leader's personality or his motivational base. As the manager's motivational bases are in a flux, it may be a futile effort to engineer the job to fit the manager's style.

(ii) Fielder's model suggests that leaders are either task-oriented or employee-oriented and therefore, according to him, leadership style is essentially a one-dimensional concept which we have earlier shown is of doubtful validity.

(iii) His model does not take into account that the leader can influence the situation once he knows the existence of a particular kind of the situation.

(iv) The theory is based on small samples and therefore, its empirical validity is questioned.

(v) The theory is static in nature and ignore the long-range influence of the situation on the leader and the group.

ii) Tri-Dimensional Leader Effectiveness Model and Situational Leadership Theory.

Hersey and Blanchard at the Centre for Leadership Studies, Ohio University, have used tow concepts-task behaviour and relationship behaviour. Taking a cue from Reddin's 3-D Management Style Theory, they have also added and effectiveness dimension which, in their analysis, represents environment. According to them, what matters is not the actual behaviour as such, but its appropriateness to the environment in which it is used. They regard the leader's basic style as stimulus and it is the response to this stimulus that can be considered effective or ineffective. Unlike those who argue that there is one best style of leadership and make value judgement about the stimulus; the situationalist or environmentalists evaluate the work environment or task structure on leader behaviour and subordinates' job satisfaction.

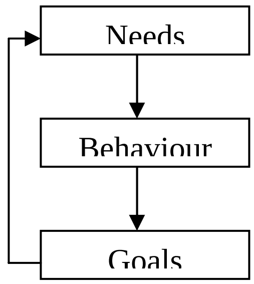
On the vertical axis, we have shown job satisfaction, ranging from low to high. On the horizontal scale is represented leader directiveness, ranging from low to high. The task structure moderates the relationship between leader behaviour and subordinates' job satisfaction. It may be seen that when the task is structured, the leader who is low in directiveness is more satisfying to the employees, whereas if the task is unstructured, a more directive leader is highly satisfying as the clarifies the ambiguities and therefore, paths to their goals.

Path-Goal Theory: Evaluation- House's Path-Goal Theory of leadership has been formulated and developed only very recently. A few researches that have been undertaken on the basis of the theory have confirmed its basic propositions - that instrumental leader behaviour is more effective than supportive behaviour for subordinates working on unstructured tasks, and supportive leader behaviour results in high employee satisfaction when subordinates are performing structured tasks. The main contribution of this theory lies in the fact that it has identified key leadership styles and situational factors and has shown the relationship between these variables in a complex organizational setting. It highlights that the relationship between the leader and the subordinates does not exist in a vacuum. A number of situational factors have to be considered before a leader can decide a particular style for a particular group of subordinates. In general, tasks are structured at lower levels and unstructured at higher levels and therefore, it also implies that different leadership style will be required for different occupational groupings and levels of the organization's hierarchy. The chief merit of this theory is in the fact that it not only suggests what to do is known as motivation. The force of motivation is a dynamic force setting a person into motion-or action. The concept of motivation can be traced back to nearly twenty-three centuries ago in the Greek and Indian writings. The idea that we are motivated to do what brings us the best results for our benefit is found in the early Indian philosophy through such writings as "Charvak". The most ancient concept of "Nirvana", as proposed and propagated by earliest Aryan thinkers and religious scholars, motivates us to be "good" people so that we can achieve the final "oneness with God." The Greek view of motivation has been dominated by the concept of hedonism, which is a view that people seek pleasure and comfort, and avoids pain and discomfort. This view was based upon intuition and common sense that an individual does what he does because he believes that it will give him more pleasure than anything else he might do. This philosophy, though still popular, depends excessively upon rational evaluation and does not take into consideration the effect of instincts or even the value system. Hedonism, based on maximizing personal pleasure cannot explain why some people would sometimes risk their own lives to save others in times of crisis or why volunteers would spend so much of their time in collecting money for charitable causes. However, this view prevailed right up to the eighteenth and, nineteenth centuries and is evident in the social and economical philosophies of such famous men as Adam Smith, Jeremy Bentham and John Stuart Mill. The principles of hedonism seems to be too narrow minded and is empirically insignificant since it does not attempt to evaluate just what the individuals anticipate to be the results of their behaviour and how do they measure pleasure. For example, a person who risked his own life to save another had rationally decided to become a "hero" or did he act on "impulse," believing that it was the right thing to do irrespective of cost or consequences? The principle of hedonism can be more easily explained "after the fact" when the behaviour has already been explained. Thus, even the acts of simple kindness can be explained with the motives of "feeling good" about them or earning the gratefulness of those who have been helped by these acts. Since hedonistic explanations work best in explaining actions after they occur, they cannot be relied upon in predicting behaviour. These limitations of hedonistics viewpoints brought motivation under different light during the late 1800s and early 1900s. William James and Sigmund Freud argue that instinctive behaviour and unconscious motivation are also important elements in human behaviour and these largely determine an individual's interpretation of, and response to, situations.

Instincts, which are inborn or innate predispositions, which are not consciously rational, can explain certain aspects of\human behaviour. These instincts, which influence human behaviour, include the need for autonomy, curiosity, sociability, sympathy, fear, jealousy, love, dominance, harm avoidance, play, and sex. The large number of identified instincts identifies a variety of possible behaviours. The instinct behaviour is like a reflex action, meant for survival and hence caters primarily to physiological needs. It is not learnt and is not dependent upon the consequences of an action. Most instincts are common to all people and would exhibit similar behaviour under similar circumstances. For example, if somebody has a flat tire while driving, the first instinctive reaction is to get mad. The unconscious motivation, of which an individual is unaware, was brought up by Sigmund Freud who suggested that unconscious motives are primarily sexual and aggressive in nature and even though unconscious, they greatly influence everyday behaviour. These unconscious motives are revealed in dreams, symbolism, slips of speech (known as Freudian slip) and hypnotic suggestions. Both the instinctive motivation and unconscious motivation do not stand the scientific analysis and contemporary psychologists explain behaviour by complex cognitive and environmental interactions. The concept of motivation came under scientific scrutiny during 1930s and has led to formulation of many theories and models that try to scientifically explain the concept of motivation.

12.2 DEFINITIONS OF MOTIVATION

The word motivation is derived from motive, which is defined as an active form of a desire, craving or need, which must be satisfied. All motives are directed towards goals and the needs and desires affect or change your behaviour, which becomes goal oriented. For example, if you ordinarily do not want to work overtime, it is quite likely that at a particular time, you may need more money have certain fundamental needs, both physiological and psychological in nature, and that they are motivated to engage in activities that would satisfy these needs. Thus the nature of needs establishes the nature of motivation that results in a specific behaviour aimed at reaching the goal of satisfying such needs.



Some of the more important content theories are:

12.5.1 MASLOW'S MODEL

Maslow's "needs hierarchy theory" is probably the most widely used theory of motivation in organizations. Abraham Maslow suggested that people have a complex set of exceptionally strong needs and the behaviour of individuals at a particular moment is usually determined by their strongest need. He developed his model of human motivation in 1943, based upon his own clinical experience and formulated his theory of hierarchical needs by asking the same question, what is it that makes people behave the way they do and made a list of answers from which he developed a pattern. His theory is based upon two assumptions. First those human beings have many needs those are different in nature ranging from the biological needs at the lower level, which is the level of survival, to psychological needs at the upper extreme, which is the level of growth. Second that these needs occur in an order of hierarchy so that lower level needs must be satisfied before higher level needs arise or become motivators. Mahatma Gandhi, the Indian leader, once remarked, "Even God cannot talk to a hungry man except in terms of food. Similarly, there is a quotation from the Holy Guru Granth Sahib, the holy scripture of Sikhs in India when a holy man says to God, "Take your rosary beads away. I cannot worship and meditate on you when I am hungry." This means that if the people's basic needs which are biological in nature are unsatisfied, then their total attention will be focused upon these needs and it will not be possible to

- ➢ Wages, salary and other types of employee benefits
- ➢ Company policies and administration rules that govern the working environment
- ➢ Interpersonal relations with peers, supervisors and subordinates Cordial relations with all will prevent frustration and dissatisfaction
- ➢ Working conditions and job security. The job security may be in the form of tenure or a strong union could support it.
- ➢ Supervisor's technical competence as well as the quality of his supervision. If the supervisor is knowledgeable about the work and is patient with his subordinates and explains and guides them well, the subordinates would not be dissatisfied in this respect.

All the hygiene factors are designed to avoid damage to efficiency or morale and these are not expected to stimulate positive growth. Hawthorne experiments were highly conclusive in suggesting that improvements in working conditions or increments in financial benefits do not contribute to motivated performance. A new plant or upgraded facilities at a plant seldom motivate workers if the workers do not enjoy their work and these physical facilities are no substitute for employee feelings of recognition and achievement.

2. Motivational factors

These factors are related to the nature of work (job content) and are intrinsic to the job itself. These factors have a positive influence on morale, satisfaction, efficiency and higher productivity. Some of these factors are:

(i) **The job itself:** To be motivated, people must like and enjoy their jobs. They become highly committed to goal achievement and do not mind working late hours in order to do what is to be done. Their morale is high as evidenced by lack of absenteeism and tardiness.

(ii) **Recognition:** Proper recognition of an employee's contribution by the management is highly morale boosting. It gives the workers a. feeling of worth and self esteem. It is human nature to be happy when appreciated. Thus, such recognition is highly motivational.

of employees. The Herzberg's two-factor model is tied in with Maslow's basic model in that Maslow is helpful in identifying needs and Herzberg provides us with directions and incentives that tend to satisfy these needs. Also the hygiene factors in Herzberg's model satisfy the first three levels of Maslow's model of physiological needs, security and safety needs and social needs and social needs and the motivational factors satisfy the last two higher level needs of esteem and self-actualization.

Some researchers do not agree with Herzberg's model as being conclusive, since the results were based primarily on the responses of white collar workers (accountants and engineers) and do not necessarily reflect the 'blue collar workers' opinion who may consider hygiene factors as motivational factors. Some studies have found that the effect of hygiene factors and motivational factors are totally reversed on some people. They are highly motivated by financial rewards, organized supervision, well-defined work rules, pleasant working environment and positive employee 'interaction' and do not give much importance to achievement and self-actualization.

Another criticism about Herzberg's two-factor theory dwells upon the method of research and data collection. The theory was developed on the basis of "critical incident" method. According to this method, the respondents were asked to indicate particular incidents, which they felt, were associated with their satisfaction or dissatisfaction with their jobs. This means that the theory is "method bound" and studies that use other" methods for measuring satisfaction and dissatisfaction fail to support the validity of Herzberg's theory.

Furthermore, the theory does not take into consideration individual differences in values and outlook as well as the individual's' age and organizational level.

However, this theory has contributed to one management program that has lent itself to the enhancement of motivators. Ii provides valuable guidelines for structuring the jobs in order to include within the job content such factors, which bring about satisfaction.

12.6 THEORIES OF MOTIVATION REGARDING WORK

goal. Meeting a goal provides the worker with a sense of achievement, pride and personal satisfaction. General goals, such as "we will produce as much as possible," have little effect on motivation. Specific goals reduce ambiguity and the worker has very clear idea as to what is expected of him.

- **Goal difficulty:** Difficult but feasible goals provide more challenge than easy goals. Reaching an easy target is not competitive and hence hardly exciting. This is particularly true for high need achievers. Goal commitment is independent of whether the goal is set by the worker himself or is assigned by superiors, but depends upon expectations of success and degree of success. Commitment would also depend upon previous rewards for goal achievement.

The most important element of goal setting theory is the acceptance of goal by the workers. Of course, the best way to have the goal accepted by workers is to let them set their own goals within the general organizational guidelines. A goal that one establishes for him becomes an integral part of him. An example is a person's career objective. A person with self-set goals is most likely to strive harder to achieve them. Assigned goals are equally acceptable if these goals are consistent with personal aspirations of workers. Acceptance becomes easier if the workers are encouraged to participate in the goal setting process. Goal acceptance can also be facilitated if the management demonstrates a supportive attitude towards subordinates regarding goal achievement. There is evidence that goal setting, as outlined, improves performance about 90% of the time, and that comparatively high achievers set comparatively more difficult goals and are much more satisfied with intrinsic rewards rather than extrinsic rewards.

12.7 MANAGEMENT BY OBJECTIVES (MBO)

A logical extension of goal setting theory is Management by Objectives, which involves systematic and programmatic goal setting throughout an organization. It is a process by which managers and subordinates work together in identifying goals and setting up objectives and make plans together in order to achieve these objectives. These objectives and goals are consistent with the organizational goals.

George Odiorne has explained the concept of MBO as follows:

The system of management by objectives can be described as a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing, the contribution of each of its members. Also known as Goal Management, MBO is based upon the assumption that involvement leads to commitment and when an employee participates in goal setting as well as setting standards for measurements of performance towards that goal, then the employee will be motivated to perform better and in a manner that directly contributes to the achievement of organizational objectives.

Some of the elements in the MBO process can be described as follows:

1. **Central goal settings:** The first basic phase in the MBO process is the defining and clarification of organizational objectives. These are set by the central management and usually in consultation with the other managers. These objectives should be specific and realistic. This process gives the group managers and the top mangers an opportunity to be jointly involved. Once these goals are clearly established, they should be made known to all the members of the organization and be clearly understood by them.

2. **Manager-subordinate Involvement:** After the organization goals have been set and defined, the subordinates' work with the managers in setting their individual goals relative to organizational goals. Such joint consultation is important because people become highly motivated in achieving objectives that were set by them to start with. The goals of the subordinates are specific and short range and primarily indicate what the subordinate's unit is capable of achieving in a specified period of time. The subordinate must set goals in consultation with the individuals who comprise his unit. In this manner, everyone gets involved in the goal setting.

People's work performance depends upon their ability to do their assigned work as well as their "will" to do so. Stronger “will” reflects stronger motivation to achieve a goal. The word motivation is derived from motive which is a need or a' desire requiring movement towards the goal of achievement of such need and desire. It is an action, movement or behaviour, which must fulfill the unsatisfied need. The motivation can be positive which requires appreciating employees' efforts resulting in better performance or it could be negative which induces fear and punishment for less efforts. Motivation can also be induced by external factors such as financial rewards for better output or it could be intrinsic in nature, which is inner-generated. This means that accomplishing something worthwhile motivates the employee further and this motivation is independent of financial rewards. Historically speaking, the concept of motivation can be traced back twenty-three centuries as reflected in the Greek and Indian writings. These earlier philosophies proposed that we are motivated to do what brings us the best results for our benefit. Similarly, the Greek concept of Hedonism is based upon realizing maximum pleasure while at the same time avoiding pain and discomfort. This brings in the concept of rationality where our actions become utility oriented. These views were held over a long period of time so that the concept of motivation came under scientific study and investigation only in the early 1930s. This study led to a number of theories and models. The content theories of work motivation explain the nature of motivation in terms of types of need that people experience. The concept of motivation is explained by the fact that people have certain fundamental needs; both physiological and psychological in nature and that they are motivated to engage in activities that would satisfy these needs. Abraham Maslow built the needs in order of priority into a hierarchy. The most fundamental needs being physiological needs such as food, clothing, shelter and so on. Then in order came the needs for safety and security, love and affection, need for respect and self-esteem and finally the self-actualization need which is considered to be the ultimate fulfillment of life. Management can motivate workers by identifying their need level and taking steps to fulfill these needs. ERG theory, developed by Clayton Alderfer, condenses the five needs proposed

11. Management by Objectives (MBO) is considered to be the most effective tool of organizational effectiveness. Explain some of the contributions of the concept of MBO towards employee motivation.

12. Give some of the suggestions for improving the effectiveness of MBO process. Give reasons as to why such suggestions would be helpful.

13. Job dissatisfaction is highly demoralizing and manifests itself in some of the negative symptoms. Explain in detail some of the indicators of job dissatisfaction and the steps that management can take in eliminating the conditions that cause job dissatisfaction.

14. What are some of the organizational and work related factors that are necessary for job satisfaction?

15. What are some of the personal factors, unrelated directly to work environment, that affect a person's motivation and his attitude towards his job?

12.11 SUGGESTED READINGS

1. Elton Mayo, the Human Problems of an Industrial Civilization, Macmillan Publishing Company, New York.
2. Keith Davis, Human Behaviour at Work, Tata McGraw Hill, New Delhi.
3. Laurie J. Mullins, Management and Organisational Behaviour (2nd ed.), Pitman.
4. Fred Luthans, Organisational Behaviour (8th ed.), Irvin/Tata McGraw Hill.
5. Stephen P. Robbins, Organisational Behaviour (9th ed.), Prentice Hall India.
6. Earnest R. Hilgard and Gordon Power, Theories of Learning, Prentice Hall.

social responsibility. Economic responsibilities are at the base of the pyramid, succeeded by legal responsibilities, ethical responsibilities and, finally, philanthropic responsibilities. According to Carroll's pyramid, legal responsibilities come only at the second stage. This is not a right view. A company must inevitably obey the laws, even if it is unable to discharge some of the economic objectives, as long as it exists. Figure 13.1 presents the right perspective.

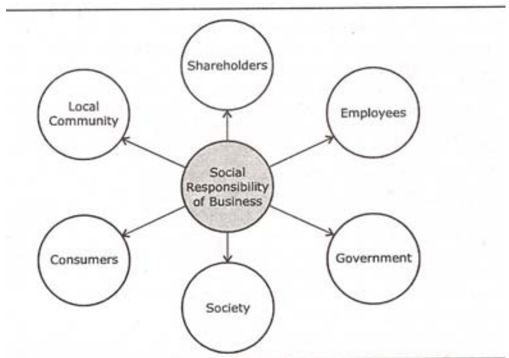


Figure 13.1

William E Halal's return-on-resources model of corporate performance recognises the fact that no corporate social posture will be value-free, and this is makes corporate social responsiveness a tremendously difficult task. He point out that a firm can only attempt to unite the diverse interests of various social groups to form a workable coalition engaged in creating value for distribution among members of the coalition. Beyond a certain level of economic activity, the social issues at stake may become conflicting. For example, large spending for social cause may affect the profitability of the firm, which could have implications for the stakeholders, and the future of the firm. This calls for tradeoffs, which involve both economic and ethical decisions that will not necessarily satisfy the needs of every stakeholder. According to Ackerman's model, there are three phases in the development of the social responsiveness of a company. The first phase is one when the top management recognizes the existence of a social problem, which deserves the company's attention and acknowledges the company's policy towards it by making an oral or written statement. The company appointing staff specialists or external consultants to study the problem and suggest ways of dealing with it characterizes the second phase. The third phase involves the implementation of the social responsibility programmes.

Important factors, which influence the social orientation of companies, include the following.

1. **Promoters and Top Management:** The values and vision of promoters and top management is one of the very important factors, which influence the corporate social responsibility.
2. **Board of Directors:** As it is the Board of Directors, which decides the major policies and resource allocation of company, the attitude of the members of the Board is an important influencer of the social orientation.
3. **Stakeholders and Internal Power Relationship:** The attitude of various stakeholders like shareholders, creditors, employees etc. and the internal power relationship also affect the social orientation of a company. As suggested by the Halal’s model described in the previous section of this chapter, a firm can only attempt to unite the diverse interests of various social groups to' form a workable coalition engaged in creating value for distribution among members of the coalition. Beyond a certain level of economic activity, the social issues at stake may become conflicting.
4. **Societal Factors:** The social orientation of company is also influenced by certain characteristics of the society and general attitude and expectation of the society regarding the social responsibility of business. For example, a resourceful firm located in a poor community may be expected to contribute to the development of education and health facilities etc. of the locality where as such involvement may not be required of a firm in a well-developed community. The orientations or approaches may vary in accordance with the environment. The behaviour or social orientation expected of business may vary between different societies.
5. **Industry and Trade Associations:** Industry and trade associations also influence the behaviour of the firms by establishing professional and ethical codes and norms, education and collective decisions.
6. **Government and Laws**: Laws are society's codification of right and wrong. Business shall play the rules of the game. Anti trust legislations, legislations to curb corruption, unfair practices etc. vary between nations.

The Committee that conducted the social audit of Tata Iron and Steel Company (TISCO) observes that "not only should the company carry out its various obligations to the employees as well as the larger community as a matter of principle, but this has also led to a higher degree of efficiency in TISCO works and an unparalleled performance in industrial peace and considerable team spirit and discipline which have all resulted in high productivity and utilisation of capacity". Thus, by discharging its responsibilities to the employees, the business advances .its own interests. It may, however, be pointed out that the expenditure on labour welfare, etc., should have relevance to the financial position of the company and the economic conditions of the nation. This aspect has to be particularly taken note of by public sector enterprises. Such expenditure shall not exceed the socially and economically warranted limits and shall not cause undue burden on the consumers or the general public. It shall not result in the formation of islands of affluence or comfort in the midst of poverty and suffering "at the expense of society.

3. **RESPONSIBILITY TO CONSUMERS:** According to Peter Drucker, "there is only one valid definition of business purpose; to create a customer." Drucker observes: "The customer is the foundation of a business and keeps it in existence. He alone gives employment. To supply the wants and needs of a consumer, society entrusts wealth-producing resources to the business enterprise". It has been widely recognised that customer satisfaction shall be the key to satisfying the organisational goals. Important responsibilities of the business to the customers are:

(i) To improve the efficiency of the functioning of the business so as to (a) increase productivity and reduce prices, (b) improve quality, and (c) smoothen the distribution system to make goods easily available.

(ii) To do research and development, to improve quality and introduce better and new products.

(ii) Rehabilitating the population displaced by the operation of the business, if any.

(iii) Assisting in the overall development of the locality.

(iv) Taking steps to conserve scarce resources and developing alternatives, wherever possible.

(v) Improving the efficiency of the business operation.

(vi) Contributing to research and development.

(vii) Development of backward areas.

(viii) Promotion of ancillarisation and small-scale industries.

(ix) Making possible contribution to furthering social causes like the promotion of education and population control.

(x) Contributing to the national effort to build up a better society.

13.6 THE INDIAN SCENARIO

The Indian business sector presents a mixed picture as far as social responsibility is concerned. Shri J.R.D. Tata, who was instrumental in conducting the first social audit in India and perhaps in the world, was of the opinion that while on the side of production, of growth, of efficiency, Indian industry, on the whole, did remarkably well, usually against odds and in spite of crippling infrastructural shortages unknown in advanced countries, on the distributional side, however, its record was often poor and, in some respects, dismal, judged by the size of the black-market, the volume of black money and the general corruption that pervaded our economic life. True, many a time the imperfections on the distribution side-mostly hoarding and black-marketing - mercilessly gouge the unfortunate consumer. "Although it is the trader rather than the manufacturer who is mainly responsible for such diversion of goods and for the resulting heavy burden imposed on the consumer, the fact remains that, to that extent, corporate management of even of large Indian industries has, perhaps unavoidably, failed in the important obligation of ensuring that their -goods reach the consumer at fair prices". It is high time the producer realised that his responsibility does not end with producing goods and services; he should ensure that whatever is produced reached the ultimate consumer in time and at reasonable prices. It is gratifying to shareholders, consumers and the community. Social responsibility of business is advocated on the ground that the resources it makes use of are not limited to those of the proprietors and the impact of their operations is felt also by many a people who are in no way connected with the enterprises. The shareholders, the suppliers of resources, the consumers, the local community and society at large are affected by the way an enterprise functions. Hence, a business enterprise has to be socially very responsive so that a social balance may be struck between the opposing interests of these groups. Further, companies, which have huge resources at their disposal, have a moral responsibility to care for the society. Besides, discharge of social responsibilities will be in the company's own interest, because it will help build up good rapport with the society and Government and improve employee morale and industrial relations. However, there are also arguments against the social involvement of business. It will affect the financial health of companies, it may lead to attempt to dominate the community's affairs, the costs of social involvement may be passed on to the consumers by price increase, for many companies it is a tax saving gimmick, so goes the arguments. A social audit enables the public as well as the company to evaluate the social performance of the company. The "social audit - much like the financial audit - is an identification and examination of the activities of the firm in order to assess, evaluate, measure and report their impact on the immediate social environment." There is no single universally agreed upon method of social auditing. Some of the important methods of social audit developed by different people or organisations include social process audit, financial statement format audit, macro-micro social indicator audit, constituency group audit, partial social audit, comprehensive audit, and corporate rating approach.

13.14 SELF-TEST QUESTIONS

1. What do you mean by social responsibility of a business?
2. How can you evaluate the social responsibilities of business in Indian economy?
3. What do you mean by social audit? Why it is compulsory?
4. Explain the benefits and limitations of social responsibilities?

13.15 SUGGESTED READINGS

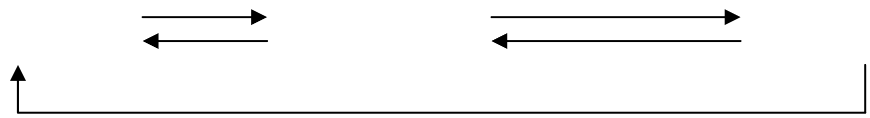


Figure 14.1: Planning and controlling relationships

Thus various elements of planning provide what is intended and expected and the means by which the goals are achieved. They provide a means for reporting back the progress made against the goals, and a general framework for new decisions and actions in an integrated pattern. Properly conceived plan become important elements in implementing effective control.

2. **Action as the Essence:** Control basically emphasises what actions can be taken to correct the deviation that may be found between standards and actual results. The whole exercise of managerial process is taken to arrive at organisational objectives set by the planning process. For this purpose, actions and further actions are necessary; each time there may be correction and change in the actions depending upon the information provided by control procedure. Though it is not necessary that each time a corrective action is taken but control ensures the desirability of a particular action. This is important for organisational effectiveness. Thus, in a real sense, control means action to correct a condition found to be in error or action to prevent such a condition from arising and is never achieved without having action as an essential step.

3. **Delegation as the Key:** Delegation is the key for control to take place because control action can be taken only by the managers who are responsible for performance but who have authority to get the things done. A manager in the organisation gets authority through delegation and red legation. It does not make sense to make someone responsible for achieving results without delegating him adequate authority. In the absence of adequate authority, a manager is unlikely to take effective steps to case. Naturally, management is required to determine whether strict compliance with standards is required or there should be a permissible limit of variation. In fact, there cannot be any uniform practice for determining such variations. Such variations depend upon the type of activity. For example, a very minute variation in engineering products may be significant than a wide variation in other activities. When the deviation between standard and actual performance is beyond the prescribed limit, an analysis is made of the causes of such deviations. For controlling and planning purposes, ascertaining the causes of variations along with computation of variations is important because such analysis helps management in taking up proper control action. The analysis will pinpoint the causes, which are controllable by the person responsible. In such a case, person concerned will take necessary corrective action. However, if the variation is caused by uncontrollable factors, the person concerned cannot be held responsible and he cannot take any action. Measurement of performance, analysis of deviations and their causes may be of no use unless these are communicated to the person who can take corrective action. Such communication is presented generally in the form of a report showing performance standard, actual performance, deviations between those two tolerance limits, and causes for deviations. As soon as possible, reports containing control information should be sent to the person whose performance is being measured and controlled. The underlying philosophy is that the person who is responsible for a job can have a better influence on final results by his own action. A summary of the control report should be given to the superior concerned because the person on the job may either need help of his superior in improving the performance or may need warning for his failure. In addition, other people who may be interested in control reports are (i) executives engaged in formulating new plans; and (ii) staff personnel who are expected to be familiar with control information for giving any advice about the activity under control when approached.

management. Thus they are controlled not because of their own shortcomings but for the shortcomings of others. Naturally this may be more serious for those who are being controlled.

3. **Actions by Participants:** Participants in most of the cases resist control attempt. They will try to escape from the purview of control and may take several actions: (i) they may try to bring behaviour which is satisfying to them but not necessarily satisfying to the organisation; (ii) they may engage in a behaviour which may appear to be in conformity with organisational requirements but actually it is not; and (iii) if these are not possible they may try to engage in behaviour as required by the organisation. In the first case, people may try to overcome the pressure from control through fanning group. People can stand only to a certain amount of pressure. After this point is passed, it becomes intolerable to them and they will try to find out the alternatives. One of the alternatives is the formation of group if the people cannot reduce the pressure individually. Group helps them to absorb much of the pressure and thus relieves the individual personality. It gets rid of the tension generated by the control and people feel more secure by belonging to a group, which can counteract the pressure. Now the question is: does the group disappear if the control pressure is off? The answer is generally in negative because by the time, control pressure is oft, people have socialised and identified with a particular group and the group has become attractive to them in more than one respect. Thus, they are likely to continue to be the members of the group even after the control pressure is off. Another alternative of overcoming the pressure of control is that an individual solves it at his own level. This happens more so if control pressure affects only a few individuals. In such cases, the individuals may engage in a behaviour, which on the surface seems to satisfy organisational needs but actually it is not so. In such cases, they will try to camouflage the information meant for control like providing wrong information or coming in time at the work-place but not quite engaging in meaningful behaviour or looking

COURSE: MANAGEMENT CONCEPTS AND ORGANIZATIONAL BEHAVIOUR

COURSE CODE: MC-101 | **AUTHOR: SURINDER SINGH**
LESSON: 15 | **VETTER: PROF. HARBHAJAN BANSAL**

UNDERSTANDING HUMAN BEHAVIOUR

OBJECTIVE: After reading this lesson students should be able to understand the meaning of behaviour; specify the relationship between behaviour and both the individual and his environment; recognize the genetic nature of behaviour and analyze some of the causes of human behaviour in terms of inherited and learned characteristics.

STRUCTURE:

15.1 Introduction
15.2 Biological Characteristics
15.3 Causes of Human Behaviour
15.4 Environmental Impact on Behaviour.
15.5 Behaviour as an Input-Output System.
15.6 Behaviour and Performance.
15.7 Summary
15.8 Self-Test Questions
15.9 Suggested Readings

15.1 INTRODUCTION

Human behaviour is most difficult to define in absolute terms as it is the most complex phenomenon to understand. It is primarily a combination of responses to external and internal stimuli. These responses would reflect psychological structure of the person and may be a result of a combination of biological and psychological processes. It is a system by which a human being senses external events and influences, interprets them, responds to them in an appropriate manner and learns from the result of these responses.

We have discussed earlier that human behaviour is a function of the person and his environment where the "person" is primarily shaped by general biological characteristics, and environment, which generates external stimuli. It does not include the possibility of randomness of human behaviour and it assumes that all human behaviour is goal directed so that a measurable correlation exists between the goals and behaviour. The external stimulus is most important since it excites the internal processes to activate and the behaviour takes place, that an external input is necessary to elicit behavioural responses. The basic input-output model can be described as S<->O->B model where S stands for the stimuli generated by the external environment as input, O stands for human organism which is activated by physiological as well as psychological processes, and B stands for behaviour as the output. Before behaviour is exhibited, there is mutual interaction between the stimulus and the organism and except for reflex actions, the organism "decides" as to the type of behaviour outcome. The interaction results in perception and it becomes the cause of human behaviour.

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

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

5. Describe some of the learned characteristics of behaviour. DO these characteristics change with the change in the environmental situation? Which of these traits are formed early in years and how difficult it is to change these traits?
6. Define the concept of values and ethics. Are these values absolute in nature or differ from person to person aria situation to situation? Explain

15.9 SUGGESTED READINGS

1. Elton Mayo, the Human Problems of an Industrial Civilization, Macmillan Publishing Company, New York.
2. Keith Davis, Human Behaviour at Work, Tata McGraw Hill, New Delhi.
3. Laurie J. Mullins, Management and Organisational Behaviour (2nd ed.), Pitman.
4. Fred Luthans, Organisational Behaviour (8th ed.), Irvin/Tata McGraw Hill.
5. Stephen P. Robbins, Organisational Behaviour (9th ed.), Prentice Hall India.
6. Earnest R. Hilgard and Gordon Power, Theories of Learning, Prentice Hall.

of the family do in building the child's personality. We generally see that small children behave like their parents. The relationships between the parents and children are higher then between the children and teachers in building child's personality.

DETERMINANTS OF PERSONALITY

1) Biological Factors
   a) Heredity
   b) Brain
   c) Physical Features
2) Family and Social Factors
   a) Home Environment
   b) Family Members
   c) Social Groups
3) Cultural Factors
4) Situational Factors
5) Other Factors
   a) Temperament
   b) Interest
   c) Character

c) Social Group: In addition to home environment and family members, there are other influences from the social placement of the family. Social groups includes the person's interaction with other people which starts with playmates during childhood and continue with peers at work associates and other work groups. The internal and external work environment continues to influence the people personalities, perception and behaviour throughout his life.

The home environment, family members and social groups influence the socialization and identification process of an individual. *Socialization* is a process by which an infant acquires from the wide range of behavioral potentialities that are open to him at birth, those behavior patterns that are customary and acceptable to family and social groups. It starts with the initial contact between an infant and mother and continues with interaction of infant with other family members and social groups. *Identification process* occurs when a person tries to identify himself with some person whom he feels ideal in the family. Generally a child in the family tries to behave like his father or mother.

3. *Projective Test:* In this the test like WAT (Words Association Test) and TAT (Thematic Aptitude Test) are conducted. These tests play a major role in analyzing the personality of a person. These tests comprise of words and pictures. And the person is judged by his/her reaction to the picture and words.

All these tests have been devised to assist the personality of the person in the most effective manner.

16.6 SUMMARY

Every individual possesses a unique set of traits and characteristics, which remain stable overtime. This uniqueness and consistency form the aspects of personality. It is the stability of these characteristics that sometimes assist in predicting behaviour of a given person. There are many factors like biological characteristics, family and social groups, cultural and social factors which contributes towards formation of personality. An individual can be manifested in various forms like authoritarian personality, bureaucratic personality, Machiavellian personality and so on. There are many theories that are developed in predicting the behaviour of an individual on the basis of various attributes. Some tests are also designed for assessing the personality of an individual.

16.7 SELF ASSESSMENT EXERCISE

1. Define personality. How personality does relates to organizational behaviour?
2. Briefly describe the various theories of personality.
3. Give a brief account of the factors contributing personality. What are the various tests for assessing personality?
4. What are the various dimensions of personality that are related with interpersonal and organizational behaviour?

16.8 SUGGESTED READINGS

1. Louis A. Allen, Management and Organization, McGraw-Hill Kogakusha, Ltd.
2. Jit S. Chandan, Organizational Behaviour, Vikas Publishing House.
3. Fred Luthans, Organizational Behaviour, McGraw-Hill.

smell and taste. Intuitions and hunches are known as the sixth sense. These senses are influenced by a larger number of stimuli, which may be action, information, consideration and feelings, etc. The stimuli may be in the form of objects or physical commodities. The human body itself is developed through the acceptance of the stimuli. The mind and soul are the victims of these stimuli occurring in the surroundings of the people. The family, social and the economic environment are important stimuli for the people. The physiological and psychological functions are the result of these stimuli. The intensive and extensive forms of stimuli have a greater impact on the sensory organs. The physical work environment, socio-cultural environment and other factors have certain stimuli to influence the employee's perception. In all, the perception begins only when people deal with stimuli, that is, stimulating factors give information about the situation.

17.3.2 Attention: People selectively attend to stimuli. Some of the stimuli are reacted to while others are ignored without being paid any attention. The stimuli that are paid attention depend purely on the people's selection capacity and the intensity of stimuli. Educated employees pay more attention to any stimuli, viz. announcement of bonus, appeal for increasing productivity, training and motivation. The management has to find out suitable stimuli, which can appeal to the employees at the maximum level. If the attention of the employees is not drawn, the organisation cannot expect proper behaviour from the employees. An organisation should be video films of some training programmes create more of an impact on employees than others.

(vi) **Familiarity**: Employees would like to hear and see those programmes with which they are familiar. Training programmes demonstrated in the language of the employees are highly attended and recognised. Examples, which are known and easily understood, are used for motivating employees.

(vii) **Novelty**: Novel actions 'get more attention. New ideas and model preaching will draw the attention of the perceiver. Changing jobs reduce monotony. Novel objects and situations are recognised clearly by the perceivers.

(viii) **Situations:** Situations have a great influence on people's perceptions. A favourable work environment develops a positive attitude and work culture because the perception process is easily channelised and rightly directed. The management style and functioning of the organisation influences the employee’s mental state through attention and recognition. Work relations also have some impact on perception forces.

(ix) **Objects:** Objects are external factors influencing the perceiver because he has no control over them. The physical and internal attributes of objects are influencing factors of perception. The physical and time proximity, complex nature of objects, presentation of messages and the territorial approach of the management have great impact on the perception.

17.4.3 INTERNAL FACTORS

educated employees are less concerned about the management. They perceive the management as a separate and superior part of the organisation, who tend to exploit the labour, irrespective of the reality. People perceive as per their levels of learning. It is therefore essential for the organisation to make its employees knowledgeable and educated for their effective performance and behaviour. The learning of managers and workers is a twin requirement.

(iv) **Personality:** The personality of the perceiver as well as the stimulator has an impact on the perception process. The age, sex, race, dress, facial expressions and body postures of both the persons have a direct influence on the perception process. If the perceiver is female and the stimulator is male, the perceiver gets some influences only if she prefers males. Otherwise, the perception process will be disturbed. The ethnic personalities have some influence on perception. Physical and mental characteristics, work pattern and age similarities affect the perception process.

(v) **Motivation:** The pattern of motivation in an organisation helps to develop perception building. Motivated people have the right perceptions about the stimuli, whereas the loco-profiled workers are doubtful about the message given by the management for the development. The approach of the female managers to problems is given more attention and recognition. Motivational theories have revealed the perception processes of particular categories of employees. Attention is drawn towards their needs, satisfaction and achievement desires. The mental state of motivational desire influences the perception process. Stimuli based on external factors receive varied degrees of attention and recognition. Internal factors, i.e. factors related to employees and managers, have different degrees of impact on the attention and recognition process while being translated into behaviour, which results in performance.

17.4.4 ORGANISATIONAL STRUTURE

The perceptual process is influenced by the organisational structure and process. The perceptual structure, perceptual grouping, constancy, context, defence, workplace and process have been recognised as important factors influencing the perceptual process.

(i) **Perceptual structure:** The organisational structure influences the perception of employees and other people related to the organisation. The departmentalisation, decentralisation, delegation of authority and other structural frameworks have important bearings in the mind of employees. An adequate amount of decentralisation makes employees feel that the organisation is welfare-oriented. Similarly, too much centralisation gives rise to the feeling of suspicion in the minds of employees. Structure itself becomes a flowchart of perception. Work relations and the decision-making authority provide an important understanding of organisational perception. If the employees view the structure positively, they willingly contribute to the development of the organisation.

(ii) **Perceptual grouping**: The manager generally groups all the stimuli together to influence the employees. The grouping is done based on closure, continuity, similarity and proximity. The closure doctrine of grouping is based on the Gestalt Principle of psychology wherein the individuals perceive the whole object although the whole unit does not exist. For example, the manager perceives that all the members cooperate with him in achieving computerisation, whereas some members really oppose mechanisation. The manager tries to close the disagreement and maintains uniformity in agreement for mechanisation. On the other hand, if the members do not withdraw their disagreement, they observe their individual perceptions. The continuity principle emphasises that the stimuli should continue to make an impact on the perceiver. Discreet stimuli may however distort the perception process. The continuity principle is different from the closure principle as missing stimuli are applied in the latter case, whereas a continuous link is maintained in the former case. It is observed that only continuous and related stimuli are easily attended and recognised. The obvious and continuous flow of stimuli may produce the desired behaviour. The similarity principle assumes that similar stimuli are easily attended, recognised and perceived. The similarity has its own impact on the employees. For example, employees wearing special clothes at the workplace automatically carry the message of the organisation. Similarity in age, sex, education and other characteristics have a direct impact on the employee's perception. The proximity principle refers to the grouping of the segments into one unit.

individual's world. Thus, attitudes are beliefs imbued with emotional and motivational properties and are expressed in a person's favourability towards an object. The evaluative nature of attitude is also emphasised by Katz and Scotland when they define attitude as a tendency or predisposition to evaluate an object or symbol of that object in a certain way. Evaluation consists of attributing goodness-badness or desirable-undesirable qualities to an object.

In addition to conceptual approach, there is operational approach in defining the term attitude. The concept of attitude is operationalised in a number of ways; but in most cases, studies rely on some kind of questionnaire to measure attitudes. Taking attitudes from this point of view, only evaluative aspect of attitudes has been taken into account. For example, Fishbein has noted that most measures of attitudes tap an underlying dimension of favourability-unfavourability and, therefore, attitudes should be regarded as synonymous with evaluating meaning. Thus in practice, the term attitude often is used in a generic sense to any reports of what people think or feel or the ways in which they intend to acts.

18.2.1 ATTITUDE, OPINION AND BELIEF

An opinion is generally the expression of one's judgement of a particular set of facts or an evaluation of the circumstances presented to him. Thurstone defines opinions as expressions of attitudes. However, Kolasa observes that an opinion is response to a specifically limited stimulus, but the response is certainly influenced by the predisposition with which the individual is operating that is the attitude structure. Undoubtedly, attitudes are basic to opinions as well as to many other aspects of behaviour. Although attitudes tend to be generalised predisposition to react in some way towards objects or concepts, opinions tend to be focused on more specific aspects of the object or the concept. McCormick and Tiffin observe that the measurement of attitudes is generally based on the expressions of opinions. But we should distinguish between attitude scale like a thermometer or barometer, which reflects the generalized level of individuals' attitudes towards some object or concept, and opinion survey which typically are used to elicit the opinions of people toward specific aspects of, for example, their work situation.

A difference can also be made between attitude and belief. A belief is an enduring organisation of perceptions and cognitions about some aspects of individual's world. Thus belief is a hypothesis concerning the nature of objects, more particularly, concerning one's judgement of the probability regarding their nature. In this sense, belief is the cognitive component of attitude, which, reflects the manner in which an object is perceived. Kolasa observes that beliefs are stronger than opinions; we hold them more firmly than we do the more changeable evaluations of minor or transitory events represented by opinions.

18.2.2 ATTITUDES AND BEHAVIOUR

Individual's behaviour is not a simple and direct stimulus-response relationship; rather it is affected by the individual concerned, as is explained by S-O-B model. The work situation is interpreted by individual, and attitudes play an important part in which the situation is interpreted. Only after individual's interpretation and comparison does the response occur. This means that response expected of a purely objective and rational consideration of the work situation and its characteristics may not be the actual response of the individual. His response

Cognitions are consonant when one follows from the other on the basis of logic or experience. Cognitions are totally irrelevant when two events are not interrelated. The presence of dissonance gives rise to pressures to reduce or eliminate the dissonance and avoid- the further increase of dissonance. Dissonance varies in magnitude. The total amount of dissonance is a function of the proportion of relevant elements that are dissonant with one another relative to the total number of consonant and dissonant elements, each weighted by the importance of the elements for the person. Higher the degree of dissonance, higher would be the attempt to reduce it. Dissonance is reduced through three methods: changing a behavioural cognitive element, changing an environmental element, and adding a new cognitive element. The basic model of Festinger applies to several situations affecting behaviour of persons. In each behaviour, the person experiences dissonance when he engages in behaviour contrary to his attitudes. Since magnitude of dissonance is a function of the relative number and important elements, the amount of justification a person has for engaging in the attitude-discrepant behaviour is an important determinant of the amount of dissonance he experiences. Justification adds consonant element to the otherwise dissonant situation. For example, when a person has to choose among a number of alternatives, he experiences conflict before the decision. After the decision, he experiences dissonance because the positive features of rejected alternatives and negative features of selected alternative dissonant with the choice. To

Apart from these measures of attitudes, certain other scales have also been developed. These include the Guttman technique, the error-choice method, and the sentence completion method.

18.6 ATTITUDE CHANGE

There is often a paradox of attitudes in that people need them to provide stability to social world yet world is a changing one and people must change their attitudes appropriate to the situation. The attitude change appropriate to organisational requirement is more important because attitudes affect behaviour and only certain behaviour is desirable from organisation point of view. Organisations adopt a number of techniques for changing attitudes of their members so that their behaviour corresponds with the organisational requirement. However, whatever the techniques for attitudes change are adopted, they can be effective only if basic characteristics of attitudes and their nature are kept inconsideration. Though various theories of attitude formation and change have been presented earlier which help in understanding attitudes and the techniques through which they can be changed, the change techniques can be more effective, if three basic factors (as discussed below) are considered adequately:

1. **Characteristics of Attitudes:** In understanding attitude change, the analysis of attitude characteristics is an important element. Theories attitudes suggest numerous types of their characteristics. Such characteristics may be (i) extremeness of the attitude (ii) multiplexity, (iii) consistency, (iv) interconnectedness, (v) consonance of the attitude cluster .of which the focal attitude is a part, (vi) the number and strength of the needs which are served by

next part.

18.7 SUMMARY

Attitude is the bent of one's mind toward an object or subject. It involves liking or disliking people, work and objects. Desire is an attitude, which directs people to adopt certain behaviour. Attitude is developed through learning, although the family, society and nation exert great influence in the attitude formation of people. Attitude is a combination of popular belief and interest. For example, the attitude of male workers is that female workers cannot perform hard work. Attitude is learned and expressed, apart from being primarily acquired by people through interaction with members of family and society. Attitude formation is related to the cognitive aspects of behaviour.

18.8 SELF-TEST QUESTIONS

1. What is the concept of attitudes? How do attitudes differ from opinions and beliefs? How do attitudes affect behaviour?
2. What are the various theories of attitude formation and change?
3. What are the various factors responsible for attitude formation? How can these factors be controlled?
4. What are the various methods of attitude measurement? How does attitude measurement help the management?
5. What are the various factors, which must be taken into account in attitude change? Discuss some methods for attitude change.

18.9 SUGGESTED READINGS

1. Elton Mayo, The Human Problems of an Industrial Civilization, Macmillan Publishing Company, New York.
2. Keith Davis, Human Behaviour at Work, Tata McGraw Hill, New Delhi.
3. Laurie J. Mullins, Management and Organisational Behaviour (2^{nd} ed.), Pitman.

(v) **Reinforcement:** Reinforced perception is learning. The perception process includes stimuli, attention, recognition, translation and behaviour. Perception leads to learning, but perception itself is not learning unless it is reinforced. Repeated action is reinforcement. Reinforcement may be positive, negative, punishment and extinction. Learners learn as per their perception levels. Generally positive reinforcement is more effective for making permanent changes in behaviour.

(vi) **Behaviour:** Learning changes behaviour through reinforcement of perceived knowledge. It makes permanent changes in behaviour. A temporary change in behaviour is not learning. Positive behaviour gives rewards to employees.

(vii) **Reward:** Employees expect rewards for learning. If the translated behaviour provides a reward, it is accepted, otherwise it is not accepted. Employees develop their behaviour into habits. Rewards may be monetary or non-monetary. A non-monetary reward includes job satisfaction, status recognition and task achievement. Professional satisfaction is attached to the behaviour, which influences the form of reward. The behaviour of employees decides the level and form of reward. The reward reinforcement makes employees learn more than positive reinforcement behaviour.

(viii) **Habits:** A permanent change in behaviour becomes a habit, which helps continuous improvement in behaviour and performance. Employees develop the habit of self-appraisal and development. It helps to inspire stimuli is done only by the clear mind. The stimuli recognised further go to the inner part of the mind only when the clear mind has received them and the feeling cell of the mind evaluates their utilities. A felt mind has the capacity to evaluate and appraise the recognised stimuli. The evaluated stimuli if found correct are stored at the level of the feeling cell of the mind. The stored stimuli or retention works for mobilising the function through reinforcement. Repeat and recall are mobilising factors for action. Similarly, a tense mind gets reinforcement; it compels and forces the heart to activate the body for action and behaviour. Intensity at the mental level activates the heart to function. The level, quality and direction of intensity give the behavioural function a real shape. Behaviour is the outcome of intensified stimuli and the heart's activisation. Behaviour producing reward helps the mental process to think and rethink again and again at all the five levels of the mind. The reward itself becomes a stimulus, which is attended, recognised, translated and reinforced respectively by the unconscious, subconscious, clear, felt and intense mind. It reaches to the heart level, and consequently this process develops into a habit. Permanent changes in behaviour converge in the form of a habit.

19.4 MODELS OF LEARNING

Theories of learning have been developed as models of learning which explain the learning process by which employees acquire a pattern of behaviour. Inborn ability and aptitude to learn new skills and the degree to which the learner participates in the process are considered under models of learning. Some models believe that individuals cannot learn independently. They require the help of or uses.

Learning = Input → Process → Output

= Stimuli → Reinforcement → Behaviour

Reinforcement is (he instrument or process of learning in all the models discussed already. No stimuli can take the shape of behaviour unless reinforcement or repetition takes place during the learning process. A learner of car driving learns until such time it becomes a part of the total habits of the learner. The behaviour i.e. learning car driving becomes a habit because the learner gets rewarded for his behaviour in the form of the satisfaction of car driving. Reinforcement is the repeated exposure of knowledge for translation into practice and habit. New behaviour or change in behaviour is the output of learning, which is the outcome of stimuli input through reinforcement. Classical, operant and social learning models lay emphasis on reinforcement. Reinforcement is another term for conditioning. The stimuli, response and social activities are conditioned to arrive at a new behaviour or change in behaviour. Behaviourists have proposed conditioning of employees for proper behaviour. Repetition, adherence, stimulus, generalisation or discrimination, converting theory into practice is various forms of reinforcement. A habit is formed through repeated rewards attached to behaviour. While conditioning explains how employees learn from cues or stimuli, operant (instrumental) conditioning refers to response or goal directed activities. Social conditioning is concerned with social recognition and acceptability. Employees learn in this case through modeling various observation or self-understanding. Reinforcement is a cognitive process. The stimuli are translated into habit through an effective, cognitive and behaviour process. Reinforcement, being cognitive in nature, is environmentally based. The law of effect is used in reinforcement for getting the reward. Goal-oriented reinforcement is long lasting and increases the strength of response.

19.6 TYPES OF REINFORCEMENT

Reinforcement may either be positive and negative, extrinsic and intrinsic, primary and secondary, and in the form of punishment and extinction. It is used to shape the behaviour of employees. Systematical reinforcement of successive steps will move employees closer to the desired response. They reinforce improvement in their behaviour.

19.6.1 **Positive and Negative reinforcement:** Positive reinforcement consists of events that assure achievement of a specific response or the desired behaviour. Getting technical skills assures the desired result of reward, and behaviour to avoid something undesirable. If an employee does not bother about undesirable results and handles the electric machine carelessly, he will face punishment by his supervisor or meet with an accident. In both the cases, behaviour decreases. If the employees do not follow negative reinforcement, they are punished. Employees learn to escape and avoid unpleasant jobs. They may avoid punishment by being alert enough to avoid undesirable events. For example, employees are not very active and good performers when the supervisor is not present in the factory. If a supervisor comes at a particular time, the employees become active before his entry into the factory. It is a negative reinforcement that employees avoid unpleasant rewards in the presence of the supervisor by nonworking and being non-active. If employees do not bother about the supervisor and do not exercise negative reinforcement, i.e. avoiding inaction, they will be punished by the supervisor for non-working and for their laxness. Negative reinforcement simply avoids unpleasant tasks, but it does not assure a pleasant performance for which positive reinforcement is essential in the organisation.

19.6.2 **Extrinsic and Intrinsic Enforcement:** the employees to learn a particular type of behaviour externally use extrinsic reinforcement. The environment in the factory helps exercise extrinsic reinforcement. The employee is influenced by external cues and stimuli. The relationship between the supervisor and employees, monetary incentives and favourable work conditions are several examples of external reinforcement. The behaviour of and instructions by peers and seers are used for moulding the behaviour of the employees. Extrinsic reinforcement is external and has other activities influencing the learning process as reinforcement. Intrinsic reinforcement is internal and uses self-reinforcement. When the employee develops his own understanding of the problem, it is self-reinforcement. Intrinsic reinforcement is self realisation and improvement of behaviour. Feelings and motives become intrinsic reinforcement. Intrinsic reinforcement is considered a more forceful process of learning. Extrinsic reinforcement will not be effective unless intrinsic reinforcement is applied for learning. It is self-appraisal and development. Extrinsic reinforcement is evaluated by employees and if accepted as useful, will be converted into intrinsic reinforcement. Extrinsic and intrinsic reinforcement are used for learning purposes. Intrinsic reinforcement is personal and relates to satisfaction, recognition, challenges, growth and responsibilities. Extrinsic reinforcement is ultimately evaluated at the level of intrinsic reinforcement. The success of reinforcement depends on how much it influences the internal drive of the employees. In extrinsic reinforcement, for example, monetary incentives would be ineffective if it is not internally accepted as the drive for learning and improvement in behaviour.

19.6.3 **Primary and Secondary Reinforcement:** Primary reinforcement directly influences primary motivational drives. It is related to the primary needs of people. The employees are reinforced to learn by adopting primary result of learning. The schedule of reinforcement may be continuous or intermittent. Intermittent is further classified on interval and ratio basis into fixed and variable.

(i) C**ontinuous Schedule:** A continuous schedule incorporates each and every item of learning in a systematic order. It reinforces the accepted stimuli to get the desired behaviour. Learners get stimuli and cues repeatedly till they learn the desired behaviour. Continuous reinforcement assures a specific habit. The machine operators are continuously told to operate the machine. They are first given a theoretical perception before putting this into practical usage. They operate the machine in the presence of the supervisor who constantly describes the use of each and every part of the machine till they learn how to operate the machine effectively.

(ii) **Intermittent Schedule:** An intermittent schedule does not include demonstration of each and every item of learning as in the case of the continuous schedule. Reinforcement is given after a gap to make the learner repeat himself during the learning process. Intermittent reinforcement provides more opportunities to learn because the learner applies his mind during the interval of not getting instruction. It promotes more resistance to extinction. Desired behaviour is observed easily through reinforcement repeated after a gap and not every time. It is clarified with a simple example of a machine operator in the factory. When the foreman continuously attends the learning of operation process to make the learners conversant with each and every point of his latter. The reinforcement is initiated after getting a fixed number of responses. For example, reinforcement is fixed after twenty responses. Rewards attached to the output also follow a case fixed ratio schedule. The response of wage is linked to the reinforcement of output. Reinforcement is given after a certain number of responses. If the reward is paid with the response, employees try to have a larger number of responses to get the reward. Bonus linked with productivity is a very good example of fixed ratio reinforcement.

Variable ratio schedule: Reinforcement varies with the response and is not in a fixed ratio. Reward varies from individual to individual in case of the variable ratio schedule. Reinforcement is not fixed to the number of stimuli. It varies from individual to individual, depending upon their levels of personality. Fixed ratio reinforcement may produce different responses because of different levels of understanding of employees. Variable reinforcements based on different levels of personality are expected to produce almost similar responses. The fixed and variable interval as well as fixed and variable ratio provides opportunities for modification and development of behaviour. Any schedule of reinforcement is not foolproof. Every reinforcement has its advantages and disadvantages. Therefore, considering the environment and level of employees, reinforcement schedule will be selected. Continuous reinforcement is useful for newly appointed employees with unstable and low frequency responses. It provides early satisfaction, but fades with the withdrawal of reinforcement. Intermittent reinforcement is effective with stable and high frequency responses. A variable schedule gives better results and high performances than the fixed schedule. A variable interval schedule provides opportunities for high responses and more stable and consistent behaviour because of the uncertainty involved. Employees tend to behave sincerely because an element of surprise is involved in variable schedule.

19.8 VALUES

Employees have certain values in life. They view life from different angles which are reflected in their work performance. Learning helps them to develop high values towards their jobs and the organisation. Values refer to the basic convictions, which lead to formation of conduct or social preferences. Values are a combination of different attitudes and attributes of individuals. They help employees decide what is right, good, desirable, and favourable and so on. One value may be useful for a person, but may not be effective for others. The intensity attributes or value system has relative importance. Values are a code of conduct developed by an individual and the social system. Honesty, self-respect, equality, sincerity, obedience, truthfulness, etc. are various examples of values. Values are significant in organisational behaviour. Employees behave properly if they give importance to values. Learning may help provide opportunities for development of values. Employees would be aware of what ought to be done or what ought not to be done by giving importance to values. Behaviour is modified only if people are aware of right or wrong things, which are the deciding components of values. Learning aims to develop values so that employees can high values for corporate development and their satisfaction as well. Instrumental values of honesty, responsibility, ambition, courage and independence may achieve the terminal values of self-respect, security, accomplishment, happiness and self-satisfaction. Older people are conservative, loyal and quality-oriented whereas the younger generation is flexible, leisure liking and believes in building up relations. Good values are to be explored, initiated and developed for the modification of performance behaviour in an organisation. Learning has a great role to play in achieving this objective.

19.9 SUMMARY

Learning is a self-development process. People are interested in self-development. Self-analysis, appraisal and improvement helps to learn and acquire the required behaviour. Reinforcement has a major role in the learning process. Further, the human species, unlike animal possess an extremely high proportion of unused mental capacity at birth. Human being has very few instincts or innate response tendencies relative to lower animals. While this may be detrimental to man in the sense that he is helpless for a long period in his early years, it is favorable in the sense that he has greater capacity for adaptation in response to changed survival conditions. This is because of his learning capacity. As such, learning becomes an important concept in the study of human behaviour.

19.12 SELF-TEST QUESTIONS

1. Analyse the role of learning theory for understanding human behaviour.
2. Discuss the nature of classical conditioning and operant conditioning. What are the differences between these?
3. What is reinforcement? Discuss its use in organisation.

with very low self-esteem. He has a deep feeling of inadequacy, lack of acknowledgement of self worth, and usually suffers from actual physical discomforts brought on by extreme anxiety. The **situationally** non assertive person is on the whole able to cope with people and situations, but certain situations generate mush anxiety in them: the student who can get along well with classmates and people in general, but shivers when they have to face authority figures, like the principal.

Aggressiveness

I am the inferior to any man whose rights trample underfoot.

- Horace Greeley

There is another class of people, who respond to conflict by becoming aggressive - a fight response. They usually try to subdue other people by shouting in a loud manner, frowning and grimacing etc. to frighten the other person - they put themselves up by putting others down. We often meet such people. The village `goonda', or the `neighbourhood bully' is typical examples of aggressive behaviour. Another common Indian scene, involving aggressive behaviour, is the case of the woman who refuses to allow anyone near the community tap, till her pots and pans are filled. Aggressive behaviour is easily recognizable. The whole stance of the individual undergoes a transformation. Their body becomes erect and stiff, and slightly bent towards the other individual (they may even take two steps forward and forward and catch hold of the other person's collar), eyes become big, voice is raised ...and so on.

On the surface, these people usually appear to have level of self-confidence, to be in command of every situation and to be strong and able to cope with life on their terms. But in reality, the aggressive personality covers up an insecure ego. In order to cover up this insecurity, they natural wants and our childhood beliefs, we are left with some really dismal choices:

1. We can do what someone else wants, be frustrated very often, get depressed, withdraw from people and lose our self respect;

2. We can do what we want angrily, alienate other people and lose our self respect ;

3. We can avoid conflict by running away from it and the people who cause it, and lose their self-respect.

Role of Anger and the Difference Between Anger and Aggression

Anger is a feeling, an emotion just like fear, joy, sorrow, grief, etc. Everyone feels anger, sometime or the other, but the ways in which we show our anger are different. For example, let us say you're walking on the road, and you accidentally brush someone as you pass by. Now, the other person can react in either one of the following ways:

1. Direct put down and verbal aggression: "Damn it, can't you watch where you're going! You fool ..!"

2. Indirect put down: "Can't you see without your glasses on?" or "Oh, have you forgotten to wear your glasses today ?"

3. Non-verbal put-down : a dirty look.

4. Saying nothing.

Some people claim that they never get angry. Do not believe them. They do get angry, but they have learned to control it, so as not to openly show it. Such controlled individuals typically suffer from migraine headaches, asthma, ulcer, and skin rashes.

Have you ever wondered how some people manage to be in perfect control of their lives? Their feelings, relationship, in fact their whole personality seems to be in perfect concord. They lead a full, interesting, free life, make their own decision, command the respect of others, and reflect an inner glow of contentment and self-worth.

This is not to say that they are the models of perfection, or that they do not undergo any stress whatsoever, but invariably these individuals will have evolved some assertive ways of coping with people and situations without getting unduly anxious. They manage to do this, because they respect themselves, and value their personal judgements, opinions, wishes and needs and more important they recognize these rights in others as well.

- Behaviour which enables a person to act in his or her own best interest, to stand up for herself or himself, without undue anxiety, to express honest feeling comfortably, or to exercise personal rights without denying the rights of others we call Assertive Behaviour.

- Let us discuss the elements of that complex sentence in greater detail.

- *To act in one's own best interest :* refers to the capacity to make life decisions (career, relationship, life style, time activities), to take initiative (start conversations, organize activities), to trust one's own judgement, to set goals and work to achieve them, to ask for help from others, to comfortably participate socially.

- *To stand up for oneself:* includes such behaviours as saying `No', setting limits on one's time and energy, responding to criticism, or putdowns or anger, expressing or supporting or defending one's opinions.

people. People, who hesitate because they don't know what to say, should make a practice of saying *something*, to express their honest feelings at the time. It makes a great difference and adds to your assertiveness. Some other components such as fluency, timing, listening, distance/physical contact, even weight and physical appearance, are considered as factors in developing assertiveness.

Techniques of Assertiveness

God grant me the confidence to accept the things I cannot change, courage to change those I can, and wisdom to know the difference.

- Anon.

1. ***Broken Record :*** or Persistence. One of the most important aspects of being verbally assertive is to be persistent and keep saying what you want over and over again without getting angry, irritated or loud. By practicing to speak as if we were a broken record, we learn to be persistent and stick to the point of the discussion, to keep saying what we want to say, and to ignore all side issues brought up by the person we assert ourselves to. In using broken record, you are not deterred by anything the other person may say but keep saying in a calm, repetitive voice what you want to say until the other person accedes to your request or agrees to a compromise.

2. ***Free Information :*** In order to become an assertive communicator, in social setting, you must master two skills. First you have to practice listening to the clues other people give you about themselves. This free information gives you something to talk about besides the weather, and avoids those awkward silences, when you ask yourself, "What do I say now?” In addition, it makes it easier for people to talk about themselves, when you show an interest in things important to them. The second skill is *self-disclosure*. It involves disclosing information about

are rarely confused. e.g., I get angry after receiving a poor performance appraisal. I fear that I could be laid off as a result of a company cutback. I'm sad about one of my co-workers leaving to take a new job in another city. I'm happy after being selected as employee-of-the month. I'm disgusted with the way my supervisor treats the women on our team. And I'm surprised to find out that management plans a complete restructuring of the company's retirement program.

Intensity: People give different responses to identical emotion-provoking stimuli. In some cases this can be attributed to the individual's personality. Other times it is a result of the job requirements. People vary in their inherent ability to express intensity. You undoubtedly know individuals who almost never show their feelings. They rarely get angry. They never show rage. In contrast, you probably also know people who seem to be on an emotional roller coaster. When they are happy, they are ecstatic. When they're sad, they're deeply depressed. And two people can be in the exact same situation with one showing excitement and joy, while the other is calm and collected. Jobs make different intensity demands in terms of emotional labour. For instance, air traffic controllers and trial judges are expected to be calm and controlled, even in stressful situations. Conversely, the effectiveness of television evangelists, public-address announcers at sporting events, and lawyers can depend on their ability to alter their displayed emotional intensity as the need arises.

Frequency and Duration: Emotional labor that requires high frequency or long durations is more demanding and requires more exertion by employees. So whether an employee can successfully meet the emotional demands of a given job

- Controlling yourself and delaying gratification
- Managing feelings
- Socialising effectively
- Motivating yourself
- Committing to noble goals

21.8.2 Some EQ applications/outcomes are:

- Communication
- Conflict resolution.
- Inclusion/tolerance
- Problem solving
- Team building
- Community

"Emotional intelligence involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions."

21.8.3 The specific competencies involved in emotional intelligence include

- Appraising and expressing emotions in the self and others
- Understanding emotions and emotional knowledge
- Regulating emotion in the self and others
- Using emotions in adaptive ways to facilitate cognitive activities and motivate behaviour (Mayer & Salovey, 1997)

21.8.4 The Four-Branch model of Emotional Intelligence: (Peter Salovey)

Emotional Perceptions and Expression

task. The more complex a task, the lower the level of arousal that can be tolerated without interfering with performance. While a certain minimal level of arousal is probably necessary for good performance, very high levels interfere with the ability to function, especially if the job requires calculative and detailed cognitive processes. Given that the trend is toward jobs becoming more complex, you can see why organizations are likely to go to considerable efforts to discourage the overt display of emotions-especially intense ones-in the workplace.

21.12 SELF-TEST QUESTIONS

7. What do you mean by emotions? How they can be changed by external environment?
8. Explain the types of emotions and their role in organizations.
9. Describe some of the inherited characteristics of behaviour. Do you believe that these characteristics can be reflected by emotions? Comment.
10. Is Emotional Intelligence an inherited trait or a learned trait? If it is a learned trait, what steps can be taken to improve upon EI?
11. Describe the fundamentals and principles of EI.

21.13 SUGGESTED READINGS

1. Elton Mayo, The Human Problems of an Industrial Civilization, Macmillan Publishing Company, New York.
2. Keith Davis, Human Behaviour at Work, Tata McGraw Hill, New Delhi.
3. Laurie J. Mullins, Management and Organisational Behaviour (2nd ed.), Pitman.
4. Fred Luthans, Organisational Behaviour (8th ed.), Irvin/Tata McGraw Hill.
5. Stephen P. Robbins, Organisational Behaviour (9th ed.), Prentice Hall India.

Of course, there is also negative stress. Called **distress**, this is what most people think of when they hear the word stress. Excessive pressure, unreasonable demands on our time, and bad news all fall into this category. As the term suggests, this form of stress generally results in negative consequences for the individual.

For purposes of simplicity, we will continue to use the simple term stress throughout this chapter. But as you read and study the chapter, remember that stress can be either good or bad. It can motivate and stimulate us, or it can lead to any number of dangerous side effects.

Individual Differences and Stress

We have already alluded to the fact that stress can affect different people in different ways. Given our earlier discussion of individual differences back in lesson on Interpersonal Behaviour, of course, this should come as no surprise. The most fully developed individual difference relating specifically to stress is the distinction between Type A and Type B personality profiles.

Type A and B Personality Profiles

Type A and Type B profiles were first observed by two cardiologists, Meyer Friedman and Ray Rosenman. They first got the idea when a worker repairing the upholstery on their waiting-room chairs noted that many of the chairs were worn only on the front. This suggested to the two cardiologists that many heart patients were anxious and had a hard time sitting still - they were literally sitting on the edges of their seats!

22.5 MANAGING STRESS IN THE WORKPLACE

Given that stress is widespread and so potentially disruptive in organizations, it follows that people and organizations should be concerned about how to manage it more effectively. And in fact they are. Many strategies have been developed to help manage stress in the workplace. Some are for individuals and others are geared toward organizations.

Exercise: Exercise is one method of managing stress. People who exercise regularly are less likely to have heart attacks than inactive people. More directly, research has suggested that people who exercise regularly feel less tension and stress, are more self-confident, and show greater optimism. People who do not exercise regularly feel more stress, are more likely to be depressed, and experience other negative consequences.

Relaxation: A related method of managing stress is relaxation. We noted at the beginning of the chapter that coping with stress requires adaptation. Proper relaxation is an effective way to adapt. Relaxation can take many forms. One way to relax is to take regular vacations. A recent study found that people's attitudes towards a variety of workplace characteristics improved significantly following a vacation. People can also relax while on the job. For example, it has been recommended that people take regular rest breaks during their normal workday. A popular way of resting is to sit quietly with closed eyes for ten minutes every afternoon. (Of course, it might be necessary to have an alarm clock handy!).

Time Management: Time management is often recommended for managing stress. The idea is that many daily pressures can be eased or

- **An accommodator’s attitude:** I will please others by playing down how important the issue or conflict is in order to protect relationships.
- **When should I accommodate?**
  - Issues not as important to you as it is to others
  - You know you can’t win
  - Everyone agreeing is the most important thing
  - The things people have in common are more important than their differences
- **When should I choose another method?**
  - Some ideas don’t get attention
  - Credibility and influence can be lost

STYLE 4-COMPETING

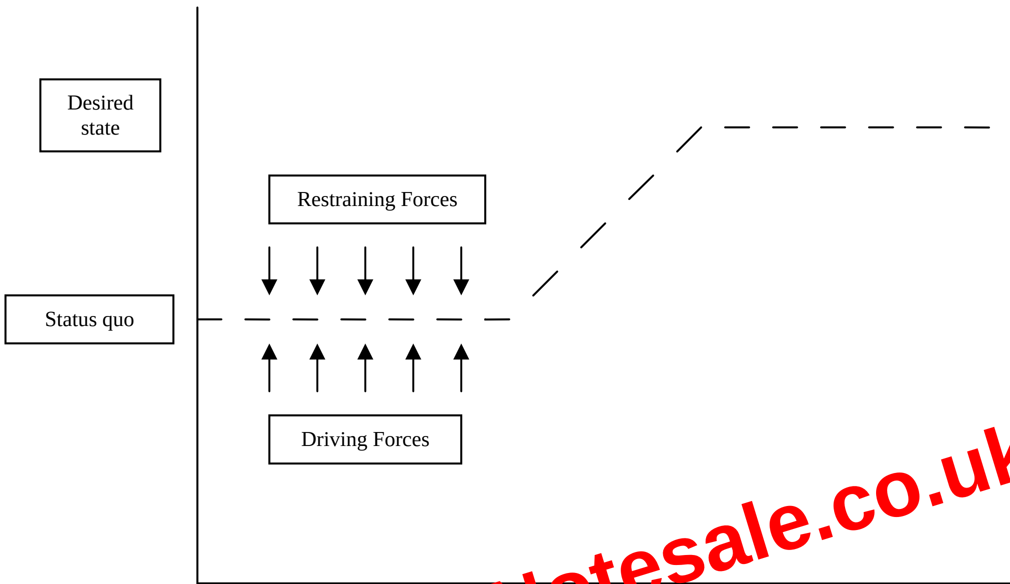
- **Why should I compete?** Resolving a conflict is associated with competition and winning.
- **A competitor’s attitude:** I must use all of my power to win the conflict.
- **When should I compete?**
  - You know you’re right
  - A quick decision is necessary
  - Strong personalities are overshadowing other people
  - Defending your rights or position
- **When should I choose another method?**
  - Can make conflict worse
  - Those on the losing end may attempt to get back at the winners

get employees to adopt new behavioural patterns and procedures relating to each other and their jobs. To succeed in achieving organization-wide impacts, it is necessary that these new patterns embrace not only superior-subordinate relations but also different work groups and larger sub-systems of the entire organization.

Types of Change: For operational enhancement of the organization there are various organizational domains where changes can be made. The various types of changes that have considerable impact on organizational culture are:

1. Strategic Change: This change is related to change in the mission of the organization. A single mission has to be changed to the multiple missions with the changing need of the environment. The strategy, programmes, procedures, budgeting, rules and regulation are designed, redesigned and restructured according to changes.
2. Structural Change: It involves change in the structural designs such as chart, authority, responsibility, procedures and policies. Decentralized operations and participative management is major area of concern for management in organizational structure. The structural changes have major impact on the organization's social climate and members are required to develop team spirit to make on the spot decision at the point of operations.
3. Process-oriented\Technological Change: These changes are related to technological development, information processing, automation and use of robotics in the manufacturing operations. The techniques are changed as per the needs of the work flow, physical layouts, work methods, procedures and work standards. The tools and techniques are modified under the organizational changes. This would affect the organizational culture and hence changes in the behaviour patterns of members.

Unfreezing can be possible in one of the three ways as depict in Figure. These are:- Driving Forces, which direct behaviour away from the status quo, can be increased.



- Restraining Forces, which hinder movement from the existing equilibrium or i forces hinder movement away from the state quo, can be decreased. - The third alternative is to combine the first two approaches.

(ii) ***Movement or Changing:*** This a stage at which the individual being changed learn new behaviour, methods of working, new thinking, perception of new roles etc.

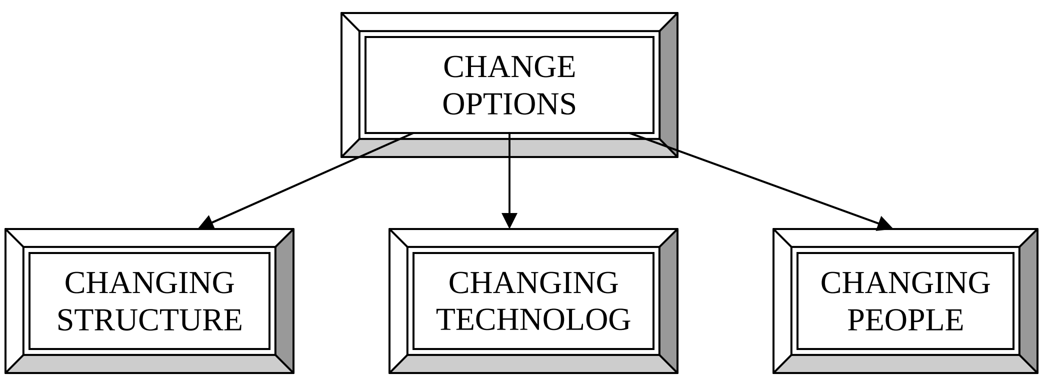
(iii) ***Refreezing:*** It is stabilization of change intervention by balancing driving and restraining forces. It means that what has been learned is integrated into actual practice. At this stage, the individuals learned new beliefs, feelings and behaviour. The new behaviour must replace the former behaviour completely for successful change to take place.

workers will be affected by it or whether flexitime should be given to all members or only to some designated workers.

(vi) **Strategy for implementation of the plan :** In this stage, the management must decide on the "when", "where" and "how" of the plan. This includes the right timing of putting the plan to work, how the plan will be communicated to workers in order to have the lesser resistance and how the implementation will be monitored.

(vii) **Implementation of the plan :** Once the right timing and right channels of communication have been established, the plan is put into action. It may be in the form of simple announcement or it may require briefing sessions or in-house seminars so as to gain acceptance of all the members and specially those who are going to be directly affected by the change.

(viii) **Receive and evaluate feedback :** Evaluation consists of comparing actual results to the set goals. Feedback will confirm if these goals are being met so that if there is any deviation between the goals and the actual performance outcomes, then corrective measures can be taken.



The way a change agent manages the process of change is indicated by certain factors and characteristics which have been identified by Havelock and Shaskin. The first letters of these factors together spell “HELP SCORES”. These are :

(i) **Homophily :** It is the degree of closeness and similarity between the change agent and the client. The closer the relationship, the easier and more successful the change is likely to be. It is similar to listening to our close friend whom we trust and whose advice we seriously take.

(ii) **Empathy :** It involves understanding of feelings and emotions and thoughts of others by putting ourselves in others’ shoes. This sincere understanding leads to improved communications between the client and the change agent which is very helpful in bringing about the desired change.

(iii) **Linkage :** It refers to the degree of collaboration between the change agent and the client. The tighter the linkage, the more likely is the success.

(iv) **Promixity :** The change agent and the client should have easy access to each other. The closer the proximity the better the relationship between the two and easier to develop the collaborative linkage.

(v) **Structuring :** This factor involves proper and clear planning of all activities that are related to change. If these activities are planed in step-by-step sequential factors, then the implementation would be easier.

(vi) **Capacity :** This factor refers to the organization’s capacity to provide the resources that are needed for successful organizational

Last on the list of tactics is coercion, that is, the application of direct threats of force upon the resisters. If the corporate management mentioned in the previous discussion really is determined to close a manufacturing plant if employees don't acquiesce to a pay cut, then coercion would be the label attached to its change tactic. Other examples of coercion are threats of transfer loss of promotions, negative performance evaluations, and a poor letter of recommendation. The advantages and drawbacks of coercion are approximately the same as those mentioned for manipulation and cooptation.

24.10 Summary

Today the major forces which are exerting pressure for change on organizations are the globalization of markets, instantaneous communications travel at the speed of sound, political realignments, changing demographics, technological transformations, shortening product life cycles, corporate alliances, flattening organizations, and the like. Though change is the only constant factor in organizations, yet the pace of change has been considerably accelerated by these forces.

Lewin's three phases of the change process include : unfreezing, changing and refreezing. Unfreezing means unlearning of old things in order to learn a new thing. Changing refers to accepting a new behaviour. Refreezing means providing opportunities for new behaviour to get integrated into actual practice.

The reasons for individual resistance to change may lie in economic, psychological, and sociological factors. Organizational resistance to change may emanate from its reward system, resource limitations, organizational

4. *Open Discussion or Confrontation:* Openness of problems and solutions removes misunderstanding. Thus, problems shouldn't be swept under the rug. They should be openly confronted.

5. *Participation:* It brings changes in the working process for the betterment of the corporate philosophy. The more that people who will be affected by a change are involved in the decisions surrounding that change, the more they will be committed to implementing those decisions. In this way, people get an opportunity to demonstrate their qualifications.

Thus, Organizational Development can be defined as, "An effort planned, organization wide, managed from the top, in order to increase organizational effectiveness and health, through planned intervention in the organization's processes using behavioural science knowledge.

25.6 ORGANIZATION DEVELOPMENT PROCESS

Organization Development is a slow and continuous process. The process is designed, reviewed and implemented. The problems, diagnosis and suggestions are designed under organization development. The outcomes are evaluated and the momentums of functioning are accelerated. Kurt Lewin argued that successful change should follow- unfreezing, movement or change and refreezing. The following Figure-25.1 describes how the unfreezing-change-freezing analogy applies to Organization Development (OD). The process of organization development involves following steps:

must go right if the organization is to be successful. These areas are affected by environment Model as given if Figure-

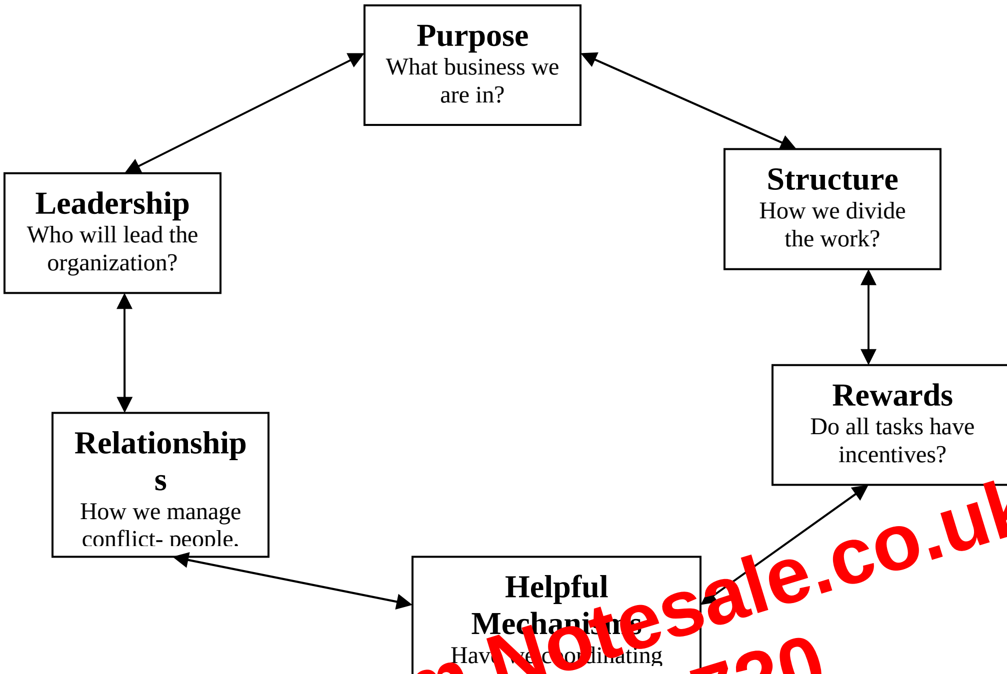


Figure:25.3: Marvin R. Weisbord Organizational Model

According to Weisbord, one should look to both the formal and informal aspects of each box. Commonly one finds that formal arrangements are inappropriate, but informal system works around the deficiencies by developing methods to correct them. He suggests, before choosing interventions, a thorough diagnosis should be done based on multiple boxes.

2. ***OD Intervention:*** An OD intervention is defined as the set of structured activities in which selected organizational units (target groups or individuals) engage with a task(s) where task goals are related to organizational improvement. All the activities which are planned and carried in order to bring about improvements are called as interventions. These cover the action planning and implementations. An

intervention, in OD terms, is a systematic attempt to correct an organizational deficiency uncovered through diagnosis. Management teams, working either alone or in collaboration with an outside consultant are responsible for selecting OD interventions.

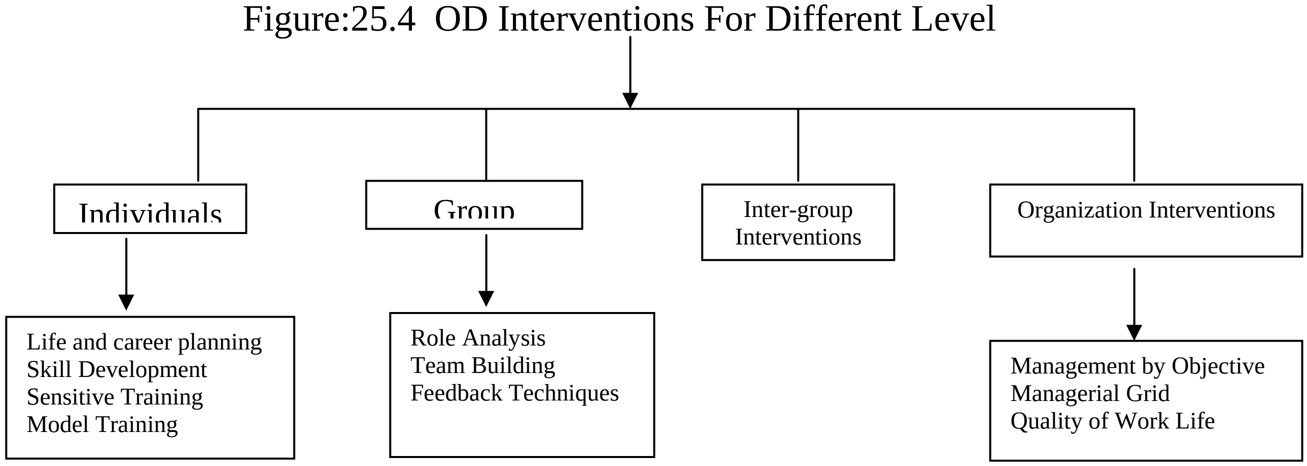
OD strategy, on the other hand, can be defined as an overall plan for relating and integrating different organizational improvement activities over a period of time to accomplish objectives.

Characteristics of OD interventions:

- An OD intervention focuses on organizational process apart from substantive content of an activity.
- An OD intervention focuses on work team as the unit of analysis and change towards effective behaviour.
- OD would view change as an ongoing process and would rely on a collaborative management of work culture.

Different kinds of OD interventions (Figure-25.4) are explained as below:

Figure:25.4 OD Interventions For Different Level



1) Individual Interventions