PGBA (S1) 01-2

Management Process and Organisational Behaviour

SEMESTER - 1

BUSINESS ADMINISTRATION

BLOCK - 2

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July , 2017

ISBN : 978-81-934003-4-0

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Printed and published by Registrar on behalf of the Krishna Kanta Handiqui State Open University.

Headquarters: Patgaon, Rani Gate, Guwahati-781017
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The University acknowledges with thanks the financial support provided by the Distance Education Bureau, UGC for preparation of this material.

MASTER IN BUSINESS ADMINISTRATION

MANAGEMENT PROCESS
AND
ORGANISATIONAL BEHAVIOUR

Block 2

DETAILED SYLLABUS

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BLOCK INTRODUCTION

This is the Second block of the course ‘ Management Process and Organisational Behaviour’. The Block is divided into 5 units which are related to the concepts of Principles of Management and Organisational Behaviour. Block 2 deals with the concept of appraisal of Human Resource, Communication, Motivation, Organisational behaviour, Personality and Perception. This block is designed to provide a comprehensive introduction to the study of management. It is primarily a learner oriented Self learning material, as it satisfies the requirements of the learners in the filed of ‘management’.

The block is divided into 5 units:

Unit 6: Appraising Human Resource

Unit 7: Communication

Unit 8: Motivation

Unit 9: Introduction to OB

Unit 10: Personality and Perception

UNIT 6: APPRAISING HUMAN RESOURCE

UNIT STRUCTURE

6.1 Learning Objectives

6.2 Introduction

6.3 Meaning of Performance Appraisal

6.4 Objectives of Performance Appraisal

6.5 Features and Advantages of Performance Appraisal

6.6 Methods of Performance Appraisal

- 6.6.1 Traditional Methods
- 6.6.2 Modern Methods

6.7 Planning and Career Development

6.8 Features and Benefits of Career Planning

6.9 Phases in the Career of an Employee

6.10 Let us Sum Up

6.11 Further Reading

6.12 Answers to Check Your Progress

6.13 Model Questions

6.1 LEARNING OBJECTIVES

After going through this unit you will be able to :

- explain the concept of performance appraisal
- know the objectives of performance appraisal
- highlight the features of an effective performance appraisal
- discuss the traditional and modern methods of performance appraisal
- explain the advantages of performance appraisal
- discuss the concept of career planning and career development
- define the features of career planning
- highlight the benefits of career planning
- discuss the different phases in the career of an employee

6.2 INTRODUCTION

In this unit we are going to discuss about performance appraisal. Performance appraisal is the process of evaluation of the performance of employees. The process of performance appraisal varies from organisation to organisation. There are different methods of performance appraisal, which we will be discussing in this unit.

6.3 MEANING OF PERFORMANCE APPRAISAL

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows:

- The supervisors measure the pay of employees and compare it with targets and plans.
- The supervisor analyses the factors behind work performances of employees.
- The employers are in position to guide the employees for a better performance.

6.4 OBJECTIVES OF PERFORMANCE APPRAISAL

Performance Appraisal can be done with following objectives in mind:

1. To maintain records in order to determine compensation packages, wage structure, salaries raises, etc.
2. To identify the strengths and weaknesses of employees to place right men on right job.
3. To maintain and assess the potential present in a person for further growth and development.
4. To provide a feedback to employees regarding their performance and related status.
5. It serves as a basis for influencing working habits of the employees.
6. To review and retain the promotional and other training programmes.

6.5 FEATURES AND ADVANTAGES OF PERFORMANCE APPRAISAL

- **Objectives should be clear:** The objectives of appraisal should be clear and specific. An effective performance system will always have specific appraisal attributes to match the employee's job description.
- **Data should be valid and reliable:** An effective performance appraisal system provides data that is consistent, reliable and valid. It supplies data according the objective that serves the purpose of performance appraisal and succession planning.
- **Performance criteria should be well defined:** Effective performance appraisal has standard appraisal forms, rules and appraisal procedures. It will have well defined performance criteria and standards.
- **Economical and less time consuming:** Effective performance appraisal systems are designed to be economical and less time consuming to bring maximum benefits.
- **Should initiate follow up:** A post appraisal talk should be arranged for employees to get feedback from their managers. It also helps the organization to learn about the problems and difficulties the employees might be facing and discover suitable training.

Advantages of performance appraisal

It is said that performance appraisal is an investment for the company which can be justified by following advantages:

1. **Promotion:** Performance Appraisal helps the supervisors to chalk out the promotion programmes for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.
2. **Compensation:** Performance Appraisal helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. Performance Appraisal tries to give worth to a performance. Compensation packages which includes bonus, high salary rates, extra benefits, allowances and perquisites are dependent on performance appraisal. The criteria should be merit rather than seniority.

3. **Employees Development:** The systematic procedure of performance appraisal helps the supervisors to frame training policies and programmes. It helps to analyse strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programmes.
4. **Selection Validation:** Performance Appraisal helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.
5. **Communication:** For an organization, effective communication between employees and employers is very important. Through performance appraisal, communication can be sought for in the following ways:
    a. Through performance appraisal, the employers can understand and accept skills of subordinates.
    b. The subordinates can also understand and create a trust and confidence in superiors.
    c. It also helps in maintaining cordial and congenial labour management relationship.
    d. It develops the spirit of work and boosts the morale of employees.

6.6 METHODS OF PERFORMANCE APPRAISAL

6.6.1 Traditional Methods:

- **Ranking Method:** It is the oldest and simplest formal systematic method of performance appraisal in which employee is compared with all others for the purpose of placing order of worth. The employees are ranked from the highest to the lowest or from the best to the worst. In doing this the employee who is the highest on the characteristic being measured and also the one who is lowest, are indicated. Then, the next highest and the next

lowest between next highest and lowest until all the employees to be rated have been ranked. Thus, if there are ten employees to be appraised, there will be ten ranks from 1 to 10.

- **Paired Comparison:** In this method, each employee is compared with other employees on one- on one basis, usually based on one trait only. The rater is provided with a bunch of slips each coining pair of names, the rater puts a tick mark against the employee whom he considers the better of the two. The number of times this employee is compared as better with others determines his or her final ranking.
- **Grading Method:** In this method, certain categories of worth are established in advance and carefully defined. There can be three categories established for employees: outstanding, satisfactory and unsatisfactory. There can be more than three grades. Employee performance is compared with grade definitions. The employee is, then, allocated to the grade that best describes his or her perfor-mance. Such type of grading is done is Semester pattern of examinations and in the selection of a candidate in the public service sector. One of the major drawbacks of this method is that the rater may rate most of the employees on the higher side of their performance.
- **Forced Distribution Method:** This method was evolved by Tiffen to eliminate the central tendency of rating most of the employees at a higher end of the scale. The method assumes that employees' performance level confirms to a normal statistical distribution i.e., 10,20,40,20 and 10 per cent. This is useful for rating a large number of employees' job performance and promo ability. It suffer from the drawback that improve similarly, no single grade would rise in a ratings.
- **Forced-Choice Method:** The forced-choice method is developed by J. P. Guilford. It contains a series of groups of statements, and rater rates how effectively a statement describes each individual being evaluated. Common method of

forced-choice method contains two statements, both positive and negative.

Examples of positive statements are:

1. Gives good and clear instructions to the subordinates.
2. Can be depended upon to complete any job assigned.

A pair of negative statements may be as follows:

1. Makes promises beyond his limit to keep these.
2. Inclines to favour some employees.

Each statement carries a score or weight, which is not made known to the rater. The human resource section does rating for all sets of statements— both positive and negative. The final rating is done on the basis of all sets of statements. Thus, employee rating in this manner makes the method more objective. The only problem associated with this method is that the actual constructing of several evaluative statements also called 'forced-choice scales', takes a lot of time and effort.

- **Check-List Method:** The basic purpose of utilizing check-list method is to ease the evaluation burden upon the rater. In this method, a series of statements, i.e., questions with their answers in 'yes' or 'no' are prepared by the HR department (see Figure 6.2). The check-list is, then, presented to the rater to tick appropriate answers relevant to the appraisee. Each question carries a weight-age in relationship to their importance.

	Yes	No
1. Is regular on the job?	—	—
2. Does maintain discipline well?	—	—
3. Does show consistent behaviour to all students?	—	—
4. Is interested in (teaching) job?	—	—
5. Does ever make mistakes?	—	—
6. Does show favouritism to particular students?	—	—
7. Is willing to help colleagues?	—	—

Table 6.2: Sample Check list for Appraising University Teachers

When the check-list is completed, it is sent to the HR department to prepare the final scores for all appraisees based on

all questions. While preparing questions an attempt is made to determine the degree of consistency of the rater by asking the same question twice but in a different manner (see, numbers 3 and 6 in Figure 6.1).

However, one of the disadvantages of the check-list method is that it is difficult to assemble, analyse and weigh a number of statements about employee characteristics and contributions From a cost stand point also, this method may be inefficient particularly if there are a number of job categories in the organisation, because a check-list of questions must be prepared for each category of job. It will involve cost, time and efforts.

- **Critical Incidents Method:**In this method, the rater focuses his or her attention on those key or critical behaviours that make the difference between performing a job in a noteworthy manner (effectively or ineffectively). There are three steps involved in appraising employees using this method. First, a list of noteworthy (good or bad) on-the-job behaviour of specific incidents is prepared. Second, a group of experts then assigns weightage or score to these incidents, depending upon their degree of desirability to perform a job. Third, finally a check-list indicating incidents that describe workers as “good” or “bad” is constructed. Then, the check-list is given to the rater for evaluating the workers. The basic idea behind this rating is to apprise the workers who can perform their jobs effectively in critical situations. This is so because most people work alike in normal situation. The strength of critical incident method is that it focuses on behaviours and, thus, judge’s performance rather than personalities. Its drawbacks are to regularly write down the critical incidents which become time-consuming and burdensome for evaluators, i.e., managers. Generally, negative incidents are positive ones. It is rater’s inference that determines which incidents are critical to job performance. Hence, the method is subject to all the limitations relating to subjective judgments.

- **Graphic Rating Scale Method:** The graphic rating scale is one of the most popular and simplest techniques for appraising performance. It is also known as linear rating scale. In this method, the printed appraisal form is used to appraise each employee. The form lists traits (such as quality and reliability) and a range of job performance characteristics (from unsatisfactory to outstanding) for each trait. The rating is done on the basis of points on the continuum. The common practice is to follow five points scale. The rater rates each appraisee by checking the score that best describes his or her performance for each trait all assigned values for the traits are then totaled. Figure 6.1 shows a typical graphic rating scale.

Performance Factor	***Performance Rating***				
Quality of work is the accuracy, skill, and completeness of work.	☐ Consistently unsatisfactory	☐ Occasionally unsatisfactory	☐ Consistently satisfactory	☐ Sometimes superior	☐ Consistently superior
Quantity of work is the volume of work done in a normal workday.	☐ Consistently unsatisfactory	☐ Consistently unsatisfactory	☐ Consistently satisfactory	☐ Sometimes superior	☐ Consistently superior

Table 6.3: Sample of Graphic rating scale and items and format

This method is good for measuring various job behaviours of an employee. However, it is also subjected to rater's bias while rating employee's behaviour at job. Occurrence of ambiguity in designing the graphic scale results in bias in appraising employee's performance.

- **Essay Method:** Essay method is the simplest one among various appraisal methods available. In this method, the rater writes a narrative description on an employee's strengths, weaknesses, past performance, potential and suggestions for improvement. Its positive point is that it is simple in use. It does not require complex formats and extensive/specific training to complete it. However, essay method, like other methods, is not free from drawbacks. In the absence of any prescribed structure, the essays are likely to vary widely in terms of length and content. And, of course, the quality of appraisal depends more upon rater's writing skill than the appraiser's actual level of performance. Moreover, because the essays are descriptive, the method provides only quali-tative information about the employee. In the absence of quantitative data, the evaluation suffers from subjectivity problem. Nonetheless, the essay method is a good start and is beneficial also if used in conjunction with other appraisal methods.
- **Field Review Method:** When there is a reason to suspect rater's biasedness or his or her rating appears to be quite higher than others, these are neutralised with the help of a review process. The review process is usually conducted by the personnel officer in the HR department.

The review process involves the following activities:

(a) Identify areas of inter-rater disagreement.

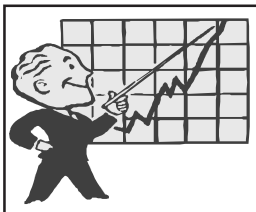
(b) Help the group arrive at a consensus.

(c) Ensure that each rater conceives of the standard similarity.

However, the process is a time-consuming one. The supervisors generally resent what they consider the staff

interference. Hence, the method is not widely used.

- **Confidential Report:** It is the traditional way of appraising employees mainly in the Government Departments. Evaluation is made by the immediate boss or supervisor for giving effect to promotion and transfer. Usually a structured format is devised to collect information on employee's strength weakness, intelligence, attitude, character, attendance, discipline, etc. report.



CHECK YOUR PROGRESS

Q.1. Define performance appraisal.

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Q.2. State any two traditional methods of performance appraisal.

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6.6.2 Modern Methods

- **Management by Objectives (MBO):** The concept of MBO as was conceived by Drucker, 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 its members". In other words, stripped to its essentials, MBO requires the manager to discuss goals with each employee and then periodically discuss his or her progress toward these goals.

In fact, MBO is not only a method of performance evaluation. It is viewed by the practicing managers and pedagogues as a philosophy of managerial practice because .t .s a method by wh.ch managers and subordinates plan, organise, communicate, control and debate.

An MBO programme consists of four main steps: goal setting, performance standard, compari-son, and periodic review. In goal-setting, goals are set which each individual, s to attain. The superior and subordinate jointly establish these goals. The goals refer to the desired outcome to be achieved by each individual employee.

In performance standards, the standards are set for the employees as per the previously arranged time period. When the employees start performing their jobs, they come to know what is to be done, what has been done, and what remains to be done.

In the third step the actual level of goals attained are compared with the goals agreed upon. This enables the evaluator to find out the reasons of variation between the actual and standard performance of the employees. Such a comparison helps devise training needs for increasing employees' performance, it can also explore the conditions having their bearings on employees' performance but over which the employees have no control.

Finally, in the periodic review step, corrective measure is initiated when actual performance deviates from the slandered established in the first step-goal-setting stage. Consistent with the MBO philosophy periodic progress reviews are conducted in a constructive rather than punitive manner.

- **Behaviourally Anchored Rating Scales (BARS):** The problem of judgmental performance evaluation inherent in the traditional methods of performance evaluation led to some organisations to go for objective evaluation by developing a technique known as "Behaviourally Anchored Rating Scales (BARS)" around 1960s. BARS are descriptions of various degrees of behaviour with regard to a specific performance dimension.

It combines the benefits of narratives, critical incidents, and quantified ratings by anchoring a quantified scale with specific behavioural examples of good or poor performance.

Developing BARS typically involves five steps:

1. Generating Critical Incidents: Critical incidents (or say, behaviours) are those which are essential for the performance of the job effectively Persons who are knowledgeable of the job in question (jobholders and/or supervisors) are asked to describe specific critical incidents of effective and ineffective performance. These critical incidents may be described in a few short sentences or phrases using the terminology.

2. Developing Performance Dimensions: The critical incidents are then clustered into a smaller set of performance dimensions, usually five to ten. Each cluster, or say, dimension is then defined.

3. Reallocating Incidents: Various critical incidents are reallocated by another group of people who also know the job in question. Various critical incidents so reallocated to original dimensions are clustered into various categories, with each cluster showing similar critical incidents. Those critical incidents are retained which meet 50 to 80% of agreement with the cluster as classified in step 2.

4. Scaling Incidents: The same second group as in step 3 rates the behaviour described in each incident in terms of effectiveness or ineffectiveness on the appropriate dimension by using seven to nine points scale. Then, average effectiveness ratings for each incident are determined to decide which incidents will be included in the final anchored scales.

5. Developing Final BARS Instrument: A subset of the incidents (usually six or seven per cluster) is used as a behavioural anchor for the final performance dimensions.

- **Assessment Centres:**

An assessment centre is a central location where managers come together to participate in well-designed simulated exercises. They are assessed by senior managers supple-mented by the psychologists and the HR specialists for 2-3 days. Assessee is asked to participate in in-basket exercises, work groups, simulations, and role playing which are essential for successful performance of

actual job. Having recorded the assessee's behaviour the raters meet to discuss their pooled information and observations and based on it, they give their assessment about the assesee. At the end of the process, feedback in terms of strengths and weaknesses is also provided to the assesees.

The distinct advantages the assessment centres provide, include more accurate evaluation, minimum biasedness, right selection and promotion of executives, and so on. Nonetheless, the technique of assessment centres is also plagued by certain limitations and problems. The technique is relatively costly and time consuming, causes suffocation to the solid performers, discourages to the poor performers (rejected), breeds unhealthy competition among the assessees, and bears adverse effects on those not selected for assessment.

- **360 – Degree Appraisal:**

Yet another method used to appraise the employee's performance is 360 – degree appraisal. This method was first developed and formally used by General Electric Company of USA in 1992. Then, it travelled to other countries including India. In India, companies like Reliance Industries, Wipro Corporation, Infosys Technologies, Thermax, Thomas Cook etc., have been using this method for appraising the performance of their employees. This feedback based method is generally used for ascertaining training and development requirements, rather than for pay increases.

Under 360 – degree appraisal, performance information such as employee's skills, abilities and behaviours, is collected "all around" an employee, i.e., from his/her supervisors, subordinates, peers and even customers and clients. In other worlds, in 360-degree feedback appraisal system, an employee is appraised by his supervisor, subordinates, peers, and customers with whom he interacts in the course of his job performance. All these appraisers provide information or feedback on an employee by completing survey questionnaires designed for this purpose.

All information so gathered is then compiled through the computerized system to prepare individualized reports.

In 360 – degree feedback, performance appraisal being based on feedback "all around", an employee is likely to be more correct and realistic. Nonetheless, like other traditional methods, this method is also subject to suffer from the subjectivity on the part of the appraiser. For example, while supervisor may penalise the employee by providing negative feedback, a peer, being influenced by 'give and take feeling' may give a review on his/her colleague.

- **Cost Accounting Method:**

This method evaluates an employee's performance from the monetary benefits the employee yields to his/her organisation. This is ascertained by establishing a relationship between the costs involved in retaining the employee, and the benefits an organisation derives from him/her..

While evaluating an employee's performance under this method, the following factors are also taken into consideration:

1. Unit wise average value of production or service.
2. Quality of product produced or service rendered.
3. Overhead cost incurred.
4. Accidents, damages, errors, spoilage, wastage caused through unusual wear and tear.
5. Human relationship with others.
6. Cost of the time supervisor spent in appraising the employee.

6.7 CAREER PLANNING

A career may be defined as 'a sequence of jobs that constitute what a person does for a living'. Career planning is the process of enhancing an employee's future value. The term 'career denotes all the jobs that are held during one's working life. It is viewed as a sequence of positions held by an individual during the course of his lifetime.

Edwin B. Flippo defined a career as a sequence of separate but related work activities that provide continuity, order and meaning in a person's life."

According to Schermerborn, Hunt, and Osborn, 'Career planning is a process of systematically matching career goals and individual capabilities with opportunities for their fulfillment'.

Career management is the combination of structured planning and the active management choice of one's own professional career. The outcome of successful career management should include personal fulfillment, work/life balance, goal achievement and financial security.

A *career* includes all types of employment ranging from semi-skilled through skilled, and semi professional to professional. Careers have often been restricted to an employment commitment to a single trade skill, profession or business firm for the entire working life of a person. In recent years, however, a career now includes changes or modifications in employment during the foreseeable future.

6.8 FEATURES AND BENEFIT OF CAREER PLANNING

Following are some of the features of career planning:

- It is an ongoing process.
- It helps individuals develop skills required to fulfill different career roles.
- It strengthens work-related activities in the organization.
- It defines life, career, abilities, and interests of the employees.
- It can also give professional directions, as they relate to career goals.

Benefits of career planning:

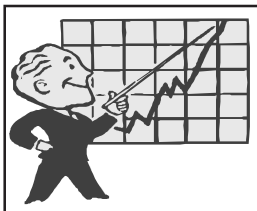
- Career planning ensures a constant supply of promotable employees.
- It helps in improving the loyalty of employees.
- Career planning encourages an employee's growth and development.
- It discourages the negative attitude of superiors who are interested in suppressing the growth of the subordinates.
- It ensures that senior management knows about the calibre and capacity of the employees who can move upwards.

- It can always create a team of employees prepared enough to meet any contingency.
- Career planning reduces labour turnover.
- Every organization prepares succession planning towards which career planning is the first step.

6.9 PHASES IN THE CAREER OF AN EMPLOYEE

Most working people go through career stages and it has been found that individual's needs and expectations change as the individual moves through these stages.

1. **Exploration Stage:** This is the stage where an individual builds expectations about his career. Some of them are realistic and some are not. But the fact is that these could be a result of the individual's ambitions.
2. **Establishment Stage:** This could be at the stage where the individual gets his first job, gets accepted by his peers, learns in this job, and also gains the first tangible evidence of success or failure. The establishment/ advancement stage tends to occur between age 25 and 44. In this stage, the individual has made his or her career choice and is concerned with achievement, performance, and advancement. This stage is marked by high employee productivity and career growth, as the individual is motivated to succeed in the organization and in his or her chosen occupation. Opportunities for job challenge and use of special competencies are desired in this stage. The employee strives for creativity and innovation through new job assignments. Employees also need a certain degree of autonomy in this stage so that they can experience feelings of individual achievement and personal success.
3. **Mid-Career Stage:** The individual's performance levels either continue to improve, or levels, or even deteriorates.
4. **Late Career:** This is regarded as a pleasant phase, where one is allowed to relax and play the role of an elderly statesman in the organization.
5. **Decline:** The stage, where the individual is heading towards retirement.



CHECK YOUR PROGRESS

Q3. State any two modern methods of performance appraisal.

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Q.4. Define career planning.

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6.10 LET US SUM UP:

In this unit we have discussed the following:

- Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development.
- Performance Appraisal helps the supervisors in promotion, supervision, selection, development etc. of the employees.
- There are two methods of Performance Appraisal :
- Traditional method and Modern method
- Career planning is the process of enhancing an employee's future value.



6.11 FURTHER READING

1) Gupta R.N. (2006). Business organisation and management, New Delhi, S. Chand &b Company Ltd.

2) P. C. Tulsian & Pandey Vishal (2008). Business organization and management. New Delhi, Pearson Education Ltd.

3) Knootz Harold & Weihrich Heinz (2007). Essentials of management: An international perspective. New Delhi, Tata McGraw Hill.

6.12 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development.

Ans to Q No 2: Ranking method and Grading method.

Ans to Q No 3: Behaviourally Anchored Rating Scales (BARS) and Management by Objectives (MBO).

Ans to Q No 4: A career may be defined as 'a sequence of jobs that constitute what a person does for a living'.



6.13 MODEL QUESTIONS

1. Define performance appraisal. Highlight the objectives of performance appraisal.
2. Discuss the characteristics of an effective performance appraisal system.
3. Explain the methods of performance appraisal.
4. Discuss the advantages of performance appraisal.
5. Define career planning
6. Write a note on the features of career planning.
7. Discuss the different phases in the career of an employee.

*** ***** ***

UNIT 7: COMMUNICATION

UNIT STRUCTURE

7.1 Learning Objectives

7.2 Introduction

7.3 Meaning of Communication and its Features

7.4 Importance of Communication

7.5 Process of Communication

7.6 Internal Communication and External communication

- 7.6.1 Internal Communication
- 7.6.2 External Communication

7.7 Communication Channel

7.8 Barriers to Communication

7.9 Good Communication: Ten commandments

7.10 Let Us Sum Up

7.11 Further Readings

7.12 Answers to Check Your Progress

7.13 Model Questions

7.1 LEARNING OBJECTIVES

After going through this unit you will be able to:

- learn the meaning of communication and its basic features and principles
- discuss the basic principles of communication
- describe internal communication and external communication
- learn the different communication channels
- outline the barriers to communication

7.2 INTRODUCTION

Communication plays an important role in every person's life, whether it is personal or official. In the previous unit we have discussed about office organization principles, the different types office organization

like line, line and staff and services organization, office charts and manuals. Now, in this unit we are going to discuss the concept of communication and its importance in an organization or office as it contributes heavily to the success or failure of every human task.

Communication is the process of transforming information and facts from one party to the other. In an organization, it is through communication that all the important functions like controlling, information, instructing, directing and monitoring etc. carried out. So, to avoid grievances and misunderstanding at office it is very important that proper and correct communication takes place. Mutual trust and understanding can only be achieved thorough meaningful communication.

The objective of this unit is to create an understanding the meaning and importance of communication, process of communication, internal communication and external communication and at the end of the end you will get some idea on the mail organization of the mailing section.

7.3 MEANING OF COMMUNICATION AND ITS FEATURES

Communication has been defined in numerous ways. The one chosen for the purpose of the present study is: 'communication is a mutual exchange of facts, thoughts and perception, resulting in common understanding of fall parties. According to *L.A.Allen,* "communication is the sum of all the things one person does when he wants to create understanding in the mind of another". Communication is a bridge of meaning between people. The following are some of the definitions of communication given by different scholars:

- Webster dictionary states that communication is a process by which information is exchanged between individuals through a common system of symbols, signs, or behavior.
- Peter Little defines communication as "communication is a process by which information is passed between individuals and /or organization by means of previously agreed symbols.

The essential features of communication are given below:

1. **Two people:** communication always involves two people-a sender and a receiver. Communication is not a one way street; one person cannot communicate.
2. **Sequential process:** Communication is a process, which involves several steps. First, the sender has an idea or thought to communicate. Second, the idea is translated into recognizable form, called *encoding* information. Third, the encoded massage travel a distance through various communication channels like telephone, mail routes etc. Fourth, once the receiver gets the message; he begins *decoding*. Finally the communication takes place.
3. **Continuous activity:** Everything a manager does involves communicating not something, but everything. A manager must always be in touch with his subordinates, peers and superiors in order to get things done.
4. **Pervasive function:** Communication takes place at all levels in an organization. It is, infact,the artery of an organization through which instructions ,order and decisions of the management flow down to lower level. it also conducts upward the pulse of the workforce –i.e., their ideas ,feelings, suggestions etc.
5. **Transference of meaning and understanding:** communication involves both information and understanding. Effective communication, thus, is the process of sending a massage in such a way that the massage received is as closed in meaning as possible to the massage intended.



Encoding: the process through which ideas or concepts are converted into a form of that can be transmitted to others.



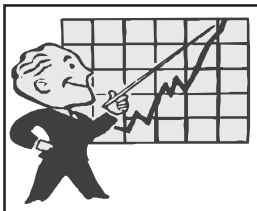
Decoding: The process through which information received through communication is converted back into ideas or concepts

7.4 IMPORTANCE OF COMMUNICATION

Communication is important to all managers, and it is needed by all employees. Communication is important because of the following reasons:

1. **Basis of action:** getting the right information to and from the correct sources is necessary for an organization to function properly. Communication keeps the people working in accordance with desires of the manger.

2. **Facilities planning:** communication helps the planning process in a number of ways:
   i) It helps executive interact and provide vital inputs to plan
   ii) It helps executive to strike rapport with subordinates, seek their opinions and provide realistic information
   iii) It helps executives to communicate what is contained in the plans in a clear way and secure their acceptance.
3. **Helps in decision- making:** communication provides the right type of information to a manager and enables him to consider the pros and cons thoroughly before arriving at a decision.
4. **Means of coordination:** in the absence of communication, members may fail to realize the importance of working unitedly towards a common goal. in the words of *Hicks*, *"when communication stops, organized action comes to an end".*
5. **Improves motivation and morale:** communication improves morale and motivation by keeping people informed .employees cans their grievances, troubles, problems to the management. Managers in turn, can explain the importance of organizational rules, policies and procedures properly.



CHECK YOUR PROGRESS

Q1: What is meant by communication?

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.....

Q2: State any four importance of communication.

.....

.....

7.5 PROCESS OF COMMUNICATION

The process of communication is not only the transfer of message from one person to another, but there are also certain other factors that affect

this simple passing of information from person to person. The basic process of communication involves the following steps:

1. **Sender:** The sender is any one who wishes (i) to convey an idea (ii) to seek information (iii) to express a thought or emotions.
2. **Encoding:** The sender encodes the idea by selecting symbols with which he can compose a massage.
3. **Message:** The massage is what is conveyed by the sender. It is the heart of communication.
4. **Channel:** The massage is sent through a channel, which is communication carrier.
5. **Receiver:** The receiver is the person who is supposed to receive the massage.
6. **Decoding:** it is the process by which the receiver translates the massage into the terms that are meaningful to him.
7. **Feedback:** It is the response by the receiver to the sender's message.
8. **Noise:** It is any type of interference with a message that hampers the sharing of meaning between the sender and the receiver.

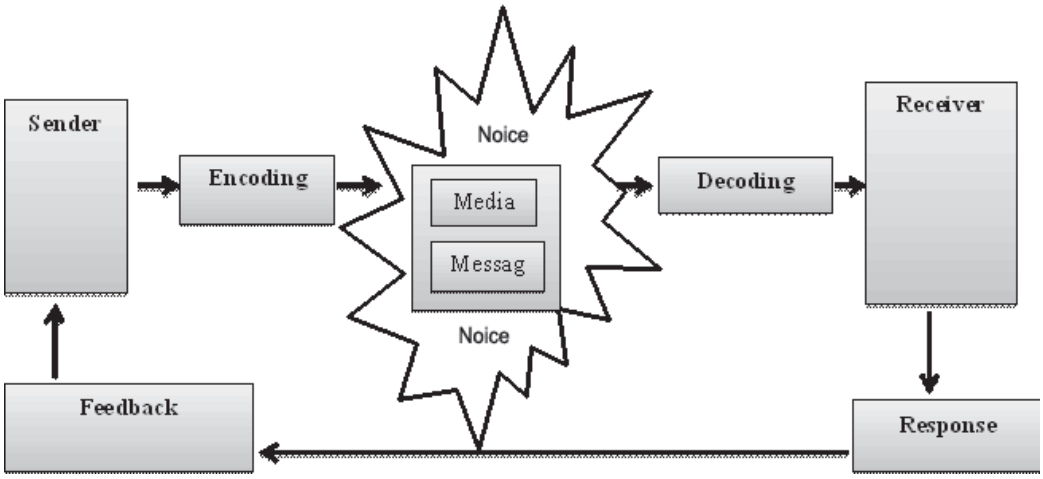


Figure 7.1: Process of Communication

7.6 INTERNAL AND EXTERNAL COMMUNICATION

Internal communication denotes a type of communication within the organization. When the inter communication takes place between the

employees of the same department, it is called inter-departmental communication and when it takes place between the employees of different departments of the same organization, it is called intra-departmental communication. The internal communications includes letters, memos, notices, instructions and orders.

The communication between the organization and the outsiders is called external communication. External communication is needed for smooth conduct and the progress of the business.

7.6.1 Internal Communication

Internal communication is also known as inter-communication which a major function of an office is. For a small organization, where there are 10-20 employees there is no problem of internal communication but in a organization where there are large number of employees, the problem of effective communication takes place. In a big organization having a number of departments or sections the internal communication may be:

1. **Inter-departmental:** communication between the employees of the same department.
2. **Intra-department:** communication between different departments of the organization.

   Also communication may be upward or downward. Upward communication is that where the communication flows from subordinate to superior. It includes reports, statistics, opinion suggestions, complaints, etc. submitted by the lower level employees. Downward communication is that where the communication flows from top to bottom i.e from superiors to subordinates. Downward communication include policies, manual, instruction, procedures etc. So, here we can say that internal communications include:

   a. Oral communication
   b. Written Communication
   c. Mechanical Communication

1. **Oral Communication:** It is the ability to talk with others to give and exchange information & ideas, such as: ask questions, give directions, coordinate work tasks, explain & persuade. Oral communication implies communication through mouth. It includes individuals conversing with each other, be it direct conversation or telephonic conversation. Speeches, presentations, discussions are all forms of oral communication. Oral communication is generally recommended when the communication matter is of temporary kind or where a direct interaction is required. Face to face communication (meetings, lectures, conferences, interviews, etc.) is significant so as to build a rapport and trust. The types of **Oral Communication** include:
   a. Face to face communication,
   b. Telephonic Communication,
   c. Public Address System (Speech),
   d. Informal rumor mill (Grape Wine),
   e. Audio & Visual Media(Radio, TV),
   f. Lectures, Conference-Interchange of views, Meetings,
2. **Written communication:** It is an innovative activity of the mind. Effective written communication is essential for preparing worthy promotional materials for business development. Speech came before writing. But writing is more unique and formal than speech. Effective writing involves careful choice of words, their organization in correct order in sentences formation as well as cohesive composition of sentences. Also, writing is more valid and reliable than speech. But while speech is spontaneous, writing causes delay and takes time as feedback is not immediate. The different types of Written communication are:
   a. Orders, Instructions
   b. Letters
   c. Memos
   d. Reports
   e. Policy manuals

f. Information Bulletin

g. Complaint System

h. Suggestion System

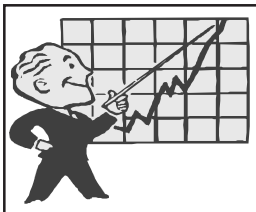
3. **Mechanical communication:** Under this communication system, written messages are mechanically delivered to the persons concerned. There are some devices used for delivery of the messages. The devices are:

a. Tele-printer

b. Automatic Telex Service

c. Television

d. Videophone system



CHECK YOUR PROGRESS

Q3: State the meaning of oral communication?

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Q4: What is mechanical communication?

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.....

Q5: What is the role of a sender and a reciever in the process of communication?

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.....

7.6.2 External communication

External communication implies the transmission of information to people outside the organization and its receipt from outsiders. Every organization has to maintain an affair with suppliers, investors, dealers, customer, debtors and creditors. It is the exchange of information and messages between an organization and other organizations, groups, or individuals outside its formal structure. There are variety of channels that may be used for external

communication, which includes face-to-face meetings, print or broadcast media, and electronic communication technologies such as the Internet. External communication includes the fields of PR, media relations, advertising, and marketing management. There are several methods of external communication:

a. Personal visit
b. Telephone
c. Postal services
d. Electronic medium

7.7 COMMUNICATION CHANNEL

Communication can also be classified according to the degree of ceremony or formality it has.

Thus, we can divide communication into two broad categories:

1. Formal channel of Communication
2. Informal channel of Communication

A. **FORMAL COMMUNICATION:** A formal channel of communication is the means of communication normally controlled by people in positions of authority in an organisation. Hence, it has also been referred to as an organization's 'main line of operational communication'.All the reports, records and other forms that supply working information to various parts of an organisation are included in the formal channel of communication. These channels of communication do not function automatically. A good business organisation will ensure that these are carefully planned and designed to its needs.there are three ways in which formal communication flows: downward communication, upward communication and lateral & diagonal communication.Now, let us discuss the digfrent types of formal comminicatrion in the following ways:

a. ***Downward Communication:*** Downward communication is a form of communication where the communication travels from

superior to the subordinate.some importnat channels of downward communication channels include wrttten directives and instructions, face to face conversation, company newspaper and bulliten boards.

b. *Upward Communication:* Upward communication travels from subordinate to the superior.it enables the employees to voice their opinions, ideas and concerns.Upward commincation helps the top management to aware of how employees feel about their jobs,co-workers and the organisation.It helps the employers in knowing (i) ideas and suggestions for improvements (ii) feelings affecting performance on thier job.

c. *Lateral & Diagonal communication:* Lateral communication takes place between the employees of the same level of hierarchy.This channel promotes the horizontal flow of massages, enabling departments to work with other departments without hving to rigidly follow the up an ddown channels.

Diagonal communication takes place between people who are neither in the same department nor in the same lvel of hierarchy.iT is cross functional communication between emplyees at differnt levels of the organisational hierarchy .

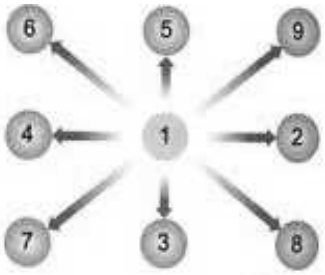
B. **INFORMAL COMMUNICATION:** The Informal Communication is the casual and unofficial form of communication wherein the information is exchanged spontaneously between two or more persons without conforming the prescribed official rules, processes, system, formalities and chain of command.It is product of sociall interaction, an inevitable part of organisational life, it exists outside the official network of communication and there is no prescribed direction for for the flow of messages. The informal communication is characterized by an indefinite channel of communication, which means there is no definite chain of command through which the information flows. Hence, the information can flow from anywhere. Often such communication arises out of the social relations that an individual creates with other persons on the basis of common interest, likings or dislikings.

In an organisation, the informal communication is called as a "grapevine" (or the rumour mill) as it is difficult to define the beginning and end of the communication.The following diagram shows the types of grapevine.



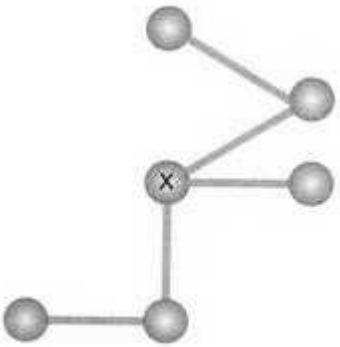
Single Strand

Each tells one other



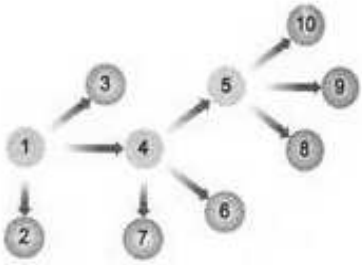
Gossip

One tells all



Probability

Each randomly tells others



Cluster

Some tell selected others; most typical

Figure 7.2: Informal Communication

7.8 BARRIERS TO COMMUNICATION

When there is communication, then there is grapevine i.e. an informal communication takes place. Grapevine is a form of informal communication by which people communicates each other without any formal format of communication. It is called Grapevine because like that of a grape vine it's

impossible to find the origin of information which results in spread of rumors. it is actually a type of communication where information spreads through gossips or rumors and not accurate all the time, for example,the rumor in any Organization about the rise in employer's salary.

Several factors may disrupt the communication process or come in the way of effective communication. This can be listed thus:

BARRIERS TO COMMUNICATION

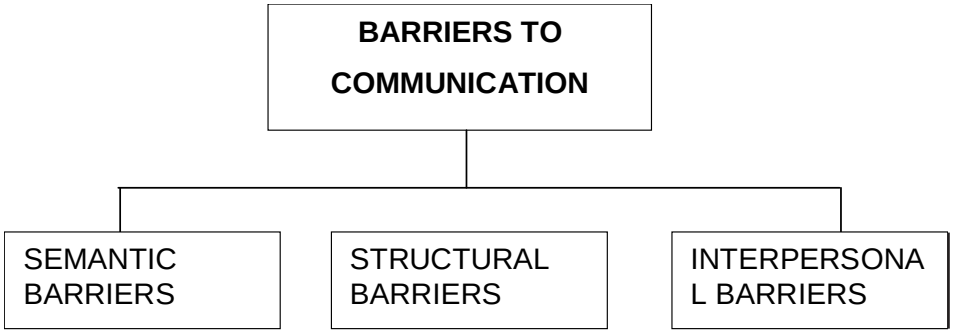


Figure 7.3: Barriers to Communication

A. Semantic Barriers: Many of our communication problems are semantic in nature, as the same word may convey a different meaning to different people. For example the word 'productivity', may mean effective usage of resource for manager but for workers it may mean doing more work to get the same amount of salary.

B. Structural Barriers:

a) Hierarchy: when an organization grows, its structure expands, creating many communication problems. Messages have to pass through several hierarchical. It follows that something may be lost or added by transmission at each stage of process massages are likely to be delayed and distorted.

b) Status: open and free flow of communication is also affected by status relationship in the organization.

c) Specialization: too much fragmentation of work causes people to be more loyal to their particular departments than to their organization as a whole. It tends to separate people even when they work side by side.

C. Interpersonal Barriers:

a) Can't express effectively: some people cannot communicate effectively because they cannot use their words and personality effectively.

b) Filtering: any attempt to alter and colour information to present a more favourable impression is called filtering.

c) Credibility: credibility is based on a person's competence in the subject area being communicated, and is based on the degree of confidence in the person.

d) Inattention: we often hear, but do not listen.

e) Perceptual differences: perceptual differences –differences in past experiences, educational back ground, emotions, values, and beliefs also affect each person's perception of a massage that is important to them.

f) Jealousy: It plays an important role in reducing the effectiveness of communications. Competent individuals are viewed as threat to the security of peers and subordinates.

g) Information overload: the effectiveness of communication is likely to hamper when managers allow themselves to be inundated with bundles of data.

h) Emotions: how the receiver feels at the time of receipt of information influences effectively on how he interprets the information.

i) Time pressure: Managers are often subjected to time pressure; because decisions must be made within specified deadline. Such time pressure can create communication problems.

7.9 GOOD COMMUNICATION: TEN COMMANDMENTS

Communication is the basis of managerial work. It is, therefore, necessary foe a manager to study its many aspects and educate the staff about the importance of good communication. The following ten Commandments may help a manager improve his communication skills:

1. Clarity: Think and plan before communicating. Be clear about what you want to communicate

2. **Purpose:** state the purpose of each communication, obtain information, initiate action, and change another person's attitude.
3. **Physical and human setting:** be sensitive to the total setting in communication .Sometimes, meaning and intent and conveyed through gestures rather through words.
4. **Participation:** invite others to participate in planning a communication .participation helps to bring additional insight and objectivity to your message.
5. **Word choice and body language:** select simple words and use them carefully so that they do not take on different meanings to different people.
6. **Empathy:** empathy is the ability to identify with the various feelings and thoughts of another person.
7. **Actions:** managers should support communication through good supervisory efforts, clear assignments of duties, fair rewards for effort, sound policy enforcement etc.
8. **Use of feedback:** the manger should provide feedback, which provides an open channel, so that he can check on how the messages are being perceived.
9. **Communicate for tomorrow as well as today:** communication must be planned with past in mined so as to support company policies consistently.
10. **Be a good listener:** we should not only concentrate on the explicit meaning that another person is expressing but also on the implicit meanings, unspoken words etc.

CHECK YOUR PROGRESS

Q6: Define informal communication.

.....

.....

Q7: What is semantic barriers?

.....

.....

Q8: Define 'Grapevine'.

.....

.....



7.10 LET US SUM UP

In this unit we have discussed the following:

- Communication is a mutual exchange of facts, thoughts and perception, resulting in common understanding of fall parties.
- Communication plays an important role in an organization. So, the importance of communication are (1)basis of action (2)facilities planning (3)helps in decision- making (4)means of coordination (5) improves motivation and morale.
- The process of communication involves the following steps: (1)sender (2)encoding (3)message (4)channel (5)receiver (6)decoding (7)feedback (8)noise
- There is internal and external communication. Internal communication denotes a type of communication within the organization and the communication between the organization and the outsiders is called external communication.
- There are various barriers to communication they are: (a)semantic barriers (b) interpersonal barriers (c) structural barriers
- To make communication effective there are ten commandments that may help a manager improve his communication skills: (a)clarity (b)purpose (c)physical and human setting (d)participation (e) word choice and body language (f) empathy (g)actions (h)use of feedback (i)communicate for tomorrow as well as today and(j)be a good listener.
- We have discussed about differnt communicatiopn channels like Downward comminication, Upward Communication, lateral and diagonal communication.
- In an organisation, the informal communication is called as a "grapevine" .



7.11 FURTHER READINGS

1. Rao V.S. P(2012); '*Management Text and Cases*', Excel Books, New Delhi
2. Gupta Meenakshi(2009); ' *Principlers of Management'*, PHI Learning Pvt Ltd,New Delhi
3. Kaul Asha (2009); *'Business Communication'*, PHI Learning Pvt Ltd,New Delhi
4. Kaul Asha(2015), '*Effective Business Communication'***,** PHI Learning, New Delhi

7.12 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q1: Communication is the sum of all the things one person does when he wants to create understanding in the mind of another

Ans to Q2: Communication is important because of the following reasons:

a. Basis of action

b. Facilities planning

c. Helps in decision- making

d. Means of coordination

Ans to Q3: Oral communication implies communication through mouth. It includes individuals conversing with each other, be it direct conversation or telephonic conversation.

Ans to Q4: Mechanical communicationis a communication system, where written messages are mechanically delivered to the persons concerned.

Ans to Q5: The sender is any one who wishes (i) to convey an idea (ii) to seek information (iii) to express a thought or emotions. The receiver is the person who is supposed to receive the massage.

Ans to Q6: The informal communication is the casual and unofficial form of communication wherein the information is exchanged spontaneously between two or more persons without conforming the prescribed official rules, processes, system, formalities and chain of command.

Ans to Q7: Semantic barriers is a type of communication barrier that is semantic in nature, as the same word may convey a different meaning to different people.

Ans to Q8: In an organisation, the informal communication is called as "grapevine" (or the rumour mill)



7.13 MODEL QUESTIONS

1. Describe the essential feature of communication.
2. Describe the process of communication.
3. Destinguish between formal and informal communication.
4. Discuss the barrier to communication.
5. Describe the ten commandments of communication.

*** ***** ***

UNIT 8: MOTIVATION

UNIT STRUCTURE

8.1 Learning Objectives

8.2 Introduction

8.3 Meaning of Motivation

8.4 Importance of Motivation

8.5 Early Theories in Motivation

- 8.5.1 Maslow's Need Hierarchy Theory
- 8.5.2 Mc Gregor's Theory X and Theory Y
- 8.5.3 Herzberg's Two Factor Theory

8.6 Modern Theories of Motivation

- 8.6.1 Alderfer's ERG Theory
- 8.6.2 Vroom's Expectancy Theory
- 8.6.3 McClelland's Theory of Needs
- 8.6.4 Goal Setting Theory of Motivation
- 8.6.5 Reinforcement Theory of Motivation

8.7 Techniques for Motivation

- 8.7.1 Financial Incentives
- 8.7.2 Non-financial Incentives

8.8 Let Us Sum Up

8.9 Further Reading

8.10 Answers To Check Your Progress

8.11 Model Questions

8.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- define the term motivation nad discuss the importance of Motivation
- describe the Maslow's Need Hierarchy theory of motivation and its limitations.

- enumerate the Mc Gregor's Theory X and Theory Y and limitations and application of these two theories.
- determine the relationship between Theories X and Y and Maslow's need hierarchy.
- discusses Herzberg Two factor Theory
- classify the financial and non-financial techniques of motivation.

8.2 INTRODUCTION

The manager performs various functions to achieve the goals of the organisation. In the previous unit we have discussed the concepts and principles of directing. In directing the people, the management has to inspire and motivate people for accomplishing organisational objectives. Motivation is the psychological force that motivates a person for action and continuously inspire him in the course of action. In this unit we will explain what is motivation and its important theories. You will find this unit interesting as it will help you in understanding the basic factors which motivate people.

8.3 MEANING OF MOTIVATION

The term 'motivation' is derived from the Latin word 'mover' which means to move and represent the force that moves people, and causes them to act. So, motivation can be defined as a process of channelling a person's inner drive so that he wants to accomplish the goals of the organisation. Motivation is a behavioural concept by which we try to understand why people behave as they do. A human being is an organic and not a mechanical system. He or she is a self-activated person. The force of motivation lies within our mind. It is dynamic force, setting a person into motion or action.

In this context, we can discuss some of the definitions of motivation given by management experts. Robert Dubin has defined motivation as "The complex of forces starting and keeping a person at work in an organisation" Moreover, Dalton E. Mc Farland said "The concept of motivation is mainly

psychological. It relates to those forces operating within the individual employee or subordinate which impel him to act or not to act in certain ways." On the other hand, Koontz and O' Donnell define motivation as "Motivation is a general term applying to the entire class of drives, desires, needs, wishes and similar forces". According to Edwin Flippo "Motivation is the process of attempting to influence others to do your will through the possibility of gain reward"

Out of the above discussion, it can be understood that motivation is highly individualistic. It is the essence of human behaviour. Motivation consists of three parts.They are a) Motives *i.e.* need ideas, emotions or organic state b) Motivating factors and c) Attainment of objectives. In an organisation motivation implies a planned management process, which stimulates people to work to the best of their capabilities for the relation of the common goals of the enterprise. The process of motivation can be -illustrated simply as follows

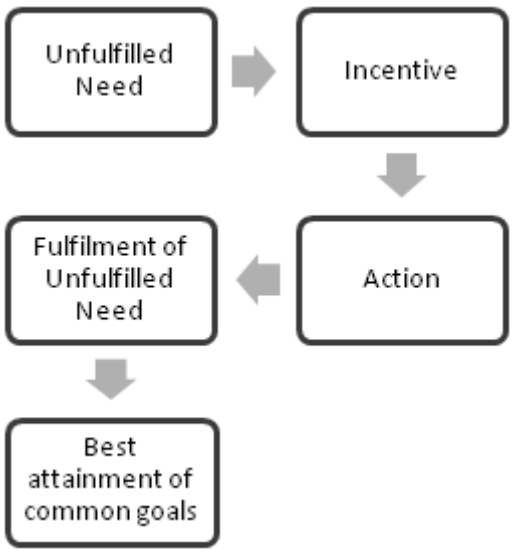


Figure 8.1- Process of Motivation

LET US KNOW



Motivation is one of the most important factors determining performance of employees. Motivated employees put higher performance as compared to other employees. In a study by William James, it was found that motivated employees worked at close to 80-90 percent of their ability. The study further suggested that hourly employees could maintain their jobs, if they were not fired, by working approximately 20 to 30 percent of their ability. The relationship of motivation with others can be understood from the following formulas.

Performance = Ability x Motivation

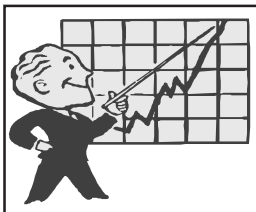
Motivation = Valence x Expectancy



ACTIVITY

1. Make a list of some unfulfilled needs of employees in an organisation

2. Find out few things blocking the persons in achieving their goals and also name some of them beyond the control.



CHECK YOUR PROGRESS - 1

Q.1. How does motivation affect behaviour ?

.....

.....

.....

Q.2. What does happen when a person is not able to satisfy his needs?

.....

.....

.....

8.4 IMPORTANCE OF MOTIVATION

Motivation is an important function of management. All managers should induce their employees on the job to extract performance by motivating them. Below, we discuss some important aspects of motivation.

i) **Utilisation of human resource :** By motivation techniques, management can properly utilise its human resources. This helps the managers to increase the productivity of employees. By virtue of motivation employees can understand organisational culture. Thereby, human resources can be properly utilised.

ii) **Use of material resources :** By motivating employees of an organisation, the material resources can also be used in a proper way which increases organisational efficiency.

iii) **Willingness for work :** In an organisation, there may have some employees who are physically and mentally capable to do work, but may not be willing to work. In such a situation, motivation can create willingness among the employees for work.

iv) **Good labour relations :** Motivation also helps an organisation in building up a good labour relation. Thereby motivation become beneficial to management and employees. So, motivation can reduce different labour problems such as absenteeism, labour turnover, indiscipline, grievances etc.

v) **Develops cooperation :** Motivation can build up team spirit. Thereby, motivation makes possible to increase collective effort of employees to the organisation. So, motivation forms the basis for cooperation to get the best achievement of organisation objectives.

vi) **Improve skill and knowledge :** Motivated employees always try to be as efficient as possible and to improve their skill and knowledge. Because, motivated emplyees always resolve to do their responsibilities in the best manner.

vii) **Boosts Morale :** Morale implies the attitude and feelings of employees about their work as well as situation of work. Motivation can improve the attitude and feelings of employees towards works. So, motivation can also improve morale of employees.

viii) **Facilitates change :** Research based fact says that properly motivated employees are more receptive to accept changes. So, motivation helps the employees to adjust with changing environment.

ix) **Sense of belongingness :** A proper motivation system can improve the sense of belongingness among the employees. As a result, employees can feel that organisation belongs to them. So, employees become more concerned about the well being of the organisation.

x) **Achieve organisational objectives :** Motivation can be defined as core of management. By motivation managers directly encourage the employees towards the accomplishment of organisational objectives.

8.5 CLASSICAL THEORIES OF MOTIVATION

Now, we are aware of the fact that motivating the employees is very important in organisations. But motivating employees is a difficult task for the managers.

Many researches have been carried out on motivation. All of them emphasise that due to complex nature of human being no generalisation is possible. On the other hand, all theories are not universally applicable and these are affected by time, country, and circumstances. Various classical and modern theories of motivation can be classified as below -

8.5.1 Maslow's Need Hierarchy Theory

A.H. Maslow has developed the Need Hierarchy Theory for understanding human needs. According to Maslow, human needs tend to follow a basic hierarchical pattern form the most basic needs to the highest level needs. Until the basic needs are fulfilled, person will not try meet his higher level needs. The theory of Maslow is based on the needs of the people. He proposed a hierarchy of five types of needs which are mentioned below-

1) **Physiological needs :-** These are the primary needs of human beings and relate to the survival of the body. These needs are more or less universal. These are called the needs of lowest level and they are to be satisfied first for existence and survival.

Unless these needs are satisfied to the degree needed for the efficient operation of the body, the majority of a person's activities will be at this level and the other needs will provide him with little motivation. So, this is a powerful motivating force.

i) **The physiological needs :** These need are - Food, shelter, clothing, water, air, sleep, sex etc.

ii) **Safety or Security needs :** These needs come next in the hierarchy. They are concerned with physical and financial security. Man is always worried about security as life is full of uncertainities. So human beings always expect physical security, job security and security of income at all times. In an organisation, management can motivate employees by providing security against uncertainties in the form of secured jobs, insurance plans and pension plans.

Example of safety needs are Protection against deprivation, danger and threat on or off the job e.g. unemployment, protection from physical harm, ill health, old age or any other reason.

iii) **Social needs :** Man being a social animal is always interested to live in a society or group which loves him most. He wants to give or receive love. These are to be reflected by recognition, conversation, sociabitity, exchange of feelings and grievances, acceptance and friendship. When social needs become dominant, a person will strive for meaningful relations with others. If the opportunity for association with other people is reduced, men often take vigorous action against the barriers to social intercourse.

Examples of social needs are: affection, love, friendship, acceptance by the group, communication etc.

iv) **Esteem or Ego needs :** These needs relate to the prestige and respect of the individual and include such things as self-confidence, independence, achievement, competence, Knowledge and control. Satisfation of thse needs produces feelings of self-confidence, prestige, power and control.. The esteem needs can be classified mainly into two types, such as

1) Self -esteem needs 2) Public esteem needs. Self-esteem needs refer to an individual's feeling that he is doing something worth while, While the public esteem needs refer the image in the eyes of the public like praise, admiration and public appreciation etc.

Examples of esteem needs are: Status, approval, appreciation, freedom from control, recognition, self- respect of others.

v) Self Actualisation need : It is also called self realisation needs. This refers to the need to realise specific goals. It is need "to become everything that one is capable of becoming". According to Maslow "This need might be phrased as the desire to become more and more what one is to become everything that one is capable of becoming." A musician must make music, a peot must write, a general must win battles, an artist must paint, a teacher must teach if he is to be ultimately happy.

Examples of self actualisation need are : need for self-development, self-actualisation, self-advancement, desire to take on increased responsibilities etc.

Maslow's needs hierarchy is illustrated with the help of the following diagram.

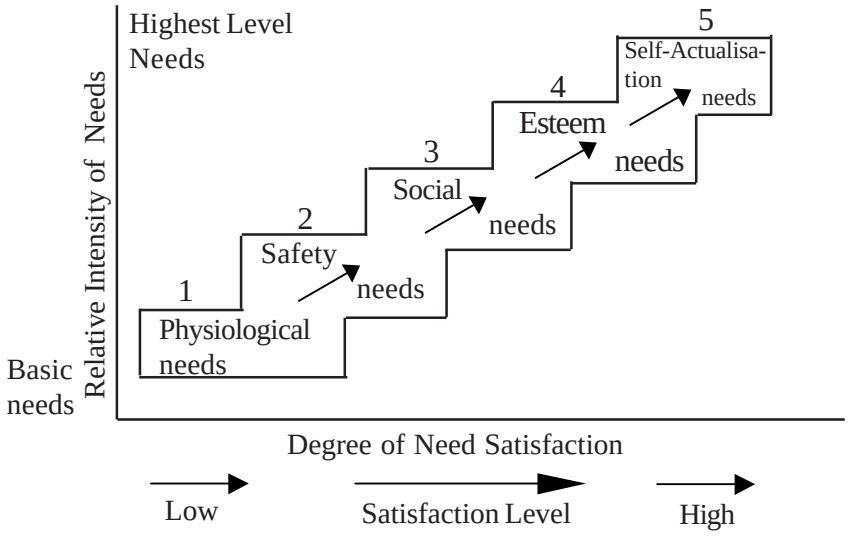


Figure 8.2 : Maslow's need hierarchy theory of Motivation



Figure 8.3 : Maslow's need hierarchy theory of Motivation with General and Organisational examples

8.5.2 MC GREGOR'S Theory X and Theory Y

Theory X and Theory Y were propounded by Douglas Mc Gregor who was a known psychologist. These theories are based on the dual nature of human beings. According to these theories all management actions flow from two assumptions.

Theory X :

This is a traditional theory of management. Theory X contains a set of negative assumptions about human behaviour.

Assumption of Theory X :

i) The average human being is basically lazy and has an inherant dislike for work. He will avoid work, if he can.

ii) Many people lack admbition. They are not interested in achievement. They like to be directed.

iii) Most people have little creativily for solving organisalional problems.

iv) Most people are indifferent to organisational goals.

v) Most people must be closely controlled and often threatened to

achieve organisaliona goals.

vi) Motivation of average human beings occur at the psychological and safety levels.

Assumption of Theory Y:

i) The average person does not inherently dislike work. He considers work is as natural as play, if the conditions are favourable.

ii) External control and threat of punishment are not the only ways for bringing about efforts towards ortganisational objectives. Self-control and committment to the objectives of the organisation is often indispensible in achiving organisational goals.

iii) Average human being under proper conditions not only accept but balso seek responsibility. Avoidance of responsibility, lack of ambition and emphasis on security are generally the consequences of experience not inherent in human charecteristics.

iv) The capacity of employees to cooperate with the management in solving organisational problems is widely present.

v) The modern industrial system have partially utilised the intellectual potentialities of employees.

Evaluation of Theory X and Theory Y :-

These theories are important tools in understanding the behaviour of human. It is also helpful in designing the incentive schemes to motivate the employees of an organisation. Of course, these two theories are not equally applicable to every situation as well as for all type of employees. The Theory X is suitable for unskilled and uneducated employees. On the other hand, Theory Y is suitable for skilled and educated employees. So management should combine

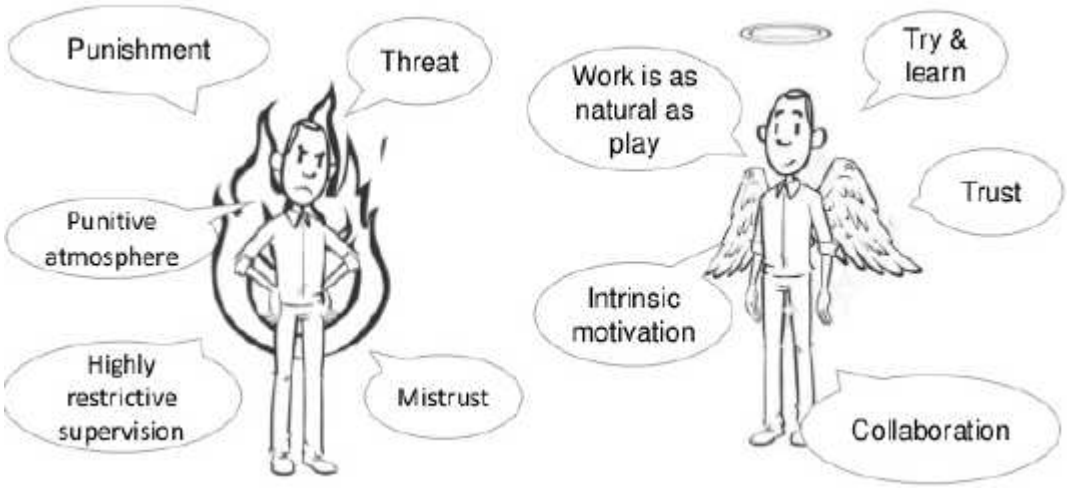


Figure 8.4: Theory X and Theory Y

(Image source:/www.slideshare.net/CornelFATULESCU)

8.5.3. HERZBERG's Two Factor Theory :

During the late 1950's Fredrick Herzberg, a US behavioural scientist (Psychologist) and his associates developed two factor theory of motivation. This theory is also known as Motivaion Maintenance Theory and Motivation Hygiene Theory. According to this theory, work dissatisfaction and satisfaction arise from two different sets of factors. These are motivational factors and Hygiene or maintenance factors. These are described below -

Motivational Factors: These factors are mostly related to the job itself.The availability of these factors create a highly motivating situation. On the other hand, absence of these factors does not cause dissatisfaction. According to Herzberg, there are mainly six motivational factors, such as Achievement, Recognition, Advancement, possibility of growth and responsibility. Motivational factors are the primary cause of job satisfaction. The employer can increase the performance of employees by providing these factors. These factors differ from individual to individual.

Hygiene or Maintenance factors: Hygiene factors are mostly related to environment outside the job. Though, the availability of hygiene factors do not significantly motivate the employees, yet the absence of these factors cause serious dissatisfaction. These factors are necessary to maintain a reasonable level of satisfaction among the employees. According to Herzberg, various hygiene factors are: company policies, and administration, supervision, interpersonal relationships, salary, job security working conditions, job status, personal life etc.

The Herzberg's theory of motivation is shown by the following diagram

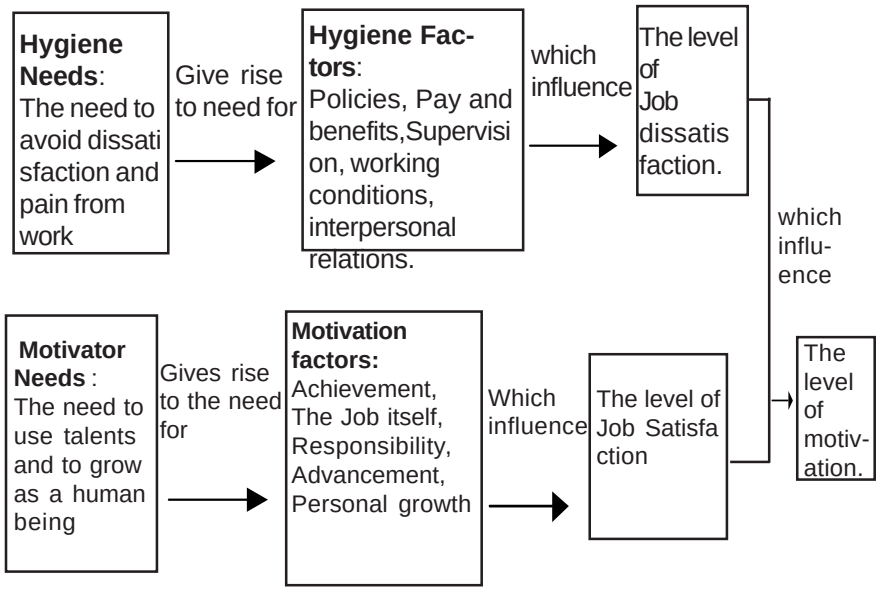


Figure 8.5: Herezberg's Theory of Motivation

8.6 MODERN THEORIES OF MOTIVATION

By now we got a fair idea and got familiar with the classical theories of motivation, but they all are not empirically supported. As far as modern theories of motivation are concerned, all are well supported with evidences. Some of the modern theories of motivation are explained in the following subsections.

8.6.1 Alderfer's ERG Theory

Clayton Alderfer condensed the Maslow's five needs categories into three sets. According to Alderfer there is a doubt about the existence of the five distinct needs of Maslow. Because,there is a overlapping between the security, social and physiological needs Moreover, the lines between esteem social and self-actualisation needs are not entirely clear. According to Clayton Alderfer, three sets of human need are as follows

i) **Existence Need :-** These include all forms of material and physiological and safety needs ie. Maslow's first two level needs.

ii) **Relatedness Need :** This includes all needs that involve relationships with other people we care about. Relatedness needs cover Maslow's social needs and esteem needs which are derived from other people.

iii) **Growth Need :-**Growth need is like Self - Actualisation need of Maslow. Growth needs involve persons making creative efforts to achieve full potential in the existence environment.

In ERG theory, the Maslow's theory is also revised in the following three ways :-

i) According to Alderfer the three need categories form hierarchy in the sense of decreasing concertedness. Because, we move from a focus on existence to relatedness to growth needs, the ways we can satisfy those needs become increasingly abstract.

ii) He recognised that rise in the level of satisfaction of our existence and relatedness needs may result in decrease in their importance to us. If we can successfully satisfy our growth needs, then these will become more important. Hence, as we are able to be productive and creative, we look to higher goals and we are again dissatisfied.

iii) According to Alderfer, we try to satisfy our most concrete needs and we tend to move on to more abstract needs. Likewise, Maslow, Alderfer also argued that as one need is satisfied we proceed to the next higher need, Further he argued that alongwith

satisfaction progression, we can experience frustration. So if we are unable to satisfy needs to a given level of abstractness, then we drop back and focus on more concrete needs. Hence, if we are unable to satisfy our growth needs, we again focus on relatedness needs, Thus we can go in cycles, focusing on one need, then another and then back again

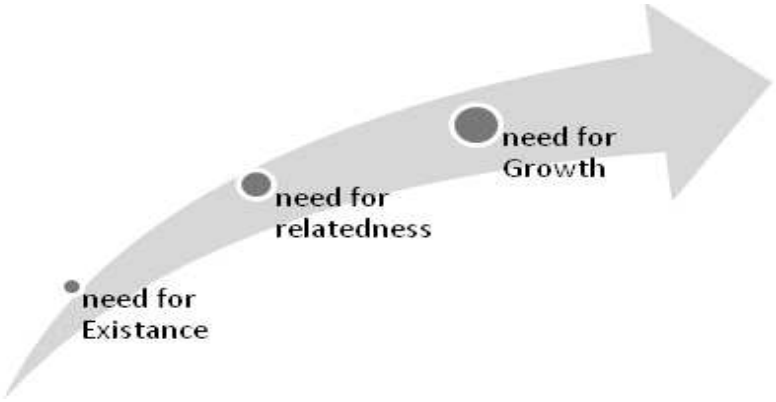


Figure 8.6: ERG theory

8.6.2 Vroom's Expectancy Theory

This theory was introduced by Victor Vroom in 1964. According to this theory motivation is a product of the anticipated worth to a person of an action and the perceived probability that a person's goals would be achieved.

This theory is based on three concepts, such as Valence, Expectancy and Instrumentality. According to Vroom, motivation is a force which is equivalent to the product of valence, expectancy and instrumentality. Below, we briefly describe these three concepts.

i) **Expectancy :-**Expectancy is the effort performance probability. Expectancy is the extent to which a person feels that his effort will lead to first level outcome in achieving the goals of the organisation. Expectancy is such type of probability that a specific action will lead to the outcome. It can also be defined as a perception in the mind of an individual that a particular action or behaviour will lead him to a certain outcome. The value of expectancy, is ranging between 0 and 1, because, it is an

association between effort and performance.If the probability of achieving an outcome is zero, then the person will not try at all. If the probability of outcome is higher, the person will agree to put more effort to achieve the desired outcome.

ii) **Instrumentality :** It implies to the degree to which a first level outcome will lead to a desired second level outcome. This is a relationship between the first level outcome and second level outcome. People will be motivated towards work if they expect enhanced effort to lead to reward and value the rewards resulting from their efforts.

iii) **Valence :-** It implies the preference that people have for a particular outcome or incentive or reward. Valence is the importance or value that an individual places on the potential outcome, which is achieved on the job. Valence becomes positive for a person, if he prefers attaining the outcome to not attaining it. If the person prefers not attaining outcome to attaining outcome, then his valence will be negative, In cases, where he is indifference towards the outcome his valence will be zero.

So, according to this theory motivation can be expressed in the form of an equation as given below.

Motivation = V x Ex I.

Where, V = Valence, E = expectancy and I = Instrumentality.



Figure 8.7: Vroom's Expectancy Theory



LET US KNOW

Presently, the effort of management scientists has centred round how to convert the process (moving the organisation most effectively to reach the goal) to a piece of science -where the output variables can be predicted given the input variable.

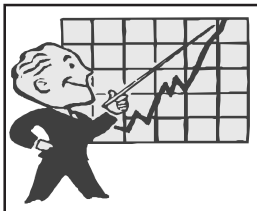
Generalizations in behavioural models are tainted heavily with two kinds of constraints : i) the situational constraints and ii) the personal constraints. Behavioural research and behavioural science aim at locating general laws of human behaviour under given environment. In the context of enterprise management what is important is to modify employee's behaviour so as to direct it towards enterprise objectives. If behavioural laws could be traced that regulate enterprise behaviour, it could be modified by manipulating the caused variable that lead to such behaviour.



ACTIVITY 8.1

1. " Observers have noticed a relationship chain between employee's needs, motivation, employees' behaviour and enterperise objectives" - Give your comment.

2. "Man is bundle of complex instincts-physical, intellectual, social, spiritual, economic, and psychological desires, Explain how can a good manager use these instincts and desire in motivating his subordinates ?



CHECK YOUR PROGRESS

Q3: What are the three human needs according to Alderfer's ERG Theory.

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Q4: What is Vroom's Expectancy Theory.

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8.6.3 McClelland's Theory of Needs

David McClelland theory of Needs Achievement Motivation Theory states that human behaviour is affected by three needs - Need for *Power*, *Achievement* and *Affiliation*.

1. Need for power is the desire to influence other individual's behaviour as per your wish. In other words, it is the desire to have control over others and to be influential.
2. Need for achievement is the urge to excel, to accomplish in relation to a set of standards, to struggle to achieve success.
3. Need for affiliation is a need for open and sociable interpersonal relationships. In other words, it is a desire for relationship based on co-operation and mutual understanding.

The individuals with high achievement needs are highly motivated by competing and challenging work. They look for promotional opportunities in job. They have a strong urge for feedback on their achievement. Such individuals try to get satisfaction in performing things better. High achievement is directly related to high performance. Individuals who are better and above average performers are highly motivated. They assume responsibility for solving the problems at work. McClelland called such individuals as gamblers as they set challenging targets for themselves and they take deliberate risk to achieve those set targets. Such individuals look for innovative ways of performing job. They perceive achievement of goals as a reward, and value it more than a financial reward.

The individuals who are motivated by power have a strong urge to be influential and controlling. They want that their views and ideas should dominate and thus, they want to lead. Such individuals are motivated by the need for reputation and self-esteem. Individuals with greater power and authority will perform better than those possessing less power. Generally, managers with high need for power turn out to be more efficient and successful managers. They are more determined and loyal to the organization they work for. Need for power should not always be taken negatively. It can be

viewed as the need to have a positive effect on the organization and to support the organization in achieving it's goals.

The individuals who are motivated by affiliation have an urge for a friendly and supportive environment. Such individuals are effective performers in a team. These people want to be liked by others. The manager's ability to make decisions is hampered if they have a high affiliation need as they prefer to be accepted and liked by others, and this weakens their objectivity. Individuals having high affiliation needs prefer working in an environment providing greater personal interaction. Such people have a need to be on the good books of all. They generally cannot be good leaders.

8.6.4 Goal Setting Theory of Motivation

In 1960's, Edwin Locke proposed the Goal-setting theory of motivation which states that goal setting is linked to task performance. It states that specific and challenging goals along with appropriate feedback contribute to higher and better task performance. In simple words, goals indicate and give direction to an employee about what needs to be done and how much efforts are required to be put in.

The important features of goal-setting theory are as follows:

- The willingness to work towards attainment of goal is main source of job motivation. Clear, particular and difficult goals are greater motivating factors than easy, general and vague goals.
- Specific and clear goals lead to greater output and better performance.
- Unambiguous, measurable and clear goals accompanied by a deadline for completion avoids misunderstanding.
- Goals should be realistic and challenging. This gives an individual a feeling of pride and triumph when he attains them, and sets him up for attainment of next goal.
- The more challenging the goal, the greater is the reward and the more is the passion for achieving it.
- Better and appropriate feedback of results directs the employee

behaviour and contributes to higher performance than absence of feedback.

- Feedback is a means of gaining reputation, making clarifications and regulating goal difficulties. It helps employees to work with more involvement and leads to greater job satisfaction.
- Participation of setting goal, however, makes goal more acceptable and leads to more involvement.

8.6.5 Reinforcement Theory of Motivation

Reinforcement theory of motivation was proposed by BF Skinner and his associates and it states that individual's behaviour is a function of its consequences. It is based on "law of effect", i.e, individual's behaviour with positive consequences tends to be repeated, but individual's behaviour with negative consequences tends not to be repeated.

Reinforcement theory of motivation overlooks the internal state of individual, i.e., the inner feelings and drives of individuals are ignored by Skinner. This theory focuses totally on what happens to an individual when he takes some action. Thus, according to Skinner, the external environment of the organization must be designed effectively and positively so as to motivate the employee. The following are the types of reinforcement:

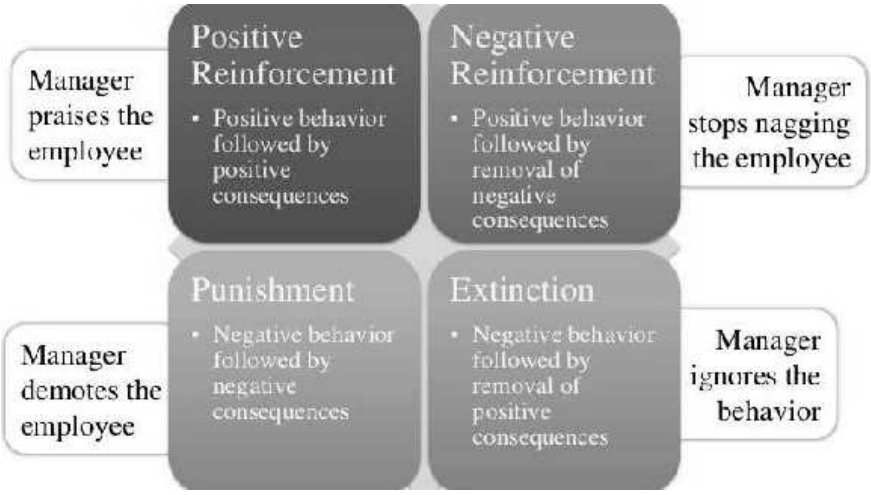


Figure 8.8: Reinforcement theory of Motivation

1. **Positive Reinforcement:** This implies giving a positive response when an individual shows positive and required behaviour. For example - Immediately praising an employee for coming early for job. This will increase probability of outstanding behaviour occurring again. Reward is a positive reinforce, but not necessarily. If and only if the employees' behaviour improves, reward can said to be a positive reinforcer. Positive reinforcement stimulates occurrence of a behaviour. It must be noted that more spontaneous is the giving of reward, the greater reinforcement value it has.

2. **Negative Reinforcement:** This implies rewarding an employee by removing negative / undesirable consequences. Both positive and negative reinforcement can be used for increasing desirable / required behaviour.

3. **Punishment:** It implies removing positive consequences so as to lower the probability of repeating undesirable behaviour in future. In other words, punishment means applying undesirable consequence for showing undesirable behaviour. For instance - Suspending an employee for breaking the organizational rules. Punishment can be equalized by positive reinforcement from alternative source.

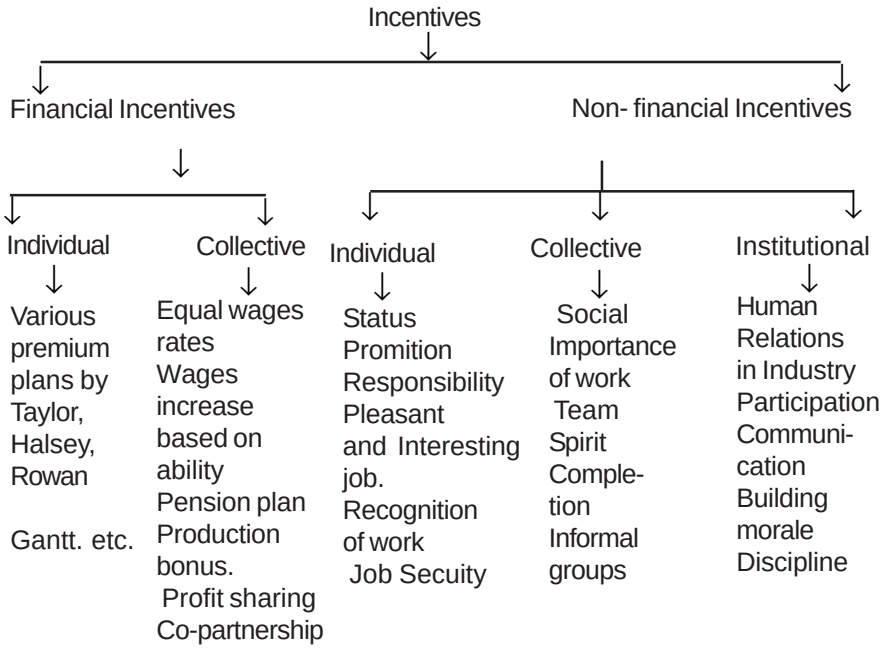
4. **Extinction:** It implies absence of reinforcements. In other words, extinction implies lowering the probability of undesired behaviour by removing reward for that kind of behaviour. For instance - if an employee no longer receives praise and admiration for his good work, he may feel that his behaviour is generating no fruitful consequence. Extinction may unintentionally lower desirable behaviour.

8.7 TECHNIQUES OF MOTIVATION

In human behaviour, individual need plays the role of driving force. So the management should try to govern the behaviour of employees in satisfying their needs.

Incentives are the objects which are perceived to satisfy their needs.

Individuals have both financial needs and non-financial needs. On the basis of these two needs, management uses two different types of techniques for motivation. These are financial incentives and non- financial incentives.From the following chart we may understand different financial and non- financial incentives.



8.7.1 FINANCIAL INCENTIVES

Financial incentives imply that more payment of money to the worker is an important motivating factor. Financial incentives are also called monetary incentives. These include wages, salaries, bonus, prize, income on investment and dividend. Money has the highest exchange value. So people can satisfy their needs through money. Of course, monetary incentives can be for the positive work. Such as amount of money paid to increase production or to do more work. On the other hand, monetary incentives may be for negative work, such as for not doing a work or doing less work, prize is given as on less absence etc. Moreover, financial incentives may be given personally as well as collectively.

8.7.2 NON-FINANCIAL INCENTIVES

Non-financial incentives imply all social and psychological attractions through which workers are encourged to fulfil their best and more work. Though money is an impotant incentive, yet workers do not work only for money. They also want to take incentives for satisfying their social and psychological needs. Non-financial incentives improve the workers interest in work, minimise accidents, and create interest in organisations. Non- financial incentives may be personal, collective and institutional.

Distinctions between financial and non- financial incentives-

Financial incentives differ from non- financial incentives in the following ways.

S. No	Basis of Distrinction	Financial Incentives	Non- Financial Incentives
1.	Mode	Financial incentives are given in terms of money such as wages, salary, bonus, commission	Non- Financial incentives are not given in terms of money
2.	Basis of Determin-ation	Financial incentives are determined on the basis of cost of living, agreement of service, benefits offered by the competitors. etc.	Non - financial incentives are determined on the basis of nature of job, attitude of management and aspirations of em-ployees.
3	Level	Financial incentives are used to motivate employ-ees and workers	Non- financial incentives are used to motivate managerial personnel, such as Directors, managers, chairman etc.

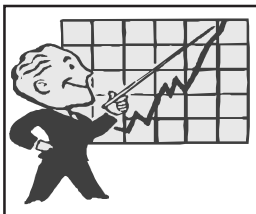
Table 8.1: Distinction between Financial and non-financial incentives



ACTIVITY

1. Money holds the key to work motivation in modern business organisation" Do you agree with this statement. Give reasons for your answer.

2. "Non- financial incentives are as strong motivators as the financial incentives" Mention few situations, where employees want to enjoy both non- financial and financial incentives.



CHECK YOUR PROGRESS

Q5: What is McClelland's Theory of Needs?

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Q6: Write any four features of Goal Setting Theory.

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8.8 LET US SUM UP

Motivation is highly individualistic. Motivation is a process of influencing to influence others, to do your will through the possibility of gaining reward. Different theories of motivation have been developed by different authorities. A.H. Maslow has developed a need hierchy model, which includes five needs of human such as physiological needs and safety needs, social needs, esteem needs and self actualisation needs. According to him these human needs tend of follow a basic hierarchical pattern from physiological needs to the self- actualisation needs. On the other hand, Mc Gregor introduced Theoy X and Theory Y. These theories are based on the dual nature of human beings. The Theory X assumes that average people are basically lazy and dislike work. The Theory Y assumes that person does not inheretly dislike work. On the basis of these two theories management can formulate various incentive schemes. There are financial and non - financial incentives.



8.9 FURTHER READING

1. L.M Prasad (2015); "*Principles and Practice of of Management*",Ninth Edition, Suttan Chand and sons, New Delhi.
2. R.N. Gupta, S(2010); *"Principles of Management"*, S Chand & Company Pvt Ltd, New Delhi.
3. Shyamal Banerjee (1981), '*Principles and Practice of Management'* , Oxford and IBH Publishing Co. Pvt. Ltd, New Delhi.

8.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q1: Motive is an internal factor that integrates a man's behaviour. Motive can be known by studying the behaviour of a person. Different motives operate at different times among different people and influence their behaviour.

Ans to Q2: An unsatisfied need creates tension and the person will not be able to give attention on his duites and activities. When a person is not able to satisfy his needs then he will not be stable at his work and suffers from frustration.

Ans to Q3: Three sets of human needs as states by Alderfer are:

i) Existence Need

ii) Relatedness Need

iii) Growth Need

Ans to Q4: According to Vroom's Expectancy Theory, motivation is a product of the anticipated worth to a person of an action and the perceived probability that a person's goals would be achieved.

Ans to Q5: The theory states that, human behaviour is affected by three needs – Need for Power, Achievement and Affiliation.

Ans to Q6: The features of goal setting theory are :

i) Willingness to work towards goal

ii) Unambiguous, measurable and clear goals

iii) More challenging goal, greather is the reward

iv) Goals must be realistic and challenging.



8.11 MODEL QUESTIONS

Q.1. What is motivation ?

Q.2. Explain Maslow's Theory of Motivation? How does this theory help the managers in motivating employees

Q.3. Explain the Theory X and Theory Y. How is Theory Y is an improvement over traditional views?

Q.4. Describe various financial and non- financial incentives.

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UNIT 9: INTRODUCTION TO ORGANIZATIONAL BEHAVIOUR (OB)

UNIT STRUCTURE

9.1 Learning Objectives

9.2 Introduction

9.3 Historical Perspective to OB

9.4 Basic Approaches of OB

9.4.1 Importance of OB

9.4.2 Relationship between Management Process and OB

9.5 The Framework for Learning OB

9.6 Challenges in OB

9.7 Human Resources Management and OB

9.8 Globalization and OB

9.9 Let Us Sum Up

9.10 Further Readings

9.11 Answers To Check Your Progress

9.12 Model Questions

9.1 LEARNING OBJECTIVES

After going through this unit you will be able to:

- define OB
- describe historical perspectives of OB
- explain approaches to OB
- discuss importance of OB
- analyse framework for learning OB
- describe relationship between management processs and OB
- describe relationship between Human Resources Management and OB
- discuss the challenges in OB
- explain globalization and OB

9.2 INTRODUCTION TO ORGANIZATIONAL BEHAVIOUR (OB)

Organizations are social systems. If one wishes to work in them or to manage them, it is necessary to understand how they operate. Organizations combine science and people – technology and humanity. Unless we have qualified people to design and implement, techniques alone will not produce desirable results. Human behaviour in organizations is rather unpredictable. It is unpredictable because it arises from people's deep-seated needs and value systems. However, it can be partially understood in terms of the framework of behavioural science, management and other disciplines.

Organizational Behaviour is field of study that investigates the impact that individuals, groups and structure have on behaviour within organization. It is the study and application of knowledge about how people act within organizations. It is a human tool for human benefit. It applies broadly to the behaviour of people in all types of organizations, such as business, government, schools and services organizations. It covers three determinants of behaviour in organizations: individuals, groups, and structure. It applies the knowledge gained about individuals, and the effect of structure on behaviour, in order to make organizations work more effectively. OB covers the core topics of motivation, leadership behaviour and power, interpersonal communication, group structure and process, learning, attitude development and perception, change process, conflict, job design and work stress.

9.3 HISTORICAL PERSPECTIVES OF OB

Different writers have provided different categorization schemes for studying organizational behaviour. In order to facilitate easy understanding, we can identify the following theories which had contributed to the evolution of management theory.

Max Webber's Bureaucratic theory of Management

It was Max Webber who propounded the bureaucratic theory of organisation and management. The term 'bureaucracy' has been widely used with

invidious connotations directed at government and business. Bureaucracy is an administrative system designed to accomplish large-scale administrative tasks by systematically coordinating the work of many individuals. Weber has observed three types of power in organisations: traditional, charismatic and rational-legal or bureaucratic. He has emphasised that bureaucratic type of power is the ideal one.

Characteristics of Weber's Bureaucracy:

Weber has given a number of features of bureaucracy. Accordingly, following features suggest the characteristics of bureaucratic organisations.

1. Administrative Class:

Bureaucratic organisations generally have administrative class responsible for maintaining coordinative activities of the members.

2. Hierarchy:

The basic feature of bureaucratic organisation is that there is hierarchy of positions in the organisation. Hierarchy is a system of ranking various positions in descending scale from top to bottom of the organisation.

3. Division of Work:

Work of the organisation is divided on the basis of specialisation to take the advantages of division of labour. Each office in the bureaucratic organisation has specific sphere of competence.

4. Official Rules:

A basic and most emphasised feature of bureaucratic organisation is that administrative process is continuous and governed by official rules. Bureaucratic organisation is the antithesis of ad hoc, temporary, and temporary and unstable relations. A rational approach to organisation calls for a system of maintaining rules to ensure requirements of uniformity and coordination of efforts by individual members in the organisation.

5. Impersonal Relationships:

A notable feature of bureaucracy is that relationships among individuals are governed through the system of official authority and rules. Official positions are free from personal involvement, emotions and sentiments. Thus, decisions are governed by rational factors rather than personal factors.

6. Official Record:

Bureaucratic organisation is characterised by maintenance of proper official records. The decisions and activities of the organisation are formally recorded and preserved for future reference.

Benefits of Bureaucracy:

The following are the advantages of Bureaucracy:

1. The rules and procedures are decided for every work it leads to, consistency in employee behaviour. Since employees are bound to follow the rules etc., the management process becomes easy.

2. The duties and responsibilities of each job are clearly defined there is no question of overlapping or conflicting job duties.

3. The selection process and promotion procedures are based on merit and expertise. It assists in putting right persons on right jobs. There is optimum utilisation of human resources.

Disadvantages of Bureaucracy:

The following are the disadvantages of Bureaucracy:

1. This system suffers from too much of red tape and paper work.

2. The employees do not develop belongingness to the organisation.

3. The excessive reliance on rules and regulations and adherence to these policies inhibit initiative and growth of the employees. They are treated like machines and not like individuals. There is neglect of human factor.

Frederick Winslow Taylor's Scientific Management

Frederick Winslow Taylor (1856-1915) was an American inventor and engineer that applied his engineering and scientific knowledge to management and developed a theory called scientific management theory. In broad terms, scientific management theory is the application of industrial engineering principles to create a system where waste is avoided, the process and method of production is improved, and goods are fairly distributed. These improvements serve the interests of employers, employees, and society in general.

The concept of scientific management is based on 4 basic principles:

1. Each task must be scientifically designed so that it can replace the old, rule-of-thumb methods.

2. Workers must be scientifically selected and trained so that they can be more productive on their jobs.
3. Bring the scientifically designed jobs and workers together so that there will be a match between them.
4. There must be division of labour and cooperation between management and workers.

Key Concepts of Scientific Management

The key concepts of scientific management are:-

Scientific task planning: - Scientific task is the amount of work which an average worker can perform during a day under normal working conditions.

Time and motion studies: - This have been advocated by Taylor with a view to isolate the wasteful and unproductive motions on job. The time study would indicate the minimum time required to do a given job and the motion study is carried out to find out the best sequence of motions to do a job.

Standardization:- Under scientific management, certain standards have to be set in advance regarding task, raw material, quality, work method etc.

Differential piece rate system: - Taylor advocated differential piece rate system based on actual performance of the worker. In this scheme, a worker who completes the normal work gets wages at higher rate than a worker who fails to complete the same with the given time limit.

Functional foremanship:- Taylor advocated functional foremanship where a factory is divided in different components, each incharge of a specialty. These perform the planning function and provide the expert advice to the workers. The workers are expected to implement the commands of functional specialists.

Henri Fayol's Administrative Theory

Henri Fayol is known as the father of modern management theory, because of his pioneering efforts in systematizing the management principles. According to Fayol, managers should perform the following 5 functions –

1. Planning
2. Organizing
3. Commanding

4. Coordination
5. Controlling

Henri Fayol's 14 principles of management were discussed in unit1.

The Hawthorne Studies / Neo-Classical Theory

As we have allready discussed in Unit 1,the human relations theory (also called neo-classical theory) tried to compensate for the deficiencies in classical theory (scientific management and administrative management) modifying it with insights from behavioral sciences like psychology, sociology and anthropology. This theory gained popularity after the famous studies of human behavior in work situations conducted at the Western Electric Company from 1924 to 1933. These studies eventually became known as the 'Hawthorne Studies' because many of them were conducted at Western Electric's Hawthorne plant near Chicago.

Some of the major phases of Hawthorne experiments are as follows:

1. Illumination Experiments:

Illumination experiments were undertaken to find out how varying levels of illumination (amount of light at the workplace, a physical factor) affected the productivity. The hypothesis was that with higher illumination, productivity will increase. In the first series of experiments, a group of workers was chosen and placed in two separate groups. One group was exposed to varying intensities of illumination.

Since this group was subjected to experimental changes, it was termed as experimental group. Another group, called as control group, continued to work under constant intensities of illumination. The researchers found that as they increased the illumination in the experimental group, both groups increased production. When the intensity of illumination decreased, the production continued to increase in both the groups.

The production in the experimental group decreased only when the illumination was decreased to the level of moonlight. The decrease was due to light falling much below the normal level.

Thus, it was concluded that illumination did not have any effect on productivity but something else was interfering with the productivity. At that time, it was concluded that human factor was important in determining

productivity but which aspect was affecting, it was not sure. Therefore, another phase of experiments was undertaken.

2. Relay Assembly Test Room Experiments:

Relay assembly test room experiments were designed to determine the effect of changes in various job conditions on group productivity as the illumination experiments could not establish relationship between intensity of illumination and production. For this purpose, the researchers set up a relay assembly test room two girls were chosen.

These girls were asked to choose for more girls as co-workers. The work related to the assembly of telephone relays. Each relay consisted of a number of parts which girls assembled into finished products. Output depended on the speed and continuity with which girls worked. The experiments started with introducing numerous changes in sequence with duration of each change ranging from four to twelve weeks.

An observer was associated with girls to supervise their work. Before each change was introduced, the girls were consulted. They were given opportunity to express their viewpoints and concerns to the supervisor. In some cases, they were allowed to take decisions on matters concerning them.

Following were the changes and resultant outcomes:

1. The incentive system was changed so that each girl's extra pay was based on the other five rather than output of larger group, say, 100 workers or so. The productivity increase as compared to before.

2. Two five- minute rests one in the morning session and other in evening session were introduced which were increased to ten minutes. The productivity increased.

3. The rest period was reduced to five minutes but frequency was increased. The productivity decreased slightly and the girls complained that frequent rest intervals affected the rhythm of the work.

4. The number of rest was reduced to two of ten minutes of each, but in the morning, coffee or soup was served along with the sandwich and in the evening, snack was provided. The productivity increased.

5. Changes in working hours and workday were introduced, such as cutting an hour off the end of the day and eliminating Saturday work. The girls were allowed to leave at 4.30 p.m. instead of usual 5.00 p.m. and later at 4.00 p.m. productivity increased.

As each change was introduced, absenteeism decreased, morale increased, and less supervision was required. It was assumed that these positive factors were there because of the various factors being adjusted and making them more positive. At this time, the researchers decided to revert back to original position, that is, no rest and other benefits. Surprisingly, productivity increased further instead of going down.

This development caused a considerable amount of redirection in thinking and the result implied that productivity increased not because of positive changes in physical factors but because of the change in girls' attitudes towards work and their work group.

They developed a feeling of stability and a sense of belongings. Since there was more freedom of work, they developed a sense of responsibility and self-discipline. The relationship between supervisor and workers became close and friendly.

3. Mass Interviewing Programme:

During the course of experiments, about 20,000 interviews were conducted between 1928 and 1930 to determine employees' attitudes towards company, supervision, insurance plans, promotion and wages. Initially, these interviews were conducted by means of direct questioning such as "do you like your supervisor?" or "is he in your opinion fair or does he have favorites?" etc.

This method has disadvantage of stimulating antagonism or the oversimplified 'yes' or 'no' responses which could not get to the root of the problem, the method was changed to non- directive interviewing where interviewer was asked to listen to instead of talking, arguing or advising.

During the course of interviews, it was discovered that workers' behaviour was being influenced by group behaviour.

4. Bank Wiring Observation Room Experiment:

These experiments were conducted to find out the impact of small groups on the individuals. In this experiment, a group of 14 male workers were formed into a small work group. The men were engaged in the assembly of terminal banks for the use in telephone exchanges.

The work involved attaching wire with switches for certain equipment used in telephone exchanges. Hourly wage for each worker was fixed on the basis of average output of each worker. Bonus as also payable on the basis of group effort.

It was expected that highly efficient workers would bring pressure on less efficient workers to increase output and take advantage of group incentive plan. However, the strategy did not work and workers established their own standard of output and this was enforced vigorously by various methods of social pressure. The workers cited various reasons for this behaviour viz. fear of unemployment, fear of increase in output, desire to protect slow workers etc.

The following were the main conclusions drawn by Prof. Mayo on the basis of Hawthorne studies:

1. Social Unit:

A factory is not only a techno-economic unit, but also a social unit. Men are social beings. This social characteristic at work plays an important role in motivating people. The output increased in Relay Room due to effectively functioning of a social group with a warm relationship with its supervisors.

2. Group Influence:

The workers in a group develop a common psychological bond uniting them as £ group in the form of informal organisation. Their behaviour is influenced by these groups. Pressure of a group, rather than management demands, frequently has the strongest influence on how productive workers would be.

3. Group Behaviour:

Management must understand that a typical group behaviour can dominate or even supersede individual propensities.

4. Motivation:

Human and social motivation can play even a greater role than mere monitory incentives in moving or motivating and managing employee group.

5. Supervision:

The style of supervision affects worker's attitude to work and his productivity. A supervisor who is friendly with his workers and takes interest in their social problems can get co-operation and better results from the subordinates.

6. Working Conditions:

Productivity increases as a result of improved working conditions in the organisation.

7. Employee Morale:

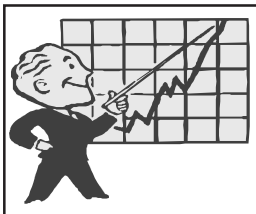
Mayo pointed out that workers were not simply cogs, in the machinery, instead the employee morale (both individual and in groups) can have profound effects on productivity.

8. Communication:

Experiments have shown that the output increases when workers are explained the logic behind various decisions and their participation in decision making brings better results.

9. Balanced Approach:

The problems of workers could not be solved by taking one factor i.e. management could not achieve the results by emphasizing one aspect. All the things should be discussed and decision be taken for improving the whole situation. A balanced approach to the whole situation can show better results.



CHECK YOUR PROGRESS

Q.1 Define Organisational Behaviour.

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Q.2 State two benefits of Bureaucracy.

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9.4 BASIC APPROACHES OF ORGANISATIONAL BEHAVIOUR

- **An Interdisciplinary Approach:** It is integrating many disciplines. It integrates social sciences and other disciplines that can contribute to the Organizational Behaviour. It draws from these disciplines any ideas that will improve the relationships between people and organization.
- **Scientific Management Approach:** The fundamental concern of the scientific management school was to increase the efficiency of the worker basically through good job design and appropriate training of the workers. Taylor is the father of the scientific management movement and he developed many ides to increase organizational efficiency. Taylor showed that through proper job design, worker selection, employee training and incentives, productivity can be increased. The scientific management school advocated that efficiency can be attainted by finding the right methods to get the job done, through specialization on the job, by planning and scheduling, by using standard operating mechanisms, establishing standard times to do the job, by proper selection and training of personnel and through wage incentives.
- **A Human Resources (Supportive) Approach:** It is developmental approach concerned with the growth and development of people toward higher levels of competency creativity and fulfilment, because people are the central resource in any organizations and any society. It helps people grow in self-control and responsibility and then it tries to create a climate in which all employees may contribute to the limits of their improved abilities. It is assumed that expanded capabilities and opportunities for people will lead directly to improvements in operating effectiveness. Work satisfaction will be a direct result when employees make fuller use of their capabilities.
- **A Contingency Approach:** Traditional management relies on one basic principle– there is one best way of managing things and these

things can be applied across the board in all the instances. The situational effect will be totally ignored in this traditional management. Situations are much more complex than first perceived and the different variables may require different behaviour which means that different environments required different behaviour for effectiveness. Each situation must be analyzed carefully to determine the significant variables that exist in order to establish the kinds of practices that will be more effective. Contingency theorist argues that the external environment and several aspects of the internal environment govern the structure of the organization and the process of management. Effective management will vary in different situations depending on the individual and groups in the organization, the nature of jobs, technology, the type of environment facing the organization and its structure.

- **A Systems Approach:** This implies that organization consists of many inter related and inter dependent elements affecting one another in order to achieve the overall results. Conceptually a system implies that there are a multitude of variables in organization and that each of them affects all the others in complex relationships. An event that appears to affect one individual or one department actually may have significant influences elsewhere in the organization. Systems theorists describe the organization as “open to its external environment”, receiving certain inputs from the environment such as human resources, raw materials etc, and engaging in various operations to transform those raw materials into a finished products and finally turning out the “outputs” in its final form to be sent to the environment. The organization, since it is open to the environment, also receives feedback from the environment and takes corrective action as necessary. This input-transformation process-output model with the feedback mechanism can be illustrated through a simple example.

9.4.1 Importance of Organizational Behaviour

- It builds better relationship by achieving people's, organizational, and social objectives.
- It covers a wide array of human resource like behaviour, training and development, change management, leadership, teams etc.
- It brings coordination which is the essence of management.
- It improves goodwill of the organization.
- It helps to achieve objectives quickly.
- It makes optimum utilization of resources.
- It facilitates motivation.
- It leads to higher efficiency.
- It improves relations in the organization.
- It is multidisciplinary, in the sense that applies different techniques, methods, and theories to evaluate the performances.

9.4.2 Relationship between Management Process and Organizational Behaviour

Although most of the times, the terms OB and management process are used synonymously, yet there exist certain minute differences between the two.

Organization is a structure with several subsystems where individuals and activities are organized to achieve certain predetermined goals through division of labour and coordination of activities. Division of labour refers to how the work is divided among the employees and coordination refers to how all the various activities performed by the individuals are integrated or brought together to accomplish the goals of the organization. The term organizing is used to denote one aspect of the managerial activities when he or she is preparing and scheduling the different tasks that need to be completed for the job to be done. Thus, organizational behaviour means the interaction between the individual and the organization.

Management refers to the functional process of accomplishing the goals of the organization through the help of

others. A manager is an individual who is given the responsibility for achieving the goals assigned to him or her as part of the overall goals of the organization and who is expected to get the job done. The terms top management, middle management and lower management are frequently used to indicate the hierarchical levels of those who are engaged in the process of getting the goals of the organization accomplished. Thus, the term management process is much broader and it is essential in all organizations in order to achieve the organizational goals.

9.5 THE FRAMEWORK FOR LEARNING OB

The basic OB model suggests study of the organization at following three levels:

1. Organization
2. Group
3. Individual

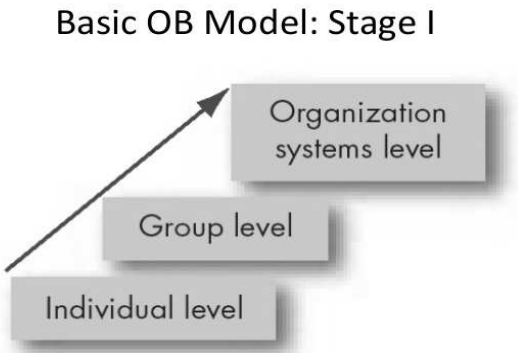


Figure 9.1: Basic OB Model

The purpose of understanding organizations from all three levels (individual, group, and organization) is to develop a well-rounded view that will prepare us for the challenges that managers face in today's business environment. Focusing on the individual level allows us to understand individual differences, perception, motivation, and learning. Focusing on the group level shows us how more than two people can work together in groups or teams within an organization. Focusing on the organization level allows us to see the effects of the organizational environment, technology, strategy, structure, and culture.

9.6 CHALLENGES IN OB

Following are the major challenges in OB:

- **Improving People Skills:** Technological changes, structural changes, environmental changes are accelerated at a faster rate in business field. Unless employees and executives are equipped to possess the required skills to adapt those changes, the achievement of the targeted goals cannot be achieved in time. There two different categories of skills – managerial skills and technical skills. These skills can be enhanced by organizing a series of training and development programmes, career development programmes, induction and socialization etc.
- **Improving Quality and Productivity:** Quality is the extent to which the customers or users believe the product or service surpasses their needs and expectations.
- **Managing Workforce Diversity:** This refers to employing different categories of employees who are heterogeneous in terms of gender, race, ethnicity, relation, community, physically disadvantaged, homosexuals, elderly people etc. The primary reason to employ heterogeneous category of employees is to tap the talents and potentialities, harnessing the innovativeness, obtaining synergetic effect among the divorce workforce.
- **Empowering People:** The main issue is delegating more power and responsibility to the lower level cadre of employees and assigning more freedom to make choices about their schedules, operations, procedures and the method of solving their work-related problems. Encouraging the employees to participate in work related decision will sizably enhance their commitment at work. Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them. Due to the implementation of empowerment concepts across all the levels, the relationship between managers and the employees is reshaped.

- **Stimulating Innovation and Change:** Today's successful organizations must foster innovation and be proficient in the art of change; otherwise they will become candidates for extinction in due course of time and vanished from their field of business. Victory will go to those organizations that maintain flexibility, continually improve their quality, and beat the competition to the market place with a constant stream of innovative products and services.
- **Emergence of E-Organization:** The application of Internet operations initially covered a small part of the business. But today, millions of firms are now selling anything over the Internet. They are using e-business applications to improve communications with internal and external stakeholders and to better perform traditional business functions.
- **Improving Ethical behaviour:** The complexity in business operations is forcing the workforce to face ethical dilemmas, where they are required to define right and wrong conduct in order to complete their assigned activities. Differentiating right things from wrong behaviour has become more blurred. Following unethical practices have become a common practice such as successful executives who use insider information for personal financial gain, employees in competitor business participating in massive cover-ups of defective products etc.

9.7 HUMAN RESOURCE MANAGEMENT (HRM) AND OB

The relationship between organizational behaviour and human resource management stems from the fact that human resource management can be used as a tool for shaping organizational behaviour. Organizational behaviour is a term used to define the concept of the behaviour for individuals who constitute the human elements of an organization. This is related to human resources, which is a concept that is used to describe the management of the employees in any organization. From the description of the two terms, it is easy to see how organizational behaviour and human resource management are related.

The effective use of human resources can be used to shape the perceptions and behavior of the employees in an organization, resulting in a desired outcome in their organizational behavior. This link between organizational behavior and human resource management can be seen in the area of the workers' attitudes toward their jobs. Part of the responsibilities of the human resources department is managing the issues related to the welfare of the employees in an organization. When this responsibility is pursued diligently, the employees will have a more positive attitude toward their jobs and will be more willing to go the extra mile in furthering their duties.

A recognition of the fact that it is the individual employees within an organization who carry out whatever organizational behavior is in place in the establishment also shows a link between organizational behavior and human resource management. Since the individuals are the vehicles for organizational behavior they can be nudged in the right direction through the human resource department, which is charged with the management of employees. Examples of proper management for employees include the organization of orientation courses or classes for new employees where they will be informed about the corporate image of the organization and the expected organizational behaviour from employees needed to maintain that image.

One of the factors of organizational behaviour is the attitude of employees toward each other, ranging from the communication of management to employees, communication between the various levels of employees, and communication between employees and those outside the organization. Employees will be more productive in an atmosphere where they feel they can thrive, such as one where the relationships are clearly defined. Part of the responsibility of human resource is to enable such an environment within the organization through effective application of targeted good organizational practice.

9.8 GLOBALIZATION AND OB

The importance of organizational behaviour (OB) has accentuated subsequent to globalization and the consequent changes in business practices. Globalization has many dimensions. The most general is the

economic globalization. OB studies are now increasingly becoming complex due to the effect of globalization. Some of the important areas of concern are changing technology with a sharp increase in cross-border technology transfers, the mobility of organizations and people in the global world, the competition for markets and customers on a global scale, etc.

Globalization can be taken to mean the increasing trend to interaction beyond physical boundaries. The causes of globalization include deregulation and privatization of public sectors in certain countries, technological convergence, and increased competition. Furthermore, globalization has taken many forms such as foreign investment and international partnerships.

From the perspective of business organiza-tions, there are three different types of globalizations—multinationals, global, and international companies. The cascading effect of globalization even transcends to the tasks or the operational environments of business organiza-tions.

The effect of globalization on organizations is an increase in alliances and partnerships rather than on authority and control. This is characterized by the breakdown of tall hierarchies, increase in use of teams, reorganization of functional departments into cross-functional groups, reduction in centralized control, and allowing more local autonomy.

Another key aspect, from the perspective of a business organization, is the harvesting of the knowledge of the people. This is facilitated by knowledge management practices, using various tools, techniques, and values. Through knowledge management, organizations can acquire, develop measure, distribute, and provide a return on their intellectual assets.

Globalization has also changed the nature of managerial work, requiring managers, in the globalized era, to increase their judgmental power, use of persuasion and influence, shaping of the behaviour of the people, etc.

CHECK YOUR PROGRESS

Q.3 State two points on importance of Organisational Behaviour.

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Q.4 State two challenges in OB.

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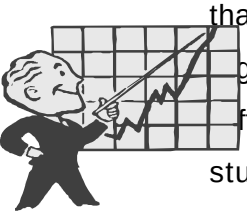
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9.9 LET US SUM UP

In this unit we have discussed the following:

- Organizational Behaviour is field of study that investigates the impact that individuals, groups and structure have on behaviour within ganization.



fferent writers have provided different categorization schemes for studying organizational behaviour. In order to facilitate easy understanding, we can identify the following theories which had contributed to the evolution of management theory.

- Max Webber's Bureaucratic theory of Management
- Frederick Winslow Taylor's Scientific Management
- Henri Fayol's Administrative Theory
- Hawthorne Studies / Neo-Classical Theory
- Then we have discussed different approaches to Organisational Behaviour such as : interdisciplinary approach, Scientific Management Approach,Contingency Approach, Systems Approach etc.
- Next we have discussed framework for learning OB and its challenges.
- At the end of the unit, we have discussed the relationship between organisational behaviour and human resource management.



9.10 FURTHER READINGS

1) Gupta R.N. (2006). *Business organisation and management*, New Delhi, S. Chand &b Company Ltd.

2) Knootz Harold & Weihrich Heinz (2007). *Essentials of management: An international perspective*. New Delhi, Tata McGraw Hill.

3) Dutta M. (2002). *Management Control System*. New Delhi, S. Chand & Company Ltd.

9.11 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Organizational Behaviour is field of study that investigates the impact that individuals, groups and structure have on behaviour within organization.

Ans to Q No 2: The two benefits of bureaucracy are as follows

1. The rules and procedures are decided for every work it leads to, consistency in employee behaviour. Since employees are bound to follow the rules etc., the management process becomes easy.
2. The duties and responsibilities of each job are clearly defined. There is no question of overlapping or conflicting job duties.

Ans to Q No 3:

- It brings coordination which is the essence of management.
- It improves goodwill of the organization.

Ans to Q No 4:

- Improving people skills
- Improving quality and productivity



9.12 MODEL QUESTIONS

1. Discuss the meaning of “Organization Behaviour”?
2. Explain the different approaches of OB.
3. Discuss the major tenets of Bureaucratic Theory of management.
4. Explain the significance of Taylor’s Scientific Management theory in OB.
5. Why Fayol’s management principles are known as the universal principles of management.
6. State the relationship between HRM and OB.
7. Explain how globalization has affected organizational behaviour.
8. Discuss the limitations of OB in the current scenario.

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UNIT 10: PERSONALITY AND PERCEPTION

UNIT STRUCTURE

10.1 Learning Objectives

10.2 Introduction

10.3 Concept of Personality

10.4 Approaches to Personality Traits and Determinants

10.5 Personality Attributes

10.5.1 Sixteen Personality Factor

10.5.2 The Big Five Personality Theory

10.6 Elements of the Perceptual Process

10.7 Importance and Factors Influencing Perception

10.8 Challenges of Performance Appraisal

10.9 Let Us Sum Up

10.10 Further Reading

10.11 Answers to Check Your Progress

10.12 Model Questions

10.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- state the concept of personality and its determinants.
- describe the different approaches to personality traits and dimensions.
- identify different personality attributes affecting behavior in organizations.
- describe the basic elements of the perceptual process.
- state the importance and factors influencing perception
- describe the challenges of performance appraisal while making judgment about others.

10.2 INTRODUCTION

All organizations are composed of employees with varied backgrounds, skills, experiences, aspirations and attitudes. The behavior

of an employee always involves a complex interaction of the person and the situation. Events in the surrounding environment, including the presence and behavior of others, strongly influence the way people behave at any particular time. One reason why we need to study human behavior is that individuals are different and unique. They respond to different situations and events in a different manner. It is therefore essential to study the individual and his personality before proceeding to see how he behaves in work organizations. One key idea is that personality represents personal characteristics that lead to conscious patterns of behavior. People naturally seek to understand these behavioral patterns in their interaction with others. Managers and employees in organizations need to understand others' behavior in various situations. In this Unit, we shall discuss the aspects related with personality and perception.

10.3 CONCEPT OF PERSONALITY

Personality refers to the relatively stable pattern of behaviors and consistent internal states that explain a person's behavioral tendencies. Personality has both internal and external elements. The external traits are observable behaviors that we rely on to identify one's personality. The internal state represents the thoughts, values, and generic characteristics that we infer from the observable behavior. Personality traits are less evident in situation where social norms, reward systems, and other conditions constraint our behavior.

An individual's personality is relatively stable. If it changes at all, it is only after a long time or as a result of traumatic events. Theories of personality often describe what people have in common and what set people apart. To understand the personality of an individual, it is important to understand both what that individual has in common with others and what makes that particular individual unique. This complexity makes managing and working with people extremely challenging.

10.4 APPROACHES TO PERSONALITY TRAITS AND DETERMINANTS

The major determinants of personality are, generally, grouped by researchers under four heads: biological, cultural, family and situational. Let us discuss these factors in detail:

a. Biological Factors: Personal characteristics such as age, sex, marital status, dependents, ability etc. Such individual information would help find the relationship between an individual's background and his motivation level and the impact of these variables on employee productivity, turnover and satisfaction.

- ***Age:*** The relationship between age and job performance has been a point of intense debate and discussion over the years. It is widely believed that job performance decline with increasing age. An employee turnover too, tends to be low as employees age. There are less chances of such employees quitting the job suddenly because of two reasons; one, the outside opportunities may not be very tempting or may not be available, second, one begins to get more by staying back in terms of higher wages, benefits, bonuses, stock options etc. The ***age vs. absenteeism*** relationship is somewhat inverse because older employees have lower rate of avoidable absence than do their younger counterparts. They have generally higher rate of unavoidable absence due to poor health and longer recovery periods when they fell sick. Coming to ***age vs. productivity*** relationship, it is generally believed that an individual's skills decay over time, may loose interest in his job and the intellectual stimulation may also depreciate over time. However, this may not always hold good as recent research studies have proved. In fact, researchers now opine that age and job performance are unrelated.
- ***Sex:*** It is generally believed that gender difference between males and females affect their job performance, especially in situations demanding physical effort. However, there are no consistent male -

female differences in problem-solving ability, analytical skills, motivation, sociability, competitive drive etc. At lower level women are willing to conform to authority whereas men are more aggressive. The difference in productivity, turnovers are also negligible.

- ***Marital Status:*** Research evidence suggests that married employees tend to have fewer absences, undergo fewer turnovers, and remain more satisfied with their job than unmarried co-workers.
- ***Ability:*** It refers to individual's capacity to perform the various tasks in a job. An individual's abilities are of two kinds (a) Intellectual abilities, which are required to carry out mental activities. These include number aptitude, verbal comprehension, perceptual speed, reasoning and memory. Selection tests emphasized to measure these found to be strong predictors of job performance. (b) Physical abilities, which includes stamina, dexterity, strength and similar skills. Physical abilities are more important for performing less skilled and more standard jobs at lower levels in an organization.

b. Cultural and Heredity Factors:

- ***Culture:*** A culture provides people with a set of values and assumptive beliefs as well as implicit inferences about how the world operates, which enable them to find meaning of the events of their lives. Culture is a complex set of these beliefs, values, and, techniques for dealing with the environment which are shared among contemporaries and transmitted from one generation to the next. Culture requires both conformity and acceptance from its members. There are several ways of ensuring that members comply with the dictates of the culture. Such socialization takes place through early training given to the young generation of a culture, through establishing customs and also through informal pressure to obey certain ways of behaving. The personality of an individual to a marked extent is determined by the culture in which he is brought up.
- ***Heredity:*** Personality emerges over time from the interaction of genetic and environmental factors. To a large extent, genes predetermine an individual's physical characteristics, (size, facial

attractiveness, sex, muscle composition and reflexes etc) and they contribute to other important personality characteristics such as intelligence and temperament. Gender, race, appearance, size, and even health and energy are influenced significantly by inherited genetic features.

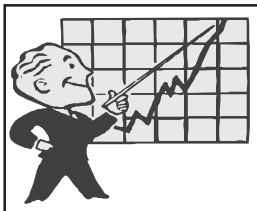
Although heredity plays a role in development of personality, personality characteristics are not completely dictated by heredity. One of the major characteristics that distinguish human being from other species is that human beings have a significantly greater capacity to learn, remember and think about what happened in the past, what is happening in the present, and what might happen in the future. Individuals learn and acquire knowledge, abilities, values, and attitudes. Individuals learn their own motives. Overtime, their pattern of behavior becomes identified as their personalities. People's personality becomes clearer and more stable as they grow older. Personality can change and may do so slowly over the years. The more set the individual's personality becomes, the greater the need for conscious effort to modify it.

c. Family and Social Factors: Family and social factors are important in shaping the personality of an individual. In order to understand the effect of family on an individual's personality, it is necessary to understand the socialization process and identification process.

The contribution of family and social groups in combination of culture is known as ***socialization***. Socialization is the process by which an individual infant acquires, from the enormously wide range of behavioral potentials that are open to him at birth, those behavioral patterns that are customary and acceptable according to the standards of his family and social groups. It initially starts with the contact with mother and later on the other members of the family. The social groups also play an influential role in shaping an individual's personality. ***Identification*** process starts when a person begins to identify himself with some other members of the family. Normally a child tries to behave as his father or mother. He tries to

emulate certain actions of his model - the parents. Apart from socialization and identification process, the personality of an individual is influenced by the home environment. There are substantial empirical evidences to indicate that overall environment created by parents at home is critical in personality development.

d. **Situational Factors:** An individual's personality is a unique combination of emotional, thought, and behavioral pattern that affect how a person reacts to situations and interacts with others. So situation plays a vital role in human personality. Knowledge, skill and language are obviously acquired and represent important modifications of behavior. However, learned modifications in behavior are not passed on the children, they must be acquired by them through their own personal experience, through interaction with the environment.



CHECK YOUR PROGRESS

Q.1 What are the determinants of personality?

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10.5 PERSONALITY ATTRIBUTES

Some of us are quiet and passive; others are loud and aggressive. When we describe people using terms such as *quiet, passive, loud, aggressive, ambitious, extrovert, loyal,* we are describing their personalities. Personality is most often described in terms of measurable traits that person exhibits. Over the years researchers have attempted to identify the traits that best describe personality.

10.5.1 Sixteen Personality Factors

Raymond Cattell in 1943 used the Allport and Odbert list of traits as a starting point to frame a multi-dimensional model of personality. As the list was too exhaustive, he reduced the number

of traits and applied cluster and factor analysis techniques to the reduced set. Words which were semantically similar were grouped as synonyms clusters, which were further grouped as antonyms pairs. He reduced the list of 4500 traits from the Allport and Odbert list to 35 variables in order to identify the major dimensions of personality. To assess these factors he constructed the Sixteen Personality Factors (16 PF) as follows:

	Sixteen Personality Factors (16 PF)
1	Apprehensive versus self-assured
2	Assertive versus humble
3	Conscientious versus expedient
4	Controlled versus casual
5	Emotionally stable versus unstable
6	Experimental versus conservative
7	Happy-go-lucky versus sober
8	Imaginative versus practical
9	More intelligent versus less intelligent
10	Outgoing versus reserved
11	Relaxed versus tense
12	Reserved versus warm
13	Shrewd versus forthright
14	Suspicious versus trusting
15	Tough-minded versus sensitive
16	Venturesome versus timid

Table 10.1: Sixteen Personality Factors

Cattell went on to construct the 16PF Questionnaire using these 16 factors as the basis. The questionnaire remains in use by universities and businesses for research, personnel selection, and the like. Further factor analysis reduced the 16 factors to 5 factors leading to the development of the “Big Five” personality theory.

10.5.2 The Big Five Personality Theory

In recent years, research has shown that five basic personality dimensions underlie all others and encompass most of the significant variation in human personality. The five personality traits in the Big Five Model are as follows:

1. **Extraversion:** This component of the Big Five focuses on the comfort level of an individual in their interactions with others. For example, an individual's behavior may range from being assertive, outgoing, talkative, open (extraversion) to being timid, quiet and reserved (introversion).
2. **Agreeableness:** This refers to an individual's behavior towards others while interacting with them. For example, the behavior may range from being warm, cooperative, and close (high agreeableness) to cold, antagonistic, and distant (low agreeableness).
3. **Conscientiousness:** This dimension of Big Five refers to the extent to which individuals show consistent and reliable behavior while working in an organization. An individual's style may range from being highly responsible, dependable, reliable, and consistent (high conscientiousness) to being unreliable, disorganized, and inconsistent (low conscientiousness); from performing work in a detailed and structured manner to performing work in a general and spontaneous way.
4. **Emotional Stability:** This refers to the ability of an individual to control his or her emotions at the time of crisis. Individuals with high stability are more controlled with their emotions and are calm and self-confident. On the other hand, those with low emotional stability are more nervous, depressed, and insecure in their approach.
5. **Openness to Experience**: This dimension measures the individual's ability to be open to any kind of experience that helps him or her to do the job effectively. Individuals who are open to

experience are more approachable, creative, and sensitive. However, those who are less open to experience are conservative in their approach and feel uncomfortable in a new environment.

THE "BIG FIVE" PERSONALITY FACTORS	
Extraversion	Sociable ⇄ retiring Fun-loving ⇄ sober Affectionate ⇄ reserved
Agreeableness	Soft-hearted ⇄ ruthless Trusting ⇄ suspicious Helpful ⇄ uncooperative
Conscientiousness	Organized ⇄ disorganized Careful ⇄ careless Disciplined ⇄ impulsive
Emotional stability	Calm ⇄ anxious Secure ⇄ insecure Self-satisfied ⇄ self-pitying
Openness	Imaginative ⇄ practical Preference for variety ⇄ preference for routine Independent ⇄ conforming

Table 10.2: The Big Five Personality Factors

There are other personality attributes that influence the behavior of individuals in an organization. Some of these are as follows.

I. Locus of Control: It is a dimension of personality that explains the degree to which people believe that they, rather than external forces, determine their own lives. People who believe that they are responsible for what happens to them are internals. Those who believe that what happens to them is directly related to fate or other forces are externals. Externals on this basis have been further classified into external (others) and external (chance). For example, let us assume that two employees, one an internal and the other an external, fail to get a promotion. The internal is likely to attribute this to his or her performance, while the external (others) will probably blame an unfair boss or some other outside force, and external (chance) will put it on his fate, luck or destiny. Internals are likely to perform better on jobs that require initiative and also autonomy. Externals are more likely to seek structured jobs with clear directions.



Figure 10.1: Locus of Control

II. Machiavellianism: It is a personality attribute that describes the extent to which a person manipulates others for personal gains. Niccolo Machiavelli proposed a ruthless strategy in early 1500 for seizing and holding political power. His approach was simple: other person can be manipulated or used for our purpose if we follow certain rules: (a) never show humility – arrogance is far more effective when dealing with others (b) morality and ethics are for the weak – powerful persons should feel free to lie, cheat and deceive whenever required to achieve personal goals (c) i t is better to be feared than loved. Those who want power, should be willing to do whatever it takes to get his way. Persons with Machiavellian orientation (called High Machs) are true pragmatists. Any means are justified as long as it helps High Machs to achieve their ends. This often gives them an edge over others who are guided by principles of morality. High Machs are confident, eloquent and competent. When they combine these traits with pure pragmatism, they achieve success easily.

III. Extroversion and Introversion: According to Carl Jung, individuals can be classified into two categories – Introverts and Extroverts. Introverts are inward-directed people. They are guided by their own ideas and philosophies. They are rigid, subjective-oriented and rarely speak to others on their own. They

have very few friends, avoid social contacts, remain withdrawn, quiet, and enjoy solitude. Extroverts, on the other hand, are friendly, enjoy interaction with others, crave excitement and dislike solitude. Extroverts prefer job environments that offer opportunity, variety, unpredictability and sporadic bursts of intensity. On the other hand, introverts do not require as much excitement from external stimulation, and consequently they tend to perform better than extroverts on repetitive tasks or tasks occurring in environments that offer very little sensory stimulation.

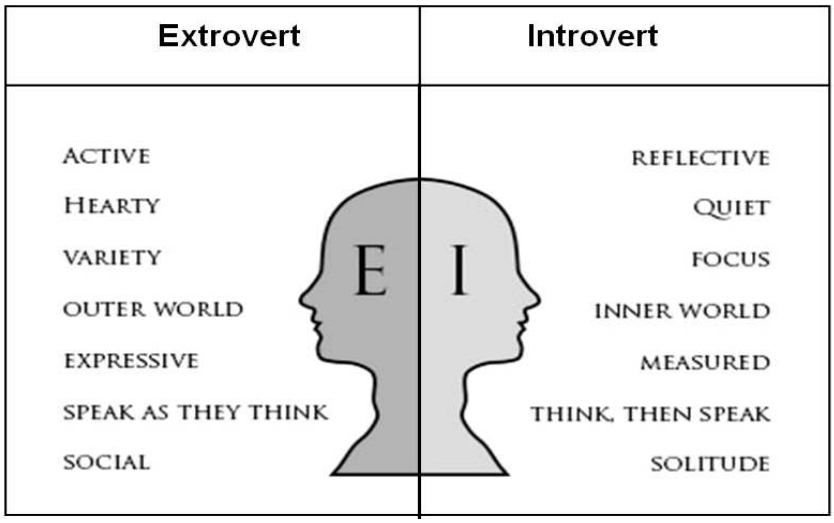


Figure 10.2: Extroversion and Introversion

IV. Type A and Type B Behaviors : Two cardiologists Meyer Friedman and Ray Rosenman have identified the typical characteristics of Type A behavior and Type B behavior in early 70s, while conducting research on the impact of job stress on heart disease. Type A personalities are aggressive – they are willing to oppose others to get what they want. Type A people are ambitious and hard-driving; they have very high standards for themselves. They try to schedule more and more in less and less time. They are also competitive. They do not find time to enjoy life; for them work is not a means to an end, but an end in itself. For them work is an addiction and work outside the company is unproductive, disinteresting and meaningless. Type

A people tend to lack skill in interpersonal relations and the ability to get along harmoniously with all types of people in various situations. In contrast Type B personalities are patient composed; they feel less pressure. They keep steadier pace, rather than working against the clock. They do not suffer from a sense of time urgency; concerned with quality rather than quantity. They are not as easily angered or disappointed by their own work or the work of others. They tend to be more relaxed and non-competitive. Because of their contemplative approach to problem-solving, Type Bs tend to be more creative than Type As. They are highly skilled in interpersonal relations and get along well socially.

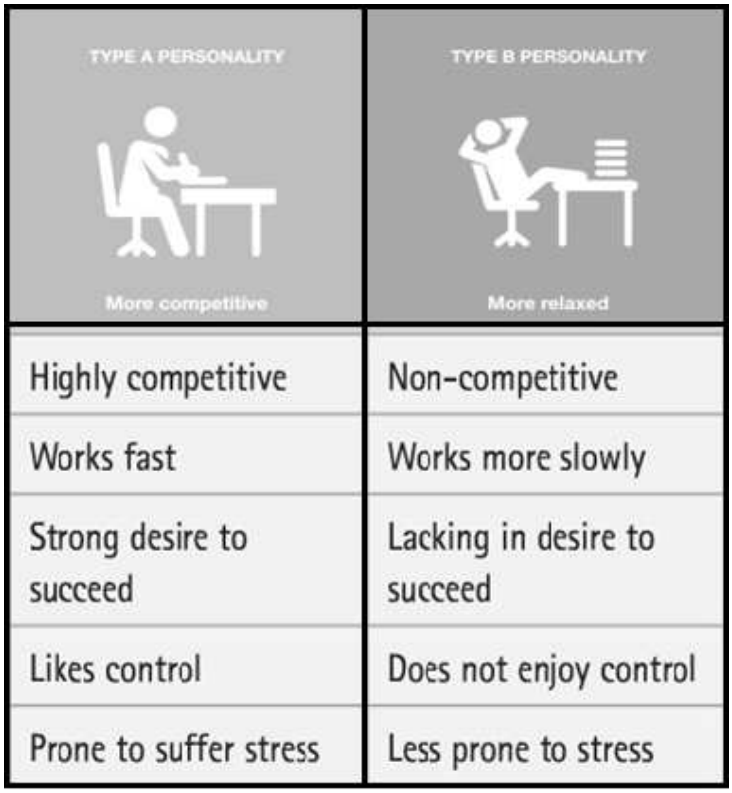
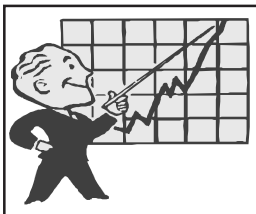


Figure 10.3: Type A and Type B Personality

V. **Authoritarianism:** It is the degree to which a person believes that status and power differences are appropriate in an organization. People high in authoritarianism tend to be autocratic and demanding with subordinates but are likely to accept orders and directions from superiors without questions. High authoritarian types would not fit well in organizations that require flexibility and quick change or sensitivity to people and cooperative behavior. They would fit better in a highly structured organization that values conformity.

VI. **Risk Taking:** People differ in their willingness to take chances. Difference in their propensity to assume or to avoid risk have been shown to affect how long it takes managers to make a decision and how much information they require before making their decision. For instance, in one study in which managers worked on simulated exercises that required them to make hiring decisions, high risk-taking managers took less time to make decisions and used less information in making their choices than did risk-averse managers. Interestingly, the decision accuracy was almost same in both the cases.



CHECK YOUR PROGRESS

Q.2 Distinguish between extroversion and introversion.

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10.6: ELEMENTS OF THE PERCEPTUAL PROCESS

People receive stimuli from the environment through the five senses: taste, smell, hearing, sight, and touch. Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. Research on perception consistently demonstrates that several individuals may look at the same thing, yet

perceive it differently. A number of factors influence to shape and sometimes distort perception. These factors are in the *perceiver,* in the *target* being perceived, or in the *situation* in which the perception occurs. One manager, for instance, can interpret the fact that her assistant regularly takes several days to make important decisions as evidence that the assistant is slow, disorganized and afraid to make decisions. Another manager, with the same assistant might interpret the approach as evidence that the assistant is thoughtful, thorough, and deliberate. The first manager would probably evaluate her assistant negatively, and the second manager would probably evaluate the person positively. The point is that none of us actually sees reality. We interpret what we see and call it reality. Like we have all learnt that sun rises in the east and sets in the west, but in reality, it neither rises nor sets. And, of course, as the preceding example illustrates, we act according to our perception. Perception is the process of selection and organization of environmental stimuli and interpreting them to provide meaningful experiences for the perceiver.

A number of stimuli are constantly confronting people in the form of information, objects, events, people etc. in the environment. These serve as the inputs of the perceptual process. Some stimuli do not affect the senses of a person consciously, a process called subliminal perception. When a person receives information, he tries to process it through the following sub processes of selection, organisation and interpretation.

Many things are taking place in the environment simultaneously. However, one cannot pay equal attention to all these things, thus the need of perceptual selectivity. Perceptual selectivity refers to the tendency to select certain objects from the environment for attention. The objects which are selected are those which are relevant and appropriate for an individual or those which are consistent with our existing beliefs, values and needs.

10.7 IMPORTANCE AND FACTORS INFLUENCING PERCEPTION

Various external and internal factors which affect our selection process are as explained below:

(i) External Factors:

(a) Size:

The bigger the size of the stimulus, the higher is the probability that it is perceived. Size always attracts the attention, because it establishes dominance. The size may be the height or weight of an individual, sign board of a shop, or the space devoted to an advertisement in the newspaper. A very tall person will always stand out in the crowd, on the other hand, a very short person will also attract attention. A full page advertisement will always catch attention as compared to a few lines in the classified section.

(b) Intensity

Intensity attracts to increase the selective perception. A few examples of intensity are yelling or whispering, very bright colours, very bright or very dim lights. Intensity will also include behavioral intensity. If the office order says "Report to the boss immediately," it will be more intense and effective as compared to the office order which says "Make it convenient to meet the boss today."

(c) Repetition:

The repetition principle states that a repeated external stimulus is more attention drawing than a single one. Because of this principle, supervisors make it a point to give the necessary directions again and again to the workers. Similarly, the same advertisement or different advertisement but for the same product shown, again and again on the TV will have more attention as compared to an advertisement which is shown once a day.

(d) Status:

High status people can exert greater influence on the perception of the employees than the low status people. There will always be different reactions to the orders given by the foreman, the supervisor or the production manager.

(e) Contrast:

An object which contrasts with the surrounding environment is more likely to be noticed than the object which blends in the environment. For example, the Exit signs in the cinema halls which have red lettering on a black background are attention drawing or a warning sign in a factory, such as Danger, written in black against a red or yellow background will be easily

noticeable. In a room if there are twenty men and one woman, the woman will be noticed first because of the contrast.

(f) Movement:

The principle of motion states that a moving object receives more attention than an object which is standing still. A moving car among the parked cars catches our attention faster. A flashing neon-sign is more easily noticed.

(*g) Novelty and Familiarity*:

This principle states that either a novel or a familiar external situation can serve as an attention getter. New objects in the familiar settings or familiar objects in new settings will draw the attention of the perceiver. A familiar face on a crowded railway platform will immediately catch attention. Because of this principle, the managers change the workers' jobs from time to time, because it will increase the attention they give to their jobs.

(ii) Internal Factors:

The internal factors relate to the perceiver. Perceiving people is very important for a manager, because behavior occurs as a result of behavior. Following are the internal factors which affect perception:

1. Learning:

Although interrelated with other internal factors learning may play the single biggest role in developing perceptual set. A perceptual set is basically what a person expects from the stimuli on the basis of his learning and experience relative to same or similar stimuli. This perceptual set is also known as cognitive awareness by which the mind organizes information and forms images and compares them with previous exposures to similar stimuli.

2. Motivation:

Besides the learning aspects of the perceptual set, motivation also has a vital impact on perceptual selectivity. For example, a person who has a relatively high need for power, affiliation or achievement will be more attentive to the relevant situational variables. For example, when such a person walks into the lunch room, he may go to the table where several of his co-workers are sitting, rather than a table which is empty or on which just one person is sitting.

Another example is that a hungry person will be more sensitive to the smell or sight of food than a non-hungry person. In one experiment people who were kept hungry for some time were shown some pictures and were asked to describe what they saw in them. Most of them reported more food items in such perceptions.

10.8 CHALLENGES OF PERFORMANCE APPRAISAL

Closely related to learning and motivation is the personality of the perceiving person which effects formation of perception. This has implications for performance appraisal also. For example, the older senior executives often complain about the inability of the new young manager to take tough decisions concerning terminating or reassigning people and paying attention to details and paper work. The young managers, in turn, complain about the 'old guards' resisting change and using paper and rules as ends in themselves. Different perceptions in young and old are due to their age differences. Further, the generation gap witnessed in recent years definitely contributes to different perceptions.

In addition to the above two problems another problem is about the woman in the work place. Women are still not reaching the top levels of organizations. At least part of this problem can be attributed to perceptual barriers such as the established managerial hierarchy is not able to see (perceive) that qualified woman should be promoted into top level positions. Of course, there are individual differences in all age categories but the above examples show that how personalities, values and even age may affect the way people perceive the world around them.

Perceptual outputs encompass all that results from the throughout process. These would include such factors as one's attitudes, opinions, feelings, values and behaviors resulting from the perceptual inputs and throughputs. Perceptual errors adversely affect the perceptual outputs. The lesser our biases in perception, the better our chances of perceiving reality as it exists or at least perceiving situations with the minimum amount of distortions.

Accuracy in perception can be improved when the perceiver understands potential biases. Unfortunately, the errors that individual make in interpretation are so common that they have been assigned names. Some of the perception errors the following:

I. **Perceptual Defence:** Perceptual defence is the tendency of people to protect themselves against ideas, objects, or situations that are threatening. People see and hear what they want to see and hear and disregard the rest. People tend to perceive things that are supportive and satisfying and ignore disturbing things.

II. **Stereotyping :** It is the tendency to assign attributes to someone solely on the basis of the category in which the person has been placed. People generally expect someone identified as a doctor, a president of a company, or a professor to have certain positive attributes, even if they meet someone who does not. A person categorized as a dropout, an ex-convict, or an alcoholic, by default, is perceived negatively.

III. **Halo Effect:** Evaluation of another person solely on the basis of one attribute, either favorable or unfavorable, is called “halo effect.” In other words, a halo blinds the perceiver to other attributes that also should be evaluated to obtain a complete, accurate impression of the other person. Managers have to guard against the halo effect while rating employee performance. For example, an excellent attendance record may produce judgments of high productivity, quality work, and industriousness – whether they are accurate or not.

IV. **Projection:** Projection is the tendency for people to see their own traits in other people, that is, they project their own feelings, personality characteristics, attitudes, or motives onto others. This tendency may be especially strong for undesirable traits that the perceiver possesses but fail to recognize in themselves.

As the perceptual errors indicate, managers need to constantly guard themselves from these errors so that fair appraisal of performance is not affected.



10.9 LET US SUM UP

Personality is the sum total of ways in which an individual reacts and interacts with others. Biological, cultural, family and situational factors influence the manner in which an individual respond to different situations. Each employee in an organization is unique and may and may not respond as other do in a particular situation. In this regard, we have discussed the importance of trait theories.

People receive stimuli from the environment through the five senses: taste, smell, hearing, sight, and touch. Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. Research on perception consistently demonstrates that several individuals may look at the same thing, yet perceive it differently. A number of factors influence to shape and sometimes distort perception. In this Unit we have discussed these factors. In addition to this, we have examined the role that perception may play in apprising one's performance.



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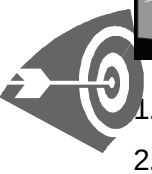
10.11 ANSWERS TO CHECK YOUR PROGRESS

Answer to Q. No. 1 : The major determinants of personality can be categorized as biological, cultural, family and situational.

Answer to Q. No. 2 : Introversion is related with inward-directed people. They are guided by their own ideas and philosophies. They are rigid, subjective-oriented and rarely speak to others on their own. They have very few friends, avoid social contacts, remain withdrawn, quiet, and enjoy solitude. Extroversion, on the other hand, is related with people who are friendly, enjoy interaction with others, crave excitement and dislike solitude. Extroverts prefer job environments that offer opportunity, variety, unpredictability and sporadic bursts of intensity.



10.12 MODEL QUESTIONS



1. Describe the concept of personality?
2. Describe the major determinants of personality.
3. What behavioral prediction could be made if it is known that an employee had (a) an external locus of control, (b) High Mach.
4. Discuss how might a manager use personality trait to improve employee selection in his department.
5. State the five factors in the Big Five personality theory.
6. Do you think a Type A person or a Type B person would be better suited to manage a health care facility? Explain.
7. Discuss the importance of perception in managerial decision making.
8. Discuss the role of perception errors in fair appraisal of performance.

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